



**Free Questions for CIMAPRA17-BA1-1 by
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Question 1

Question Type: MultipleChoice

An estimation regression is developed to test the linear relationship between the size of student population at a university and monthly sales of a nearby bookshop. The correlation coefficient is equal to 0.9.

Options:

A- 0.81

B- 0.82

C- 0.83

D- 0.84

Answer:

A

Question 2

Question Type: MultipleChoice

Company A owns a factory in a foreign country. Which of the following types of exchange rate risk is company A most likely to experience in relation to the value of the factory'?

Options:

- A- Economic risk
- B- Energy risk
- C- Transaction risk
- D- Translation risk

Answer:

A

Question 3

Question Type: MultipleChoice

In recent years, consumer groups have become more vocal in calling for the boycott of producers whose suppliers do not comply with international regulations on workplace safety and child labour A fashion company that outsources its production to low labour cost countries should include this phenomenon in which part of their PESTEL framework?

Options:

A- T

B- E

C- S

D- P

Answer:

A

Question 4

Question Type: MultipleChoice

A clothes retailer has estimated a linear trend equation including trend, seasonal and cyclical components to forecast its sales for the next four quarters Which of the following factors would generate actual sales figures that are likely to differ markedly from the forecast?

Options:

- A- A drop in sales due to emergency roadwork blocking access to the store
- B- A drop in sales due to the ongoing economic recession.
- C- An increase in sales due to the increasing popularity of their brand.
- D- An increase in sales before a major religious festival

Answer:

D

Explanation:

Topic 5, Exam Pool E NEW

Question 5

Question Type: MultipleChoice

A trade agreement that removes all import tariffs between member countries, sets up common external tariffs against non-members, but does not advance toward economic integration is called

Options:

- A- an economic union.
- B- a customs union.
- C- a free trade area.
- D- a common market

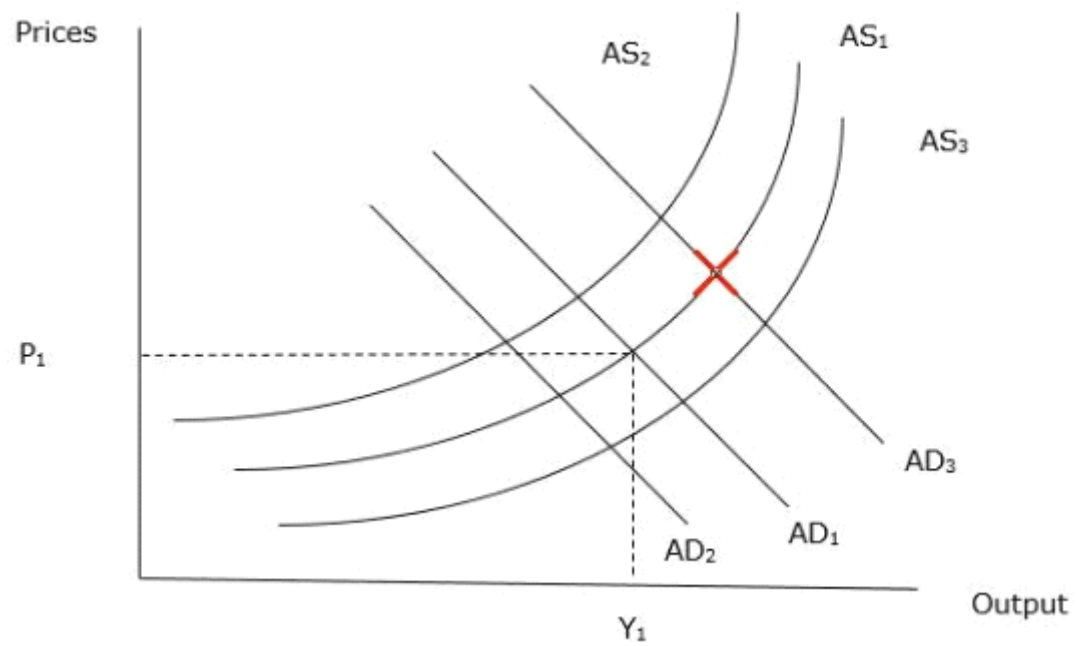
Answer:

B

Question 6

Question Type: MultipleChoice

The economy of Country V is initially in equilibrium at a level of national income and employment denoted by Y, at price level denoted by P. If there is an increase in aggregate demand, indicate on the graph below the new equilibrium point in the economy.



Options:

- A- P_2, Y_2
- B- R_2, Y_2
- C- P_2, X_2
- D- Z_2, Y_2

Answer:

A

Question 7

Question Type: MultipleChoice

A wireless phone manufacturer currently sells 2,000 units per quarter at a price of \$400. The estimated price elasticity of demand is -2.5.

The manufacturer is considering an increase in the price to \$440.

What will this raise (+) or reduce (-) total revenue by? Give your answer in whole numbers.

Options:

A- \$-140000

B- \$-130000

C- \$-120000

D- \$-110000

Answer:

A

Question 8

Question Type: MultipleChoice

Which THREE of the following businesses are more likely to fare better during a recession?

Options:

- A- A construction company specialising in road infrastructure
- B- A producer of rice, a staple good
- C- A producer of automobiles, a durable good.
- D- A producer of security equipment, a counter-cyclical good
- E- A retailer specialising in fashion, a cyclical good.
- F- A construction company specialising in private residential accommodation

Answer:

B, D, E

Question 9

Question Type: MultipleChoice

A business has a contractual requirement to pay a sum of \$6m in a foreign currency in 12 months time. It takes out a forward exchange contract from this sum.

Options:

- A- This is an example of
- B- Translation risk avoidance
- C- Arbitrage
- D- hedging

Answer:

D

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