# **Question 1**

The computed value obtained from MAD performance measure with moving average method ranges from -1 to +1. False

# Question 2

Course assigned to the professor in Fall semester is the example of short range forecast by time horizon.

# • Ouestion 3

Naive approach assumes that the demand in the next period is same as demand in most recent period. TYPE

# • Question 4

When a forecast is close to the actual values and considered as a 'good' forecast then the measure of forecast error called MAPE is: Close to zero

## • Question 5

The EVSI is always \_\_\_. Non-negotive

#### • Question 6

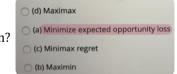
Forecast error calculated from LAD performance measure ranges from -1 to +1. False

#### Question 7

The lowest utility value is assigned for highest pay off value. False

#### Question 8

When making a decision under risk, which of the following is a valid decision-making criterion?



(d) assigned so that the sum of the weights lies in the range from -1 to +1

#### • Question 9

Which of the following best determined the weight values used in the weighted moving average?

#### • Question 10

Which of the following occurs in decision making under uncertainty?

# (d) Exactly one state of nature. (a) Conditional probabilities. (c) A payoff table for each possible combination of decisions and outcomes. (b) Equally likely probabilities for all states of nature.

(b) determined by a formula
 (a) each weight is assigned an equal value

# Question 11

Convex type utility curve reflect the attitude of optimistic manager. Type

			(c) becision making ander uncerte	integ	
•	Question 12		(d) Decision-making under perfect	information	
			(a) Decision-making under certain	ty	
	The maximin criterion is a feature of which of the fo	ollowing?	(b) Decision-making under sample	information	
/•	Question 13				
	The computed value obtained from MA+1. Tyue	PE perfo	rmance measure rar	nges from <mark>0 to</mark>	
•	Question 14				
	In order to use Bayes' Theorem to calculate the P(A	/B), it is ne	cessary to know which of t	he following: P(A),P(B) and P(B/A)	
/•	Question 15				
	Recent drop in the oil prices is the example of seasonal pattern in a time series. False				
<b>/</b> •	Question 16		разования		
,	Decision scenarios for single time opporriteria. Tyrue	rtunity is	best describe with t	utility value	
<b>/•</b>	Question 17				
	The decision-maker's attitude toward p value criteria.	s in expected			
<b>\</b>	Question 18				
	The time series component (also known as random	variation) i	s generally assumed:	(c) have a trend	
				(d) the error continuously increases	
<b>~</b>	Question 19			<ul><li>(a) the variation average grows over time.</li><li>(b) have no discernable pattern.</li></ul>	
	The weight values used in the weighted moving average are:  (b) determined by a formula.  (a) each weight is assigned an equal value				
<b>å</b>	Question 20		(c) highest weightage is given to the most rec     (d) assigned so that the sum of the weights is		
	The minimax criteria find the alternative that	(c) maximize the mi	imize the opportunity loss of all the alternatives		
			ximize the opportunity loss of all the alternatives		
•	Question 21		ximize the profit of all the alternatives		
		<ul> <li>(d) can be applied for</li> </ul>	i opaniistic managei		

The drawback in the exponential smoothing technique is fixed in the (weighted) moving average forecasting method. False

# • Question 22

The financial budget presented in Saudi Ministerial Council is the example of long range forecast by time horizon. False

V•	Question 23  The EVPI is calculated by subtracting	(c) The maximum EREV from the minimum expected opportunity loss.  (b) EVSI from the ERPI.  (a) The maximum EREV from the ERPI.  (d) The minimum EREV from the ERPI.		
<b>//•</b>	<b>Question 24</b>	(c) Prior probabilities are probability estimates after a test market.		
	Which of the following statements is true?	<ul> <li>(a) The maximax criterion is a conservative approach to decision making.</li> <li>(b) Someone who is indifferent to risk would have a utility function that is a straight line.</li> </ul>		
<b>~</b> •	Question 25	(d) Maximin, maximax, and minimax regret criterion all lead to the same optimal decision.		
	Utility criteria is the combination of manager.	of expected value criteria with life style (attitude)		
V•	Question 26			
	Which measure tells us the strength of the li	near relationship between X and Y? Covvelution Coefficient		
<b>\</b>	Question 27			
<b>~</b> •	The conservative and pessimistic applied in maximax criteria. Follow Question 28	approach of the decision-maker attitude is		
<b>~•</b>	Efficiency in expected value criteria is defined as the ratio of EVPI and EVSI. Folse.  Question 29			
	Which of the following statements is true?	Which of the following statements is true?  (b) Trend always measures the linear increase in a certain variable over time.		
✓•	Question 30	<ul><li>(d) Business cycles are seasonal variations.</li><li>(a) MAD penalizes a forecasting technique more for larger errors than MSE does.</li></ul>		
	Which of the following statements is true?	(c) Cyclical variations cover longer periods of time than do seasonal variations.		
	Which of the following statements is true?  (b) If the correlation coefficient between X and Y is very close to X Y.	zero, then there is a weak relationship between X and		
	A VAL - in all heart forecasting model exists.			

(c) The coefficient of determination will always be between -1 and +1.

(d) The Delphi method is a forecasting model that incorporates the use of regression.