

The EVPL is calculated by subtracting

- (c) The maximum EREV from the minimum expected opportunity loss.
- (d) The minimum EREV from the ERPI.
- (a) The maximum EREV from the ERPI.
- (b) EVSI from the ERPI.

The decision-maker's attitude toward possible losses cannot express in expected value criteria.

True

False

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

T

True

False

The minimax criteria find the alternative that

- (a) minimize the maximize the opportunity loss of all the alternatives
- (d) can be applied for optimistic manager
- (c) maximize the minimize the opportunity loss of all the alternatives
- (b) minimize the maximize the profit of all the alternatives

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

True

False

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

True

False

Utility criteria is the combination of expected value criteria with life style (attitude) of manager.

True

False

The computed value obtained from MAPE performance measure ranges from 0 to 1.

~~True~~

False

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The EVSI is always.

(b) equal to the minimum EREV.

(c) greater than the EVPI.

(a) less than EV of best decision without SI.

(d) non-negative.

Which measure tells us the strength of the linear relationship between X and Y?

(b) Independent variable

(c) Coefficient of determination

(d) Standard error

(a) Correlation coefficient

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

True

False

Recent drop in the oil prices is the example of seasonal pattern in a time series.

True

False

The maximin criterion is a feature of which of the following?

(b) Decision-making under sample information

(a) Decision-making under certainty

(c) Decision-making under uncertainty

(d) Decision-making under perfect information

Efficiency in expected value criteria is defined as the ratio of EVPI and EVSI.

True

False

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The weight values used in the weighted moving average are:

(d) assigned so that the sum of the weights is equal to 10.

(a) each weight is assigned an equal value

(b) determined by a formula.

(b) highest weightage is given to the most recent value.

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

True

False

Convex type utility curve reflect the attitude of optimistic manager.

True

False

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The time series component (also known as random variation) is generally assumed:

- (d) the error continuously increases
- (a) the variation average grows over time.
- (b) have no discernable pattern.
- (C) have a trend

Which of the following occurs in decision making under uncertainty?

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

Which of the following statements is true?

- (a) The maximax criterion is a conservative approach to decision making.
- (d) Maximin, maximax, and minimax regret criterion all lead to the same optimal decision.
- (c) Prior probabilities are probability estimates after a test market.
- (b) Someone who is indifferent to risk would have a utility function that is a straight line.

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

- (b) close to -1
- (a) close to 1
- (d) close to 0.5
- (c) close to 0

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

True

False

The conservative and pessimistic approach of the decision-maker attitude is applied in maximax criteria.

True

False

Decision scenarios for single time opportunity is best describe with utility value criteria.

True

False

In order to use Bayes' Theorem to calculate the $P(A/B)$, is necessary to know which of the following:

- (d) $P(A)$ and $P(B)$
- (b) $P(A)$, $P(B)$, and $P(B/A)$
- (c) $P(A)$ and $P(B/A)$
- (a) $P(B)$ and $P(B/A)$

Which of the following statements is true?

(a) No single best forecasting model exists.

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

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

(b) If the correlation coefficient between X and Y is very close to zero, then there is a weak relationship between X and Y.

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

True

False