Predictive_Analytics - Questions

Q1. Increasing promotion frequency from 0.2 to 0.4 affects forecast accuracy how?

A. Improves accuracy
B. Reduces accuracy due to variability
C. No change
D. Makes $R^2 = 1.0$

Correct answer: B. Reduces accuracy due to variability

Q2. Removing the Lag1 feature from the model will:

A. Reduce predictive power
B. Increase forecast stability
C. Not affect results
D. Lower runtime only

Correct answer: A. Reduce predictive power

Q3. Adding random ±20 noise to demand data causes:

A. Model coefficients to remain stable
B. Model coefficients to fluctuate more
C. Error to decrease
D. No impact on MAE

Correct answer: B. Model coefficients to fluctuate more

Q4. Adding an IsWeekend variable to the model will likely:

A. Improve MAE slightly
B. Worsen R^2 drastically
C. Remove multicollinearity
D. Have no measurable impact

Correct answer: A. Improve MAE slightly

Q5. When comparing forecasts with and without promotion, the demand uplift is expected to be:

A. Negligible
B. Moderate (approx. +50 units)
C. Negative
D. Inconsistent across all days

Correct answer: B. Moderate (approx. +50 units)