**GMAT Business Test Paper**

Although business knowledge isn’t required for the GMAT, understanding the vocabulary will help you improve your score. This test includes regular GMAT questions with a ‘business-twist’. Good luck!

A certain company manufactures 2 products- Product X and Product Y. On Monday, the ratio of products manufactured X:Y is 4:15. If the company manufactured 20 more of product X, the ratio would have been 2:5.

What’s the quantity of product Y produced on Monday?

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|  | 40 |
|  | 60 |
|  | 20 |
|  | 120 |
|  | 150 |

There are 2 benefit-plans offered to employees of Company TSY. Health plan A costs $50 per employee a month, while Health plan B costs $45. The company has 100 employees, of which 60 work day shifts, 65 work night shifts, some work both day and night shifts, and everybody works either day or night shifts.

In the past, the workers who worked both day and night shifts received health benefits under plan B. However, the company now plans to transfer them to plan A. What will be the monthly increase in costs to the company?

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|  | 0 |
|  | 100 |
|  | 125 |
|  | 130 |
|  | 240 |

Company X has marketing, production, and overhead expenses to account for every quarter. In this quarter, are the company’s total expenses more thn $50,000?

(1) Marketing expenses, $10,000 account for more than 25% of total expenses.

(2) Production expenses are 50% of the total expenses, and they’re over $20,000

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|  | A. Statement 1 alone is sufficient but statement 2 alone is not sufficient to answer the question asked. |
|  | B. Statement 2 alone is sufficient but statement 1 alone is not sufficient to answer the question asked. |
|  | C. Both statements 1 and 2 together are sufficient to answer the question but neither statement is sufficient alone. |
|  | D. Each statement alone is sufficient to answer the question. |
|  | E. Statements 1 and 2 are not sufficient to answer the question asked and additional data is needed to answer the statements. |

In economics, an equilibrium is reached when the supply and the demand are both equal.

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New businesses cannot be successful without a great strategy plan.

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|  | New businesses cannot be successful without a great strategy plan |
|  | Without a great strategy plan, new businesses, cannot be successful. |
|  | New businesses, without a great staregy plan, cannot be successful |
|  | New businesses can’t be successful without strategy |
|  | Strategy plan without which new business cannot be successful |

Read this and answer the questions:

New start-up business are facing more difficulties than ever these days. If you’re looking to start your own business, watch out.
Due to economical uncertainties, it’s harder to secure capital, which is necessary for starting almost any venture. No business loans mean no money for ambitious entrepreneurs. This reason is the most important problem you’ll face if you want to start a business.
Other problems exist too- consumers are spending less money on most products, which means it costs more to generate revenue. As well, most markets are already full to capacity, and new companies will have to face harsh competition.
You don’t want to start a company in these economic realities.

What is the purpose of this passage?

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|  | To support an idea using statistics |
|  | To give a warning |
|  | To prove a hypothesis using statistics |
|  | To disprove an argument |
|  | To present different opinions on a matter |

Refer again to the passage in the previous question.

According to the passage, what’s the most important problem you’ll face if you start a new business?

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|  | No customers |
|  | Harsh competition |
|  | Economic uncertainties |
|  | Difficulties raising capital |
|  | Higher costs for generating revenue |

Manager A: Our advertising campaign was a success, since our sales tripled over the past 3 months. Manager B: You’re wrong, the sales increased because we lowered our prices.

Which of these can Manager A use to refutre Manager B?

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|  | Maybe we’re both right |
|  | We lowered our prices last year but nothing happened to sales back then |
|  | Customers are more likely to buy cheaper products |
|  | We spent $50,000 on that advertising campaign |
|  | Advertising campaigns are less effective in today’s global economy |

Many graduates who receive a Bachelor of Business Administration (BBA) degrees don’t use them. For example, only 34% of those people with BBA degrees actually work as managers in business companies.

Which of the following casts the most doubt on the claim that most graduates don’t make the most of their BBA degrees?

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|  | BBA graduates are likely to change jobs often in their first 2 years after graduating |
|  | In surveys, graduates often exaggerate on their position and salary within their jobs |
|  | BBA grads also work as accountants, analysts, economists, bankers, and much more. |
|  | BBA graduates sometimes continute to get other Bachelors and Masters degrees |
|  | 2 of the most successful businessmen in the world right now have BBA degrees |