1. An industry characterized by rising volumes, improving profitability, falling prices, and relatively low competition among companies is most likely in which of the following life-cycle stages?

A. Growth

B. Mature

C. Embryonic

2. A corporate manager pursuing a low-cost strategy will most likely:

A. engage in offering products of unique quality or type.

B. have strong market research teams for product development and marketing.

C. invest in productivity-improving capital equipment.

3. For a US investor, which of the following statements concerning investing in depository receipts (DRs) is least accurate?

A. Investing in DRs could provide arbitrage opportunities and entail currency risk.

B. Investors in unsponsored DRs would have the same voting rights as the direct owners of common shares.

C. Sponsored DRs are subject to greater reporting requirements than unsponsored DRs.

4. Which of the following statements about the forms of market efficiency is least accurate? If the form of market efficiency is:

A. weak, then investment strategies based on fundamental analysis could achieve abnormal returns.

B. semi-strong, then security prices fully reflect all past market data.

C. strong, then prices reflect only private information.

5. A portfolio manager analyzes a market and discovers that it is not possible to achieve consistent and superior risk-adjusted returns, net of all expenses. This market is most likely characterized by:

A. persistent anomalies.

B. informational efficiency.

C. restrictions on short selling.