Chapter 4: Forecasting

Multiple Choice

Principio del formulario

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1. Hint

Forecasting time horizons include

short-range
medium-range
long-range
all of the above

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2. Hint

A forecast that projects a company's sales is a(n)

economic forecast
technological forecast
demand forecast
all of the above

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3. Hint

Quantitative methods of forecasting include

sales force composite
exponential smoothing
jury of executive opinion
consumer market survey

4. Hint

The method that considers several variables that are related to the variable being predicted is

exponential smoothing
weighted moving average
multiple regression
weighted moving average

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5. Hint

The forecasting model that is based upon salesperson's estimates of expected sales is

jury of executive opinion
delphi method
consumer market survey
sales force composite

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6. Hint

Which of the following is not a quantitative forecasting method?

jury of executive opinion
moving average
exponential smoothing
trend projection

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7. Hint

Which of the following is not a component of a time series?

trend
seasonality
cycles
all of the above are components of a time series

8. Hint

The naive approach to forecasting

assumes that demand in the next period is equal to demand in the most recent period
uses an average of the n most recent periods of data to forecast the next period
is a sophisticated weighted moving-average
fits a trend line to a series of historical data points and then projects the line into the future for forecasts

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9. Hint

Decomposing a time series refers to breaking down past data into the components of

constants and variations
trends, cycles, and random variations
strategy, tactical, and operational variations
long-term, short-term, and medium-term variations

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10. Hint

With regard to regression-based forecast, the standard error of the estimate gives a measure of

the variability around the regression line
the time period for which the forecast is valid
the time required to derive the forecast equation
the maximum error of the forecast

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11. Hint

When using exponential smoothing, the smoothing constant

is typically between .05 and .50 for most business application
indicates the amount of weight placed on the most recent period
can be determined using MAD
all of the above

12.

Hint

A tracking signal

is a measure of how well the forecast is predicting the actual values
is computed as the running sum of the forecast errors (RSFE) divided by the mean absolute deviation (MAD)
that is positive indicates that demand is greater than the forecast
all of the above

13.

Hint

Forecasting in the service sector

presents some unusual challenges
track demand by maintaining good short-term records
commonly use point-of-sale computers to track demand by time period
all of the above

14.

Hint

If demand is 55 during January, 58 in February, 61 in March, and 64 in April, what is the 3-month simple moving average for May?

59.5
61
64
none of the above

15.

Hint

Given last period's forecast of 65, and last periods demand of 62, what is the simple exponential smoothing forecast with an alpha of 0.4 for the next period?

62
63.2
63.8
65

Final del formulario