Question 1

An operations manager for a new hotel is in need of determining the optimum number of vans to purchase to shuttle guests to/from the airport. It will be necessary to determine the most efficient routes and schedule to follow to ensure guests do not experience excessive delays. Which business analytics technique would lend itself to supporting these types of business decisions?

Options:

A- Linear programming

B- Factor analysis

C- Regression

D- K-means Clustering

Explanation:

Linear programming is a business analytics technique that can lend itself to supporting these types of business decisions.Linear programming is a mathematical method that optimizes the allocation of limited resources to achieve a desired objective, subject to a set of constraints1.Linear programming can help the operations manager to determine the optimum number of vans to purchase, the most efficient routes and schedule to follow, and the minimum cost or time to shuttle guests to/from the airport, by formulating a linear objective function and a system of linear inequalities that represent the relevant variables, parameters, and restrictions2.

The other options are not correct business analytics techniques for these types of business decisions.Factor analysis is a statistical method that reduces the dimensionality of a large set of correlated variables into a smaller set of uncorrelated factors that explain the underlying structure or patterns of the data3. Factor analysis can help the operations manager to identify the key factors that influence

the guest satisfaction or loyalty, but it cannot help to optimize the resource allocation or efficiency. Regression is a statistical method that estimates the relationship between one or more independent variables and a dependent variable. Regression can help the operations manager to predict the demand or revenue of the hotel based on the variables such as season, price, or location, but it cannot help to optimize the resource allocation or efficiency. K-means clustering is a machine learning method that partitions a set of data points into a predefined number of clusters based on the similarity or distance between the data points.K-means clustering can help the operations manager to segment the guests into different groups based on their characteristics or preferences, but it cannot help to optimize the resource allocation or efficiency.

Answer:

A

Question 2

Question Type: MultipleChoice

The analytics team has completed their analytics work and have agreed on a set of five key recommendations. They are now discussing how best to communicate these recommendations to the finance, customer service, and marketing teams. Recognizing that this is a diverse set of stakeholders, the business analysis professional reminds the team:

Options:

A- All stakeholders should receive information about the recommendation in the same way

B- Stakeholders only have the ability to understand summarized recommendations

C- Recommendations are important and must be communicated with as much detail as possible

D- The recommendation should be communicated in different ways for different stakeholders

Explanation:

According to the Guide to Business Data Analytics, the recommendation is the output of the data analysis that provides suggestions or guidance for actions or decisions based on the data insights. The recommendation should be communicated in different ways for different stakeholders, depending on their needs, preferences, and expectations. The communication should consider the following factors:

The level of detail and complexity: Some stakeholders may require more or less detail and complexity in the recommendation, depending on their role, responsibility, and involvement in the data analysis project. For example, the finance team may need more detail and complexity than the customer service team, as they are more concerned with the financial implications and feasibility of the recommendation.

The format and medium: Some stakeholders may prefer different formats and mediums for receiving the recommendation, depending on their availability, accessibility, and learning style. For example, the marketing team may prefer a visual and interactive format, such as a dashboard or a presentation, than a textual and static format, such as a report or a document.

The tone and language: Some stakeholders may respond better to different tones and languages for the recommendation, depending on their culture, background, and personality. For example, some stakeholders may appreciate a formal and professional tone and language, while others may prefer a casual and friendly tone and language.

The communication should also follow the principles of clarity, accuracy, relevance, and timeliness, as well as adhere to the ethical and legal standards for data privacy and security.

Answer:

D

Question 3

A fashion retailer is developing a new line of luxury handbags and would like to evaluate their target market and pricing. After an extensive evaluation based on product features, their target market, and pricing of competitor products, the analytics team has come up with a pricing proposal. On presenting the results, the management team is of the opinion that additional analysis was required before making a decision. What type of additional analysis will help the management team make a decision on pricing?

Options:

A- How diverse are the competitors- product portfolios?

B- How can we broaden the target market?

C- How can costs be reduced to improve the profit margin?

D- What is the breakeven point before profits are generated?

Explanation:

According to the Introduction to Business Data Analytics: A Practitioner View, the breakeven point is the point at which the total revenue equals the total cost of a product or service. The breakeven point indicates the minimum sales volume or price required to cover the fixed and variable costs and to start making a profit. The breakeven point can help the management team make a decision on pricing by showing them how sensitive the profitability is to the price changes and how much margin of safety they have. The breakeven point can also help the management team evaluate the feasibility and risk of the pricing proposal and compare it with alternative scenarios.

Question 4

An analyst at an Insurance company has been asked to share results and provide insights into any impacts to the business since a new government regulation took effect. The analyst is in the process of reviewing the analyzed data to identify any patterns. When interpreting results, what would be one of the questions the analyst will be asking?

Options:

A- How will the recipients receive the results?

B- Are the right data dimensions being used?

C- What do the results mean in the context of the business?

D- Is the data accurate based on the sources being used?

Explanation:

According to the IIBA's Guide to Business Data Analytics, one of the steps in the data analysis process is to interpret and report results,

which involves explaining the meaning, significance, and implications of the results in the context of the business problem and the stakeholders' needs1.When interpreting results, one of the questions the analyst will be asking is what do the results mean in the context of the business, which means how the results relate to the business situation, objectives, and outcomes, and how they can be used to support decision making and action taking2. For example, the analyst may ask how the new government regulation affects the business performance, operations, or strategy, and what recommendations or changes are needed to comply with the regulation and achieve the business goals.

The other options are not correct questions for interpreting results. How will the recipients receive the results is a question for presenting results, not interpreting results.Presenting results is a subsequent step after interpreting results, and it involves choosing the best format, medium, and style to communicate the results to the audience3. Are the right data dimensions being used is a question for analyzing data, not interpreting results.Analyzing data is a prior step before interpreting results, and it involves applying the appropriate techniques, tools, and methods to manipulate, transform, and explore the data4. Is the data accurate based on the sources being used is a question for sourcing data, not interpreting results.Sourcing data is a prior step before analyzing data, and it involves identifying, collecting, and validating the data from the relevant sources5.

Answer:

C

Question 5

Question Type: **MultipleChoice**

An analytics team is discussing ways to improve company performance. Before identifying a set of research questions to analyze, they identify the need to understand the current company strategy and performance. The business analyst suggests using the Balanced Scorecard technique to guide this discussion. In which dimension of the matrix would the team be discussing metrics for changing and improving?

Options:

A- Learning and Growth

B- Customer

C- Financial

D- Internal Business Process

Explanation:

According to the Introduction to Business Data Analytics: An Organizational View, the Balanced Scorecard technique is a strategic management tool that helps organizations align their vision, mission, and goals with their performance measures. The Balanced Scorecard consists of four dimensions: financial, customer, internal business process, and learning and growth. Each dimension has a set of objectives, measures, targets, and initiatives that reflect the organization's strategy and value proposition. The learning and growth dimension focuses on the metrics for changing and improving the organization's capabilities, such as employee skills, knowledge, innovation, and culture. The learning and growth dimension supports the other three dimensions by providing the necessary resources and competencies to achieve the desired outcomes.

Answer:

A

Question 6

A supermarket chain wants to improve supplier relations. One of the targets to track and help achieve this goal is to improve the average transaction time per order by 10%. From a SMART target perspective, what is missing?

Options:

A- is not attainable as weather conditions can slow down order times

B- S * should provide a target for each supplier

C- R - is not relevant to the goal as supplier relations is only dependent on quality of deliveries

D- T - There is no mention of the time-frame by which this target must be met

Explanation:

SMART is an acronym that stands for Specific, Measurable, Achievable, Relevant, and Time-bound, which are criteria for setting effective and realistic goals1. From a SMART target perspective, what is missing in this scenario is the time-frame by which the target must be met.A time-bound target specifies the deadline or the duration for achieving the target, which helps to create a sense of urgency, motivation, and accountability2. Without a time-frame, the target is vague and indefinite, and it is difficult to monitor and evaluate the progress and the results. For example, a time-bound target could be to improve the average transaction time per order by 10% within the next six months.

The other options are not correct explanations of what is missing. The target is attainable, as it is realistic and feasible, and it does not

depend on factors that are beyond the control of the organization, such as weather conditions. The target is specific, as it provides a clear and precise description of what needs to be achieved, and it does not need to provide a target for each supplier, as that would make the target too complex and cumbersome.The target is relevant, as it is aligned with the goal of improving supplier relations, and it does not assume that supplier relations is only dependent on quality of deliveries, as transaction time is also an important factor that affects the efficiency, satisfaction, and trust of the suppliers.

Answer:

D

Question 7

Question Type: **MultipleChoice**

An HR manager attended a conference where the topic of HR analytics was presented. The manager returned to the office feeling strongly that analytics could be used to guide hiring decisions in the future. Which of the following results would assist the HR team in making such decisions?

Options:

A- Employee skill gaps

B- Employee engagement scores

C- Workforce performance

D- Absentee rates

Answer:

A

Explanation:

According to the Introduction to Business Data Analytics: A Practitioner View, employee skill gaps are the differences between the skills that employees have and the skills that they need to perform their jobs effectively. Employee skill gaps can affect the productivity, quality, and innovation of an organization. HR analytics can help identify and measure employee skill gaps and provide insights on how to close them. HR analytics can also help guide hiring decisions by finding the best candidates who have the required skills or the potential to acquire them. By using HR analytics to address employee skill gaps, the HR team can improve the alignment of human capital with organizational goals and strategies.

Question 8

Question Type: MultipleChoice

The data analysis completed by the analytics team points to three potential options that could be recommended by the team each of which will help their organization meet their desired goal. Given that there is no significant difference in the results that each option would provide, the team will reach a final recommendation by determining value to be delivered to specific parts of the organization and:

Options:

A- Within the functional unit with the most staff

B- By which manager wants the change the most

C- Assessing the impact of change for each one

D- By optaining a decision by senior management

Explanation:

According to the IIBA's Guide to Business Data Analytics, one of the steps in the data analysis process is to use the results to influence business decision making.This involves evaluating the feasibility, viability, and desirability of the potential options or solutions that are derived from the data analysis, and recommending the best option or solution that aligns with the business goals and objectives1. To evaluate the feasibility, viability, and desirability of the options or solutions, the data analysis team should consider the value to be delivered to specific parts of the organization and the impact of change for each one. The value to be delivered refers to the benefits, outcomes, or improvements that the option or solution will provide to the stakeholders, customers, or processes of the organization. The impact of change refers to the costs, risks, or challenges that the option or solution will entail for the implementation, adoption, or maintenance of the organization.By assessing the value and the impact of each option or solution, the data analysis team can compare and contrast the trade-offs, pros and cons, and strengths and weaknesses of each option or solution, and select the one that maximizes the value and minimizes the impact for the organization2.

The other options are not correct criteria for reaching a final recommendation. The functional unit with the most staff, the manager who wants the change the most, and the senior management are not relevant factors for evaluating the options or solutions, as they do not

reflect the value or the impact of the options or solutions. The functional unit with the most staff may not be the most affected or the most important part of the organization for the data analysis project. The manager who wants the change the most may not have the authority, influence, or expertise to make the best decision for the organization.The senior management may not be the only or the final decision makers for the data analysis project, as they may delegate, consult, or collaborate with other stakeholders or experts.

Answer:

C

Question 9

Question Type: **MultipleChoice**

A fifty-year-old brick and mortar business is interested in determining the potential for selling their current products online. The sales director has asked the analytics team to predict future sales for their most popular product. A simple question is formed "Would you buy this product online?" The sales director would like to survey students from local colleges and universities within a 50km radius. As a result, the team will conclude:

Options:

A- The sample size being considered may be too large to work with

B- The research question will be easily answered with currently available data

C- Focusing on a 50km radius will allow the team to complete the analysis quickly

D- The survey will establish a poor study population

Explanation:

According to the Guide to Business Data Analytics, a study population is the subset of the population that meets the eligibility criteria for the research question. A study population should be representative of the population of interest and relevant to the business problem or opportunity. In this situation, the survey will establish a poor study population because the students from local colleges and universities within a 50km radius may not reflect the characteristics, preferences, and behaviours of the potential online customers for the fifty-year-old brick and mortar business. The students may have different demographics, income levels, shopping habits, and needs than the target market for the business. Therefore, the survey results may not be generalizable or applicable to the population of interest and may not provide valid and reliable insights for predicting future sales.

Answer:

D

Question 10

Question Type: **MultipleChoice**

A consumer products company gained popularity with increased growth and brand recognition with one of its products. Although they have a loyal customer base and past year's performance results have shown steady growth, the Senior Leadership team wants to keep product leadership as their primary strategic priority. What would be their primary goal?

Options:

A- Focus on providing value to customers by offering innovative and leading edge products

B- Focus on their other products/product lines so that they gain momentum in popularity as well

C- Maintain operational efficiencies so that their products can continue to be competitively priced

D- Ensure that their top product continues to gain market share and maintain high standards

Explanation:

According to the IIBA's Introduction to Business Data Analytics: An Organizational View, product leadership is one of the three generic strategies that an organization can pursue to achieve competitive advantage in its market.Product leadership means that the organization focuses on providing value to customers by offering innovative and leading edge products that are superior in quality, design, functionality, or features than those of the competitors1.Product leadership requires the organization to invest in research and development, to foster a culture of creativity and experimentation, to embrace change and risk, and to leverage data and analytics to generate new ideas, test hypotheses, and measure outcomes2.Therefore, if the Senior Leadership team wants to keep product leadership as their primary strategic priority, their primary goal would be to focus on providing value to customers by offering innovative and leading edge products.

Answer:

A

Question 11

A small business has recently launched their website and wants to understand how the website is being used. In particular, there is interest in identifying which areas of each page receive the most attention. The analyst has decided to communicate this information by displaying the top pages overlaid with colours denoting the volume of clicks. What type of visualization technique is being used here?

Options:

A- Surface chart

B- Heatmap

C- Treemap

D- Scatter chart

Answer:

B

Explanation:

According to the Guide to Business Data Analytics, a heatmap is a type of visualization technique that uses colours to represent the values of a variable across a two-dimensional space. A heatmap can help reveal patterns, trends, and outliers in the data, as well as show the relative importance or intensity of different areas. In this situation, the analyst has decided to communicate the information about the website usage by displaying the top pages overlaid with colours denoting the volume of clicks. This is a heatmap, as it uses

colours to show the distribution and magnitude of clicks across the web pages.

Question 12

Freedom Insurance is planning to offer a new type of insurance policy and would like to determine how to optimally price it. The company seeks to identify the characteristics of this policy that would produce the maximum profit in the coming year. What type of analytics would Freedom Insurance be considering to achieve this objective?

Options:

A- Retrospective analytics

B- Descriptive analytics

C- Predictive analytics

D- Prescriptive analytics

Explanation:

According to the Guide to Business Data Analytics, prescriptive analytics is a type of analytics that provides recommendations or suggestions for optimal actions or decisions based on data analysis. Prescriptive analytics uses techniques such as optimization, simulation, and decision analysis to evaluate various scenarios and trade-offs and to determine the best course of action for a given

objective and constraint. Prescriptive analytics can help organizations achieve their goals, improve their performance, and increase their efficiency and effectiveness. In this situation, Freedom Insurance wants to determine how to optimally price a new type of insurance policy that would produce the maximum profit in the coming year. This is a prescriptive analytics problem, as it involves finding the optimal solution for a complex and uncertain decision problem.

Answer:

D

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