



**Free Questions for CMAPRA17-BA1-1 by certscare**

**Shared by Richard on 22-07-2024**

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## Question 1

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**Question Type:** MultipleChoice

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An institution offers an 8 percent compound interest rate annually for six years, for an investment of \$250,000. What is the total amount of interest that would be received over the six years'?

**Options:**

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A- \$370,000.00

B- \$396,718.58

C- \$146,718.58

D- \$120,000.00

**Answer:**

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B

## Question 2

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**Question Type:** MultipleChoice

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Organisations are able to achieve more than individuals can achieve because they allow people to do which THREE of the following?

**Options:**

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- A- To devolve decision-making
- B- To pool resources
- C- To share skills and knowledge
- D- To specialise
- E- To earn profits
- F- To create hierarchies

**Answer:**

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A, C, E

## Question 3

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**Question Type:** MultipleChoice

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Which of the following statements defines a diseconomy of scale?

**Options:**

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- A-** A reduction in the unit average cost caused by increasing the scale of production in the long run.
- B-** An increase in the unit average cost caused by increasing the scale of production in the long run
- C-** An increase in the unit average cost caused by decreasing the scale of production in the long run.
- D-** A reduction in the unit average cost caused by decreasing the scale of production in the long run.

**Answer:**

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B

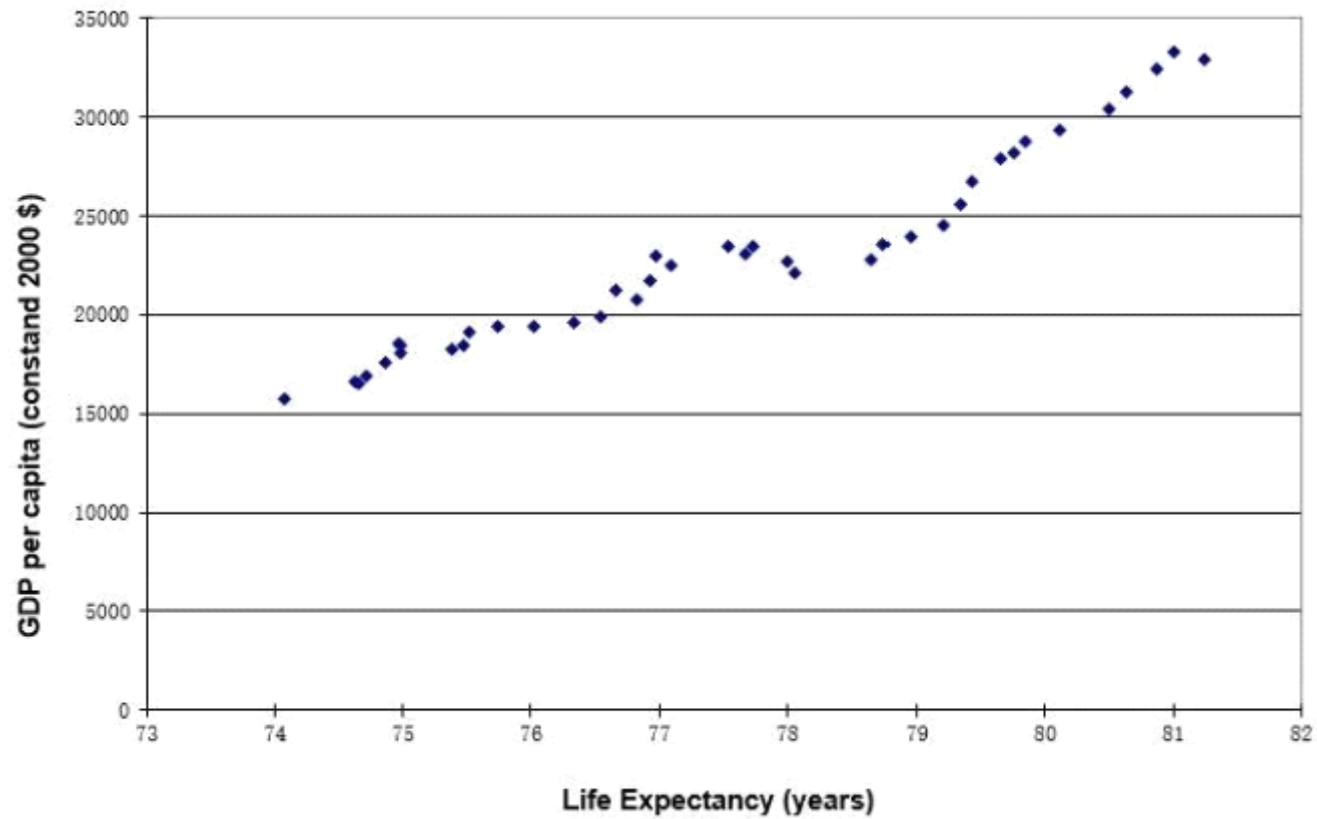
## Question 4

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**Question Type:** MultipleChoice

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The following scatter diagram displays the total life expectancy in years on the X axis and GDP per capita (constant 2000 S) on the Y axis, in Country S for the past 40 years. Which of the following statements is true in respect of the graph?



**Options:**

- A- A perfect positive linear relationship is shown in the diagram.
- B- In most years, the samples shows a clear negative trend in the diagram

- C-** There is no correlation between the level of GDP per capita and life expectancy.
- D-** In some years, the level of GDP per capita and life expectancy moved in opposite directions.

**Answer:**

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C

## Question 5

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**Question Type: MultipleChoice**

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Commercial banks can create credit because:

**Options:**

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- A-** central banks are 'lenders of last resort' and provide commercial banks with cash when needed
- B-** banks are required to hold enough capital to meet bad debts.
- C-** banks hold accounts at the central bank which are available as cash.
- D-** customers only want some of their deposits in the form of cash in any given period.

**Answer:**

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D

## Question 6

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**Question Type: MultipleChoice**

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A manufacturing company is considering a new investment project.

Which TWO of the following would reduce the net present value of the investment to the business?

**Options:**

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- A-** A rise in the scrap value of the project at the end of its life.
- B-** A reduction in the expected level of future sales.
- C-** A rise in interest rates.
- D-** A fall in the initial capital cost of the project
- E-** An expected fall in the future price of components used by the business

**Answer:**

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D, E



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