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Math for Business pre-final exam Quiz

30 Questions

1. What fraction represents 25%?

40/41 **A** 1/4

0/41 **B** 1/5

1/41 **C** 25/10

0/41 **D** 5/4

2. 20% of £1000 equals,

38/41 **A** £200

0/41 **B** £20

3/41 **C** £800

0/41 **D** £1200

3. If a price increases by 12%, the appropriate scale factor is:

23/40 **A** 0.12

14/40 **B** 1.12

0/40 **C** 1.2

3/40 **D** 0.88

4. A good originally priced at £78 rises by 9%. The new price is:

2/40 **A** £87

37/40 **B** £85.02

1/40 **C** £70.98

0/40 **D** £1068

5. To calculate the original price from a final price after a 9% rise, you should:

16/39 **A** Multiply by 1.09

23/39 **B** Divide by 1.09

0/39 **C** Subtract 9

0/39 **D** Add 9

6. Which of the following represents a 20% decrease?

13/39 **A** Scale factor 1.20

1/39 **B** Scale factor 1.80

1/39 **C** Scale factor 20

24/39 **D** Scale factor 0.80

7. If an investment depreciates by 25% in a year, its value next year will be:

5/38 **A** 1.25 times original

4/38 **B** 25% of original

28/38 **C** 0.75 times original

1/38 **D** 1.75 times original

8. Marginal propensity to save (MPS) plus marginal propensity to consume (MPC) equals:

4/38 **A** 0

33/38 **B** 1

1/38 **C** MPC

0/38 **D** MPS

9. Which of the following is correct for MPC?

27/38 **A** $0 < MPC < 1$

0/38 **B** $MPC < 0$

1/38 **C** $MPC > 1$

10/38 **D** $MPC = 1$

10. Which formula gives simple interest?

22/38 **A** $P(1+r)^n$

14/38 **B** Prt

1/38 **C** Pe^{rt}

1/38 **D** $P+r$

11. Calculate simple interest on $500 at 10% for 6 months.

29/38 **A** $25

7/38 **B** $50

2/38 **C** $500

0/38 **D** $5

12. A loan of $800 at 9% for 4 months gives interest of:

33/38 **A** $24

1/38 **B** $9

1/38 **C** $27

3/38 **D** $80

13. Compound interest occurs when:

2/38 **A** Interest is paid only once

30/38 **B** Interest earns further interest

4/38 **C** Prices decrease

2/38 **D** Taxes are removed

14. $1,000 invested at 8% compounded quarterly for 1 year becomes approximately:

5/38 **A** $1,020

21/38 **B** $1,082

12/38 **C** $1,080

0/38 **D** $800

15. The amount after 5 years for discrete compounding is calculated by:

1/38 **A** Simple interest

35/38 **B** P(1+r)^n

0/38 **C** P/(1+r)^n

2/38 **D** Prn

16. If $2,000 is borrowed at 12% compounded annually for 2 years, the total amount due is:

0/37 **A** 2000×1.12

35/37 **B** 2000×1.12^2

0/37 **C** 2000×0.12

2/37 **D** 2000×2

17. The index number in the base year is always:

3/37 **A** Equal to inflation

26/37 **B** Set to 100

5/37 **C** Set to MPC

3/37 **D** Negative

18. Household spending rises from 697.2 to 723.7. The index number (base 697.2) is approximately:

4/37 **A** 98.5

25/37 **B** 103.8

2/37 **C** 100

6/37 **D** 105.3

19. Nominal data refer to:

8/37 **A** Inflation-adjusted values

5/37 **B** Real GDP only

2/37 **C** Discounted values

22/37 **D** Raw values at prevailing prices

20. Real data are obtained from nominal values by:

5/36 **A** Adding inflation

23/36 **B** Dividing by appropriate scale factors

2/36 **C** Ignoring inflation

6/36 **D** Multiplying by MPC

21. The value of 1007 compared to 950 represents approximately:

1/36 **A** 12% rise

9/36 **B** 5% decrease

1/36 **C** 8% decrease

25/36 **D** 6% rise

22. A $10,000 T-bill bought for $9,693.78 for 180 days yields annual rate of approximately:

1/36 **A** 12%

22/36 **B** 7%

11/36 **C** 3.5%

2/36 **D** 9%

23. Continuous compounding uses the formula:

10/36 **A** $P(1+r)^n$

0/36 **B** Prt

10/36 **C** $FV/(1+r)^n$

16/36 **D** Pe^{rt}

24. £1,000 invested at 12% continuously compounded for 2 years is:

8/36 **A** 1000×1.12^2

19/36 **B** $1000e^{0.12x2}$

7/36 **C** $1000/(1.12)^2$

2/36 **D** $1000 \times 0.12 \times 2$

25. To move backward in time with inflation adjustments, you should:

6/36 **A** Multiply by scale factor

22/36 **B** Divide by scale factor

8/36 **C** Add inflation rate

0/36 **D** Ignore brackets

26. Which basket is used for calculating annual inflation?

7/36 **A** Nominal basket

23/36 **B** Goods and services reflecting household patterns

6/36 **C** MPC basket

0/36 **D** Only luxury goods

27. If a firm plans to repay £500 in 5 years and the discount rate is 6% compounded semi-annually, the present value is about:

3/35 **A** £500

21/35 **B** £373

8/35 **C** £370

3/35 **D** £464

28. A car priced at £43,000 depreciates by 25%. Next year it will be worth:

2/35 **A** £10,750

29/35 **B** £32,250

2/35 **C** £47,000

2/35 **D** £60,800

29. Overall percentage change after successive increases of 32% and 10% is found by:

5/35 **A** Adding 42%

2/35 **B** Subtracting 10

5/35 **C** Using simple interest

23/35 **D** Multiplying 1.32 and 1.1

30. If inflation is 10.7% in 1992, nominal price £93,000 adjusted to 1991 prices is approximately:

6/35 **A** 93,000×1.071

24/35 **B** 93,000/1.071

4/35 **C** 93,000×0.12

1/35 **D** 93,000/0.12