# *Business Analytics 1st edition Abdey Test Bank*

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# Business Analytics (1st)

ISBN 9781529774108 | Chapter 1

*Total Questions: 20*

**Multiple Choice (20)**

***Q1.*** *[Multiple Choice]*

What is uncertainty?

**a)** A state of clarity and predictability
**b) The lack of knowledge or information about a situation ✓ correct**
**c)** A state of absolute certainty about the future
**d)** A characteristic only applicable to financial decisions

***Q2.*** *[Multiple Choice]*

What is the difference between dependent and independent variables?

**a)** Dependent variables are qualitative, while independent variables are always controllable.
**b)** Dependent variables cause changes in independent variables.
**c) Independent variables cause changes in dependent variables. ✓ correct**
**d)** Dependent variables are qualitative, while independent variables are quantitative.

***Q3.*** *[Multiple Choice]*

In decision-making under uncertainty, what is a dependent variable?

**a)** A variable that causes changes in other variables.
**b)** A variable that does not affect outcomes.
**c)** A variable that remains constant in all situations.
**d) A variable being measured or observed. ✓ correct**

***Q4.*** *[Multiple Choice]*

What is the main purpose of the DIKW pyramid?

**a) To model the conversion of data into wisdom. ✓ correct**
**b)** To establish cause-and-effect relationships.
**c)** To convert data into information.
**d)** To provide insights into uncertain situations.

***Q5.*** *[Multiple Choice]*

What is a model in the context of decision-making under uncertainty?

**a)** A complex representation of reality with all details considered.
**b)** A prediction about the future with certainty.
**c) A deliberate simplification of reality. ✓ correct**
**d)** An analysis based on incomplete data.

***Q6.*** *[Multiple Choice]*

In the standard Monty Hall problem, where there are 3 doors, what is the probability of winning the car by switching doors after Monty has opened a door?

**a)** 1/2
**b)** 1/3
**c)** 1/4
**d) 2/3 ✓ correct**



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***Q7.*** *[Multiple Choice]*

What is the primary goal of decision-making under uncertainty?

**a) To make informed decisions in situations with incomplete information. ✓ correct**
**b)** To eliminate all risks and uncertainties.
**c)** To maximise profits and minimise losses.
**d)** To always choose the safest option.

***Q8.*** *[Multiple Choice]*

What are the 'four Ps'?

**a)** Four predictive variables in regression analysis.
**b) Four marketing mix variables: product, price, placement, and promotion. ✓ correct**
**c)** Four popular statistical software packages.
**d)** Four probability distributions commonly used in statistical modeling.

***Q9.*** *[Multiple Choice]*

Suppose 'customer satisfaction score' is a dependent variable of interest. What are the likely independent variables?

**a)** Economic climate, government regulations, technological advancements
**b)** Market demand, customer preferences, product features
**c)** Customer age, employee satisfaction, marketing budget
**d) Service quality, price, food quality, location ✓ correct**

***Q10.*** *[Multiple Choice]*

For a city with a metro system, which improvement would you recommend for the network map?

**a)** Display the metro map in black and white
**b) Use geographic accuracy in the map ✓ correct**
**c)** Remove station names
**d)** Show all metro lines using the same colour

***Q11.*** *[Multiple Choice]*

Suppose the producers of the Monty Hall show changed the format of the game. Instead of there being three doors, there are now$n$> 3doors. The contestant chooses a door. Monty (who continues to know where the car is) opens$n$- 2doors, leaving the contestant's original door and one other door unopened.

**a) The optimal strategy is still to switch door. ✓ correct**
**b)** The optimal strategy is to stick with the original door.
**c)** The optimal strategy depends on the value of$n$.
**d)** The optimal strategy is to choose the door Monty opens.

***Q12.*** *[Multiple Choice]*

What does the DIKW pyramid represent?

**a)** Dependent, Independent, Knowledge, Wisdom
**b)** Decision and Insight for Knowledge Workers
**c) Data, Information, Knowledge, Wisdom ✓ correct**
**d)** Decision-making in Knowledge Work

***Q13.*** *[Multiple Choice]*

In a business context, what does 'risk' refer to?

**a)** The certainty of an outcome
**b)** The lack of uncertainty in a decision
**c)** The potential for a positive outcome
**d) The potential for both positive and negative outcomes ✓ correct**



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***Q14.*** *[Multiple Choice]*

What is meant by the ‘four Ps’?

**a)** Probability, Precision, Prediction, and Planning
**b)** Population, Probability, Parameter, and Prediction
**c) Product, Price, Placement, and Promotion ✓ correct**
**d)** Planning, Preparation, Presentation, and Promotion

***Q15.*** *[Multiple Choice]*

Which of the following is correct?

**a)** Situational factors and controllable
**b)** Performance metrics are independent variables
**c) Behavioural responses are dependent variables ✓ correct**
**d)** The marketing mix variables are uncontrollable

***Q16.*** *[Multiple Choice]*

Which price-setting approach creates the illusion of a bargain by using prices like £ 39.99 instead of £ 40?

**a)** Odd-even pricing
**b)** Prestige pricing
**c) Charm pricing ✓ correct**
**d)** Discount pricing

***Q17.*** *[Multiple Choice]*

When determining a new product’s price, which factor should be given more weight if it has a significant impact on the outcome of interest?

**a)** Managerial insights
**b)** Price granularity
**c)** Qualitative analysis
**d) Relevant variables ✓ correct**

***Q18.*** *[Multiple Choice]*

What is the potential implication of setting a very high price for a new product?

**a)** Increased demand from price-sensitive customers
**b) Decreased sales due to perceived overpricing ✓ correct**
**c)** Higher market share for the product
**d)** Lower production costs

***Q19.*** *[Multiple Choice]*

In the Monty Hall problem, what is Monty Hall’s objective when he opens one of the other two doors to reveal a sheep?

**a)** To confuse the contestant
**b) To increase the chances of the contestant winning the car ✓ correct**
**c)** To decrease the chances of the contestant winning the car
**d)** To show the contestant that there are sheep behind the other doors

***Q20.*** *[Multiple Choice]*

When is it appropriate to choose a more complex model?

**a)** When computational resources are limited
**b)** When the dataset is small
**c) When the trade-off between simplicity and complexity is not critical ✓ correct**
**d)** When the model needs to be easily explainable to non-experts



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