The Company has demonstrated an ability to manage inflationary cost increases effectively. This is because of rapid inventory turnover, the ability to adjust prices, cost controls and substantial property holdings—many of which are at fixed costs and partly financed by debt made cheaper by inflation. In hyperinflationary markets, menu board prices are typically adjusted to keep pace with inflation, mitigating the effect on reported results.

1) What is the main topic of the above passage? a) inflation is a problem b) prices are rising too quickly c) the company can cope with inflation d) hyperinflation makes menus expensive

2) According to the above passage, which of the following is true a) the firm is losing money b) the firm is increasing profits c) customers feel prices are too high d) the firm is dealing effectively with inflation

3) According to the above passage, property holdings of the company are a) an increasing value b) a decreasing value c) an unknown factor d) a major cause of inflation

4) According to the above passage, the company’s inventory a) is a major asset b) is sold quickly c) is a major cost d) contributes to the firm’s losses

5) According to the above passage, the firm is a) reducing the impact of inflation on reported results b) increasing the impact of inflation on reported results c) getting inflation under control d) reporting the financial impact of inflation in detail

We're strengthening relationships with our franchisees and energizing employees. We've started by reorganizing the U.S. business, bringing management and decision-making closer to customers and franchisees. Our five division presidents are talented and aggressive, and are making sales and profit-building changes tailored to their markets’ opportunities. Jack Greenberg is leading our U.S. team with dedication, insight and a willingness to take reasonable risk. They have a balanced view of the business and are focused on making decisions in the best interests of both our shareholders and owner/operators. We are focused on improving returns and cash flow.

6) You may infer from the above passage that the company a) is having difficulty lately with business relations b) has been having very strong financial results recently c) is experiencing increasing sales d) plans to split into two divisions

7) The above passage is written for what audience? a) government regulators b) Jack Greenberg c) U.S. consumers d) investors
8) The phrase close to customers and franchisees in the above passage means a) move the company to a new location  b) increased communication with customers and franchisees  c) improving service given to customers and franchisees  d) decreasing the distance between the firm and customers

9) According to the above passage, why are the division presidents making changes?  a) to improve customer service  b) to decrease cost, including overhead  c) to better match local needs  d) to increase the number of franchisees

10) From the above passage, what can you assume about Jack Greenberg?  a) he has made many mistakes in leading the company  b) he is very loyal to the company  c) he is well known and successful  d) customers like him very much

11) The phrase owner/operators in the above passage means a) franchisees  b) division presidents  c) customers  d) shareholders

12) According to the above passage, the company will spend time on a) decreasing customer complaints  b) improving international business opportunities  c) improving market intelligence  d) increasing financial returns

Semiconductor stocks sagged Monday after Dan Niles Monday reduced his revenue and earnings forecasts for three chipmakers, which he said is reflective of continued weakness in order rates. But the broader technology sector was mixed, getting a boost from its Internet stocks. The gains came after positive news from online retailer Amazon.com, which said it expected to post a narrower-than-expected loss for the quarter.

13) The main point of the above passage is a) Dan Niles is intelligent  b) the overall market is not up or down  c) Amazon.com is pulling the market down  d) technology stocks are important

14) According to the above passage, chipmakers in the future will a) make less profit  b) make more profit  c) capture more market share  d) improve their technology

15) The phrase weakness in order rates in the above passage means a) falling stock price  b) sharply falling customer orders  c) low level of purchases  d) customer dissatisfaction

16) According to the above passage, you can assume Dan Niles is a) president of a computer company  b) a stock analyst  c) a business professor  d) a government spokesperson

17) According to the above passage, why were Internet stocks not down?  a) because chip are not related to Internet  b) because Dan Niles has confidence in Amazon.com  c) because Intel is a large company  d) because Amazon.com had encouraging news
My belief all along is the unemployment rate is the key to consumer behavior. A 4.5 percent unemployment rate would be more than a half a percentage point above the low of 3.9 percent. If unemployment goes up a half percentage point from its trough, you almost always get a recession subsequently in the next 12 months. There is a snowballing effect that begins to happen once you get too much past that size increase. While it might take a nice round 5.0 percent rate before people get panicked, the snow may already be rolling over them by then.

18) The above passage infers which of the following? a) consumers like high unemployment b) consumers pay attention to the unemployment rate c) consumers depend on having jobs d) the government must take action to reduce unemployment

19) The word trough in the above passage means a) the low point b) the high point c) a declining rate d) an increasing rate

20) The word snowballing in the above passage means a) increasing difficulty b) increasing consumerism c) increasing unemployment d) decreasing profits

21) According to the above passage, 5.0 percent is a) a safe level b) the maximum unemployment level c) a dangerous level d) beyond any hope of recovery

22) The main point of the above passage is a) higher employment may lead to recession b) the economy is already in a recession c) unemployment is the true definition of recession d) 12 months is the maximum time for high unemployment

Choose ONE word that best completes each sentence.

23) Because Stan had been preoccupied during the dynamite-juggling demonstration, the jury felt he was not ________ for the destruction.
   a) decorous b) decimated c) indiscreet d) culpable

24) Sally was sad because Mr. Smith, her manager, had filled the margins of her marketing report with ________ remarks about her spelling and grammar.
   a) heretical b) derogatory c) ineffable d) prepossessing

25) The shareholders were ________ when they saw the company’s stock price slide 95 percent in a single day.
   a) irascible b) despondent c) stigmatized d) precipitous

26) The applicant’s credentials were ________, but I didn’t like the color of his necktie so I didn’t hire him.
   a) irreproachable b) aloof c) domestic d) histrionic
27) The profit margins in that business were so _________ that we had to close the company and try a different way.
   a) penitent  b) minuscule  c) exhaustive  d) futile

28) Lori’s boss _________ her for speaking to customers with a bad attitude.
   a) disfranchised  b) broached  c) coerced  d) chastised

29) David’s salary was _________ his very limited skills; he was paid nothing.
   a) as vapid as  b) tenable despite  c) commensurate with  d) acerbic notwithstanding

30) After several decades of success, the company grew _________ about its customers and slowly lost its competitive advantage.
   a) complacent  b) adamant  c) dissolute  d) partisan

31) The court ruled that Ms. Smith’s job change and subsequent work did not _________ a break of contract.
   a) comprise  b) libel  c) broach  d) constitute

32) The visiting professor was so _________ in his field that many of our faculty members became nervous in his presence.
   a) antithetical  b) eminent  c) plebian  d) pathological

33) The orator _________ a bizarre economic program whose central tenet was the abolition of all forms of money.
   a) scintillated  b) espoused  c) emulated  d) inundated

34) The financial analyst viewed the lower sales rates as a(n) _________ of lower stock prices.
   a) stratum  b) portent  c) infidelity  d) aberration

35) The _________ student turned out a research paper every week of his graduate school career.
   a) prolific  b) canine  c) implicit  d) continuous

36) Bill’s boss _________ him for being lazy on the job.
   a) instigated  b) reproached  c) flaunted  d) belied

37) The government _________ the land in order to build a military base.
   a) permeated  b) mortified  c) protracted  d) appropriated

38) The company’s _________ president oversaw every detail of employees’ behaviors.
   a) definitive  b) dubious  c) autocratic  d) redolent

39) Our company is so _________ by troubles that I don’t think we can last another year.
40) Herb hated to pay extra for a fancy name, but he had discovered that he greatly preferred expensive brand-name products to the cheaper ________ ones.
   a) hypothetical  b) amorphous  c) contentious  d) generic

Each question below consists of four words. Three of them are related in meaning. Find the ONE word that does not fit.

41) a) comprise  b) placate  c) appease  d) mollify

42) a) address  b) infer  c) construe  d) extrapolate (a)

43) a) rigorous  b) punčtulous  c) integral  d) painstaking

44) a) ambiguous  b) equivocal  c) cryptic  d) requisite

45) a) nominal  b) amiable  c) affable  d) congenial

46) a) dormant  b) latent  c) nostalgic  d) inert

47) a) uniform  b) monolithic  c) existential  d) homogeneous

48) a) meager  b) tenuous  c) pivotal  d) paltry

49) a) intrinsic  b) innate  c) omnipotent  d) inherent

50) a) comprise  b) placate  c) appease  d) mollify