

*This PDF offers access to the question types presented on the Essential Skills Assessment. Use the sample questions to get familiar with the variety and structure of the question types you could see on assessment day. This PDF includes 12 total questions like those found on the Essential Skills Assessment for you to practice across Verbal Reasoning and Quantitative reasoning.*

**Passage for questions 1-3**

Is it possible to decrease inflation without causing a recession and its concomitant increase in unemployment? The orthodox answer is "no." Whether they support the "inertia" theory of inflation (that today's inflation rate is caused by yesterday's inflation, the state of the economic cycle, and external influences such as import prices) or the "rational expectations" theory (that inflation is caused by workers' and employers' expectations, coupled with a lack of credible monetary and fiscal policies), most economists agree that tight monetary and fiscal policies, which cause recessions, are necessary to decelerate inflation. They point out that in the 1980's, many European countries and the United States conquered high (by these countries' standards) inflation, but only by applying tight monetary and fiscal policies that sharply increased unemployment. Nevertheless, some governments' policymakers insist that direct controls on wages and prices, without tight monetary and fiscal policies, can succeed in decreasing inflation. Unfortunately, because this approach fails to deal with the underlying causes of inflation, wage and price controls eventually collapse, the hitherto-repressed inflation resurfaces, and in the meantime, though the policymakers succeed in avoiding a recession, a frozen structure of relative prices imposes distortions that do damage to the economy's prospects for long-term growth.

**Question 1**

The primary purpose of the passage is to

- A. apply two conventional theories
- B. examine a generally accepted position
- C. support a controversial policy
- D. explain the underlying causes of a phenomenon
- E. propose an innovative solution

Correct answer: B

**Question 2**

The passage suggests that the high inflation in the United States and many European countries in the 1980's differed from inflation elsewhere in which of the following ways?

- A. It fit the rational expectations theory of inflation but not the inertia theory of inflation.
- B. It was possible to control without causing a recession.
- C. It was easier to control in those countries by applying tight monetary and fiscal policies than it would have been elsewhere.
- D. It was not caused by workers' and employers' expectations.
- E. It would not necessarily be considered high elsewhere.

Correct answer: E

**Question 3**

Which of the following, if true, would most strengthen the author's conclusion about the use of wage and price controls?

- A. Countries that repeatedly use wage and price controls tend to have lower long-term economic growth rates than do other countries.
- B. Countries that have extremely high inflation frequently place very stringent controls on wages and prices in an attempt to decrease the inflation.
- C. Some countries have found that the use of wage and price controls succeeds in decreasing inflation but also causes a recession.
- D. Policymakers who advocate the use of wage and price controls believe that these controls will deal with the underlying causes of inflation.
- E. Policymakers who advocate the use of wage and price controls are usually more concerned about long-term economic goals than about short-term economic goals.

Correct answer: A

**Question 4**

An investor purchased 20 shares of a certain stock at a price of \$45.75 per share. Later this investor purchased 30 more shares at a price of \$46.25 per share. What was the average (arithmetic mean) price per share that this investor paid for the 50 shares?

- A. \$45.80
- B. \$45.95
- C. \$46.00
- D. \$46.05
- E. \$46.20

Correct answer: D

**Question 5**

First-time computer buyers buying PXC home computers typically buy models that cost much less and have a smaller profit margin per computer than do PXC computers bought by

people replacing their computers with more powerful models. Last year PXC's profits from computer sales were substantially higher than the previous year, although about the same number of PXC computers were sold and the prices and profit margins for each computer model that PXC sells remained unchanged.

If the statements above are true, which of the following is most strongly supported by them?

- A. PXC's competitors raised the prices on their computers last year, making PXC computers more attractive to first-time computer buyers.
- B. The number of people buying PXC computers who also bought PXC computer-related products, such as printers, was larger last year than the previous year.
- C. Among computer buyers who bought a PXC computer to replace their existing computer, the proportion who were replacing a computer made by a competitor of PXC was greater last year than the previous year.
- D. The proportion of PXC computers bought by first-time computer buyers was smaller last year than the previous year.
- E. PXC's production costs for its computers were lower last year than they had been the previous year.

Correct answer: D

**Question 6**

On July 1 of last year, the total number of employees at Company E was decreased by 10 percent. Without any change in the salaries of the remaining employees, the average (arithmetic mean) employee salary was 10 percent more after the decrease in number of employees than before the decrease. The total of the combined salaries of all of the employees at Company E after July 1 last year was what percent of that before July 1 last year?

- A. 90%
- B. 99%
- C. 100%
- D. 101%
- E. 110%

Correct answer: B

**Question 7**

In a survey of students, each student selected from a list of 12 songs the 2 songs that the student liked best. If each song was selected 4 times, how many students were surveyed?

- A. 96
- B. 48
- C. 32
- D. 24
- E. 18

Correct answer: D

**Question 8**

A lawyer charges her clients \$200 for the first hour of her time and \$150 for each additional hour. If the lawyer charged her new client \$1,550 for a certain number of hours of her time, how much was the average (arithmetic mean) charge per hour?

- A. \$155
- B. \$160
- C. \$164
- D. \$172
- E. \$185

Correct answer: A

**Question 9**

The total price of a basic computer and a printer was \$2,500. If the same printer had been purchased with an enhanced computer whose price was \$500 more than the price of the basic computer, then the price of the printer would have been  $\frac{1}{5}$  of that total. What was the price of the basic computer?

- A. \$1,500
- B. \$1,600
- C. \$1,750
- D. \$1,900
- E. \$2,000

Correct answer: D

**Question 10**

In a certain state, gasoline stations compute the price per gallon  $p$ , in dollars, charged at the pump by adding a 4 percent sales tax to the dealer's price per gallon  $d$ , in dollars, and then adding a gasoline tax of \$0.18 per gallon. Which of the following gives the dealer's price per gallon  $d$  in terms of the price per gallon  $p$  charged at the pump?

- A.  $d = p - 0.22$
- B.  $d = \frac{p}{1.22}$
- C.  $d = \frac{p}{1.04} - 0.18$
- D.  $d = \frac{p - 0.18}{1.04}$
- E.  $d = \frac{p - 0.04}{1.18}$

Correct answer: D

**Question 11**

A certain company charges \$6 per package to ship packages weighing less than 2 pounds each. For a package weighing 2 pounds or more, the company charges an initial fee of \$6 plus \$2 per pound. If the company charged \$38 to ship a certain package, which of the following was the weight of the package, in pounds?

- A. 16
- B. 17
- C. 19
- D. 20
- E. 22

Correct answer: A

**Question 12**

A certain company sold 800 units of its product for \$8 each and 1,000 units of its product for \$5 each. If the company's cost of producing each unit of its product was \$6, what was the company's profit or loss on the 1,800 units of its product?

- A. \$1,600 loss
- B. \$600 loss
- C. No profit or loss
- D. \$600 profit
- E. \$1,600 profit

Correct answer: D