

Comprehensive Assessment Exam Results

31 total students in BA445 took the comprehensive business exit assessment exam. Their test scores on each sub-domain of the test, by major of the student taking the test, were as follows:

Test-Takers	ACCT Score	ECON Score	FIN Score	INTB Score	MGT Score	MKT Score	QUANT Score	TOTAL Score
4 ACCT	67%	47%	75%	46%	58%	67%	67%	63%
3 ECON	61%	78%	78%	61%	64%	67%	72%	69%
4 FIN	58%	72%	63%	54%	49%	58%	54%	60%
3 INTB	56%	50%	17%	44%	53%	39%	44%	43%
13 MGT	39%	50%	33%	49%	54%	44%	33%	44%
4 MKT	42%	33%	4%	8%	38%	46%	21%	33%
31 TOTAL	50%	53%	41%	43%	52%	51%	44%	49%

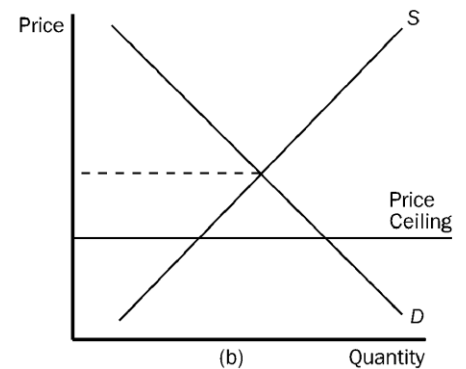
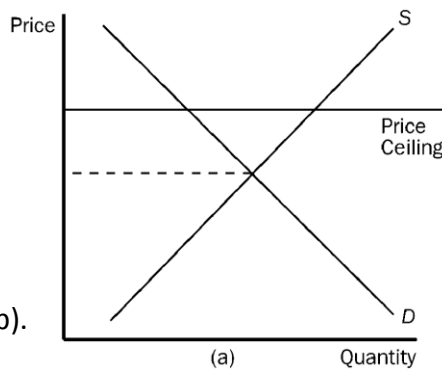
The questions students had the most difficulty answering correctly were as follows:

On January 1, 2006, you bought 100 shares of Bemo Corp. stock at a share price of \$11.50. During the year, Bemo paid a single dividend of \$0.20 per share. At the end of the year, you sold all 100 shares of Bemo for \$12.75 per share. What was the percentage rate of return you earned?

- A) 12.6%
- B) 11.4%
- C) 10.8
- D) 1.7%

A binding price ceiling is shown in:

- A) Panel (a).
- B) Panel (b).
- C) Both panel (a) and panel (b).
- D) Neither panel (a) nor panel (b).



The ABC Company has two bonds outstanding that are identical except for maturity date. Bond A matures in 5 years while Bond B matures in 10 years. If market interest rates **increase**, what will happen to the market prices of the two bonds?

- A) Both bonds will decrease in price, but A will decrease the most.
- B) Both bonds will decrease in price, but B will decrease the most.
- C) Both bonds will increase in price, but A will increase the most.
- D) Both bonds will increase in price, but B will increase the most.

Accounting Assessment Exam Results

12 students in ACCT460 took the accounting major exit assessment exam. Their test scores on each sub-domain of the test, by declared primary major of the test-taker, were as follows:

Test-Takers	Financial Reporting	Cash-flow Statement	Inventory/Production	Depreciation/Amortization	Stock/Divdnd. Transactions	Quant. Items	Total Score
ACCT	53%	80%	30%	60%	33%	45%	51%
Other	38%	63%	25%	50%	50%	44%	45%

The questions students had the most difficulty answering correctly were as follows:

The operating cycle of a manufacturer is the length of time between:

- A) The purchase of raw materials and the sale of the goods
- B) The sale of the goods and the collection of any outstanding receivables from the sale
- C) *The purchase of raw materials and the collection of outstanding receivables from the sale of goods*
- D) The purchase of raw materials and the production of goods

Seashell Company has 10,000 shares of 10%, \$20 par value preferred stock. In 2007 and 2008, no dividends were declared on preferred stock. In 2009, Seashell had a profitable year and decided to pay dividends to stockholders of both preferred and common stock. If they \$200,000 available for dividends in 2009, how much could it pay to common stockholders?

- A) \$140,000
- B) \$160,000
- C) \$180,000
- D) \$200,000

Advent Corp. uses a periodic inventory system. At the beginning of 2008 its inventory balance was \$40,000. During the first 4 months of 2008, net purchases amounted to \$110,000 and net sales were \$200,000. On May 1, 2008, a tornado destroyed the company's warehouse and its entire inventory. The average gross profit percentage in recent years had been 40%. What is the estimated amount of Advent's inventory loss on May 1, 2008?

- A) \$20,000
- B) \$30,000
- C) \$40,000
- D) \$70,000

Finance Assessment Exam Results

20 students in FIN325 took the finance major exit assessment exam. Their test scores on each sub-domain of the test, by declared primary major of the test-taker, were as follows:

Test-Takers	Time Value	Financial Statements	Financial Institutions	Investments	Corporate Valuation	Quant. Items	Total Score
FIN	31%	25%	37%	17%	22%	24%	26%
Other	29%	32%	28%	32%	25%	23%	29%

The questions students had the most difficulty answering correctly were as follows:

One difference between a futures market and a forward market is that _____:

- A) Only one can be used to hedge currency risk.
- B) Futures markets are flexible as to expiration and size.
- C) Forward markets require margin deposits.
- D) *Futures markets have never defaulted.*
- E) Only one is available to private investors.

A portion of the balance sheet for Biz Inc. is given to the right. Based on this sheet, what is the book value of Biz Inc's common equity?

Accounts payable	\$ 8,000
Bonds (15%)	40,000
Common Stock (\$2 par)	12,000
Additional Paid in Capital	16,000
Retained Earnings	<u>34,000</u>
Total Liab. & Equity	110,000

- A) \$34,000
- B) \$12,000
- C) \$62,000
- D) \$110,000
- E) \$102,000

Consider a firm that is financed 60% with debt and 40% with equity. Their after-tax cost of debt is 8% and their shareholders require a 16% rate of return. Calculate the after-tax weighted average cost of capital (WACC) for the firm. (Choose the closest answer.)

- A) 12.8%
- B) 12.0%
- C) 14.4%
- D) 9.6%
- E) 11.2%

International Business Assessment Exam Results

6 students in INTB370 took the intl. business major exit assessment exam. Their scores were:

Test-Takers	Global Bus. Environment	International Culture	Marketing / Strategy	International Finance	Global Bus. Institutions	Total Score
INTB	62%	60%	64%	40%	50%	56%

The questions students had the most difficulty answering correctly were as follows:

One difference between a futures market and a forward market is that _____:

- A) Only one can be used to hedge currency risk.
- B) Futures markets are flexible as to expiration and size.
- C) Forward markets require margin deposits.
- D) *Futures markets have never defaulted.*

Exchange rates are the same in different markets at the same time because:

- A) All foreign exchange markets are linked to a central market administrator.
- B) Each currency is traded in just one market.
- C) *Arbitrage will eliminate market variations.*
- D) Of the existence of the forward market.

If a country's nominal interest rate increases by a lower percentage than its inflation rate does:

- A) International investors will withdraw all funds from the country.
- B) International investors will seek to invest more funds into the country.
- C) International investors will demand an increase in the real interest rate they are paid.
- D) *International investors will see the country as a less profitable investment.*

Which of the following statements is INCORRECT?

- A) Globalization has been blamed for unemployment in developed nations, environmental degradation, and the Americanization of popular culture.
- B) Globalization has created new problems for businesses that are accustomed to dominating their domestic markets.
- C) *Globalization has transformed many industries and has been welcomed by workers who believe their jobs are protected from foreign competition.*
- D) According to most economists, globalization is a beneficial process where the benefits of globalization outweigh the costs.

Management Assessment Exam Results

27 students in BA405 took the management major exit assessment exam. Their test scores on each sub-domain of the test, by declared primary major of the test-taker, were as follows:

Test-Takers	Human Resources / Leadership	Decision -Making	International Management	Management & Org. Beh.	Strategy / Planning	Total Score
MGT	55%	47%	48%	55%	52%	52%
Other	54%	29%	19%	43%	49%	39%

The questions students had the most difficulty answering correctly were as follows:

Which of the following is the most accurate statement concerning the role of context in cross-cultural communication?

- A) In high-context cultures the message is explicit; in low-context cultures it is implicit.
- B) In high-context cultures sensory involvement is high; in low-context cultures it is low.
- C) In high-context cultures there is low sensory involvement; in low-context cultures it is high.
- D) *In high-context cultures the message is implicit; in low-context cultures it is explicit.*

After an extensive recruitment process to select well-qualified individuals, a large percent of a company's new hires resigned within their first month. Which is the most likely explanation?

- A) *The training process to prepare the new hires for their assigned tasks was inadequate.*
- B) The health benefits provided were not competitive with those of the rest of the industry.
- C) The starting salary for new hires was not competitive with that of the rest of the industry.
- D) The new hires lacked the basic skills required to learn the job.

Match the decision-making situation with the forecasting technique [each used once] that would be most appropriate and useful for a manager to employ in that situation.

- A = Time Series Analysis
- B = Statistical Regression
- C = Sales / Workforce Survey
- D = Delphi / Panel of Experts
- E = Executive Opinion

- _A_ Predicting the stock price for Yahoo next quarter.
- _D_ Determining the top 3 world fashion trends for 2008.
- _E_ Selecting a new organizational strategy for a university.
- _C_ Estimating the success of a new menu item at a restaurant.
- _B_ Determining hotel sales based on number of hurricane threats.

Marketing Assessment Exam Results

21 students in MKT450 took the marketing major exit assessment exam. Their test scores on each sub-domain of the test, by declared primary major of the test-taker, were as follows:

Test-Takers	Product Decisions	Promotion Decisions	Pricing Decisions	Distribution Decisions	Marketing Research	Marketing Strategy	Total Score
MKT	61%	50%	54%	48%	36%	59%	54%
Other	60%	35%	45%	35%	36%	65%	49%

The questions* students had the most difficulty answering correctly were as follows:

A firm is operating in a large market that is unaware of its new product. There is strong potential competition and manufacturing costs have declined. The firm should launch with a:

- A) Low price and high level of promotion.
- B) *Low price and low level of promotion.*
- C) High price and high level of promotion.
- D) High price and low level of promotion.
- E) Promotion that lets customers name their price.

A marketing department has received a request for conducting a study of consumers' regional telephone calling plans. The marketer's FIRST step would be to:

- A) Identify the critical issues that need to be addressed regarding regional calling plans.
- B) Select an appropriate sampling methodology for the given market.
- C) *Obtain further information about the intended use of the results.*
- D) Review relevant secondary data available within the organization.
- E) Analyze the calling plans of company employees to get a feel for typical distributions.

The most appropriate strategy for a product in the maturity stage of the product life cycle is:

- A) *To stress key competitive differences.*
- B) To send reminder communication.
- C) To offer no promotions.
- D) To inform and educate consumers.
- E) To package with a complement good.

**** Note: These particular questions were taken from the AMA Professional Certified Marketer sample exam and scored / keyed as given by the sample exam. It may be that the questions / answer key were not appropriate / accurate and that this accounts for the poor performance.***