

## **Graduate Management Admission Test (GMAT)**

An examination used by the institutions to assist in determining the eligibility of a student for admission to graduate business programs. Most MBA schools use the GMAT score as a criterion for admission.

### **WHAT DOES THE GMAT MEASURE?**

The GMAT is an aptitude test. Like all aptitude tests, it must choose a medium in which to measure intellectual ability. The GMAT has chosen math, English, and logic.

The question is--does it measure aptitude for business school? The GMAT's ability to predict performance in school is as poor as the SAT's. This is to be expected since the tests are written by the same company (ETS) and the problems are quite similar (though the formats are different). However, the GMAT also includes two types of questions--Arguments and Data Sufficiency--that the SAT does not. Many students struggle with these questions because they are unlike any material they have studied in school. However, the argument and data sufficiency questions are not inherently hard, and with sufficient study you can raise your performance on these questions significantly.

No test can measure all aspects of intelligence. Thus any admission test, no matter how well written, is inherently inadequate. Nevertheless, some form of admission testing is necessary. It would be unfair to base acceptance to business school solely on grades; they can be misleading. For instance, would it be fair to admit a student with an A average earned in easy classes over a student with a B average earned in difficult classes? A school's reputation is too broad a measure to use as admission criteria: many students seek out easy classes and generous instructors, in hopes of inflating their GPA. Furthermore, a system that would monitor the academic standards of every class would be cost prohibitive and stifling. So until a better system is proposed, the admission test is here to stay.

### **FORMAT OF THE GMAT (CAT)**

The GMAT is a three-and-one-half hour computer adaptive test (CAT). There are four sections in the test.

The writing sections always begin the test. You will type your essay on the computer, using a very basic word processor.

Each question must be answered before you can go to the next question. Further, you cannot return to a question once you go to the next question.

The GMAT is a standardized test. Each time it is offered, the test has, as close as possible, the same level of difficulty as every previous test. Maintaining this

consistency is very difficult--hence the experimental questions (questions that are not scored). The effectiveness of each question must be assessed before it can be used on the GMAT. A problem that one person finds easy another person may find hard, and vice versa. The experimental questions measure the relative difficulty of potential questions; if responses to a question do not perform to strict specifications, the question is rejected.

About one quarter of the questions are experimental. The experimental questions can be standard math, data sufficiency, reading comprehension, arguments, or sentence correction. You won't know which questions are experimental.

Because the "bugs" have not been worked out of the experimental questions--or, to put it more directly, because you are being used as a guinea pig to work out the "bugs"--these unscored questions are often more difficult and confusing than the scored questions.

This brings up an ethical issue: How many students have run into experimental questions early in the test and have been confused and discouraged by them? Crestfallen by having done poorly on a few experimental questions, they lose confidence and perform below their ability on the other parts of the test. Some testing companies are becoming more enlightened in this regard and are administering experimental questions as separate practice tests. Unfortunately, ETS has yet to see the light.

Knowing that the experimental questions can be disproportionately difficult, if you do poorly on a particular question you can take some solace in the hope that it may have been experimental. In other words, do not allow a few difficult questions to discourage your performance on the rest of the test.

## **THE CAT AND THE PAPER & PENCIL TEST**

The computerized GMAT uses the same type of questions as did the Paper & Pencil Test. The only thing that has changed is medium, that is, the way the questions are presented.

There are advantages and disadvantages to the CAT. Probably the biggest advantages are that you can take the CAT just about any time and you can take it in a small room with just a few other people--instead of in a large auditorium with hundreds of other stressed people. On the other hand, you cannot return to previous questions, it is easier to misread a computer screen than it is to misread printed material, and it can be distracting looking back and forth from the computer screen to your scratch paper.

## **PACING**

Although time is limited on the GMAT, working too quickly can damage your score. Many problems hinge on subtle points, and most require careful reading of the setup. Because undergraduate school puts such heavy reading loads on students, many will follow their academic conditioning and read the questions quickly, looking only for the gist of what the question is asking. Once they have found it, they mark their answer and move on, confident they have answered it correctly. Later, many are startled to discover that they missed questions because they either misread the problems or overlooked subtle points.

## **SCORING THE GMAT**

The two major parts of the test are scored independently. You will receive a verbal score (0 to 60) and a math score (0 to 60). You will also receive a total score (200 to 800), and a writing score (0 to 6). The average total score is 500.

In addition, you will be assigned a percentile ranking, which gives the percentage of students with scores below yours.

## **GUESSING**

If you can eliminate even one of the answer-choices, guessing can be advantageous.

## **ORDER OF DIFFICULTY**

Most standardized paper-&-pencil tests list problems in ascending order of difficulty. However, on a CAT test, the first question will be of medium difficulty. If you answer it correctly, the next question will be a little harder. If you answer it incorrectly, the next question will be a little easier. Because the GMAT "adapts" to your performance, early questions are more important than later ones.

## **THE "2 OUT OF 5" RULE**

It is significantly harder to create a good but incorrect answer-choice than it is to produce the correct answer. For this reason usually only two attractive answer-choices are offered. One correct; the other either intentionally misleading or only partially correct. The other three answer-choices are usually fluff. This makes educated guessing on the GRE immensely effective. If you can dismiss the three fluff choices, your probability of answering the question successfully will increase from 20% to 50%.

### **Example: "2 out of 5" rule**

During the late seventies when Japan was rapidly expanding its share of the American auto market, GM surveyed owners of GM cars and asked, "Would you be more willing to buy a large, powerful car or a small, economical car?" Seventy percent of those who responded said that they would prefer a large car. On the basis of this survey, GM decided to continue building large cars. Yet during the '80s, GM lost even more of the market to the Japanese.

Which one of the following, if it were determined to be true, would best explain this discrepancy?

- (A) Only 10 percent of those who were polled replied.
- (B) Ford which conducted a similar survey with similar results continued to build large cars and also lost more of their market to the Japanese.
- (C) The surveyed owners who preferred big cars also preferred big homes.
- (D) GM determined that it would be more profitable to make big cars.
- (E) Eighty percent of the owners who wanted big cars and only 40 percent of the owners who wanted small cars replied to the survey.

Only two answer-choices have any real merit--(A) and (E). The argument generalizes from the survey to the general car-buying population, so the reliability of the projection depends on how representative the sample is. At first glance choice (A) seems rather good, because 10 percent does not seem large enough. However, political opinion polls typically are based on only .001 percent of the population. More importantly, we don't know what percentage of GM car owners received the survey. Choice (E), on the other hand, points out that the survey did not represent the entire public, so it is the answer.

The other choices can be quickly dismissed. Choice (B) simply states that Ford made the same mistake that GM did. Choice (C) is irrelevant. Finally, choice (D), rather than explaining the discrepancy, would give even more reason for GM to continue making large cars.

## **FREQUENTLY ASKED QUESTIONS**

### **When is the GMAT given?**

The test is given year-a-round during normal business hours. There is often one week during each month in which the test is not offered.

### **How important is the GMAT and how is it used?**

It is crucial! Although business schools may consider other factors, the vast majority of admission decisions are based on only two criteria: your GMAT score and your GPA.

### **How many times should I take the GMAT?**

Most people are better off preparing thoroughly for the test, taking it one time and getting their top score. You can take the test as often as you like, but many business schools will average your scores. You should call the schools to which you are applying to find out their policy. Then plan your strategy accordingly.

### **Can I cancel my score?**

Yes. When you finish the test, the computer will offer the option of canceling the test or accepting it. If you cancel the test, neither you nor any school will see your score. If you accept the test, the computer will display your score and it will be available to all schools.