

# GRE – AUG 2011 PATTERN

## ANSWER KEY

SECTION 3		SECTION 4		SECTION 5		SECTION 6	
1	B	1	C	1	A	1	B
2	A	2	E	2	D	2	A
3	E	3	B	3	A	3	A
4	C	4	B	4	B	4	D
5	D	5	D	5	A	5	C
6	C	6	C	6	C	6	A
7	B	7	D	7	B	7	D
8	E	8	E	8	B	8	D
9	D	9	B	9	A	9	C
10	A	10	B	10	B	10	B
11	B AND C	11	E AND F	11	E	11	C
12	B AND F	12	B AND E	12	B	12	B
13	B AND E	13	B AND D	13	E	13	B
14	C AND D	14	C	14	E	14	E
15	A AND C	15	C	15	E	15	E
16	B	16	C	16	A	16	A
17	C	17	D	17	B	17	C
18	C	18	C	18	A	18	A
19	C	19	C	19	B	19	A
20	A	20	B	20	B AND E	20	B AND C
21	B	21	E	21	A,B,D	21	A,B,C
22	E	22	D	22	0.0018	22	3700
23	C	23	E	23	488	23	0.4
24	A	24	C	24	2/3	24	170.5
25	D	25	C	25	171.35	25	15

### SECTION 1 – ANALYZE AN ISSUE

“The safety of consumer goods can best be ensured not by way of government regulation but rather through voluntary efforts of the private businesses that produce those goods.”

#### *Sample Response to The Topic (475 Words)*

The extent to which government should oversee the production of goods by the private sector is a complex issue involving a tug-of-war between the interests of public safety

and free enterprise. On balance, however, I tend to agree that consumer safety is best left to the private sector, given the dubious effectiveness of government regulation and the proven tendency of our corporate culture to set its own safety standards irrespective of those set by government.

One compelling argument against such regulations is that they are costly to administer and enforce, and can even be counterproductive. Government regulatory agencies tend to be unwieldy bureaucracies; thus administrative delays can frustrate the purpose of regulations, particularly those designed to curb activities that pose an immediate threat to the public's safety or health. Moreover, the costs of administering and enforcing government regulations are passed on to the same taxpayer-citizens whom the regulations are designed to protect, thereby countervailing their value.

A second compelling argument against such regulations is that they are ineffectual when it comes to large corporations, which have the power and financial resources to undermine them. Specifically, in my observation the private sector tends to view potential civil and criminal penalties simply as business risks to be weighed against the potential profit accruing by violating the law. Two other responses to government regulation are common as well: circumventing them by relocating to places where it is legal to produce harmful products, and lobbying lawmakers to modify or repeal regulations that serve to reduce profitability.

Those who disagree with the statement might argue that, left unfettered by regulation, private enterprises will naturally sacrifice product safety for profit -- because the profit motive is what drives them. Thus absent product-safety regulations, the argument goes, consumers would find themselves in constant peril of injury, illness, and even death. However, this argument overlooks the offsetting economic and social benefits of free enterprise. By maximizing profits businesses provide jobs, stimulate the economy, and facilitate innovation and progress.

The argument also ignores the fact that many corporations today actually go further than regulations require in ensuring that their products are safe. Many car manufacturers, for instance, design their automobiles to exceed government safety guidelines. Admittedly, such safety measures are probably born not of social conscience but of self-interest; after all, consumer-friendly products attract consumers and thus can enhance longer-term profits. Regardless of the motive, however, the empirical evidence is that businesses produce safe goods whether or not they are subject to government regulation.

In conclusion, I acknowledge that the private sector's profit motive is not about to yield to a collective social conscience any time soon. Nevertheless, given the ineffectiveness of government regulation and the economic benefits of a laissez-faire economic system, product-safety issues are best resolved by the producers of products -- and ultimately by consumers who choose to buy or not buy them.

## SECTION 2 – ANALYZE AN ARGUMENT

The following appeared in a memo from the sales director of Aura Cosmetics Company:

"The best way to reverse Aura Cosmetic's recent decline in profitability is to require each new employee in Aura's sales division to enroll in the popular SureSale seminar. Last year, the software company TechAide began incorporating SureSale's week-long seminar into its training program for all new sales employees, and since that time TechAide's total sales have increased dramatically. Also, according to a recent article in a reputable business magazine, the SureSale sales system has been widely adopted among the nation's twenty largest companies, and the employee turnover rate at these companies is lower today than five years ago. Therefore, by enrolling Aura sales employees in the SureSale seminar Aura will also retain its highest caliber salespeople."

### *Sample Response (520 Words)*

In this argument Aura's sales director relies on certain anecdotal evidence about one other company, as well as on certain statistics about general trends among large companies, to convince us of the merits of enrolling certain ABC employees in the SureSale seminar. Close inspection of this evidence reveals, however, that it provides scant support at best for the director's argument.

Turning first to the anecdotal evidence, the director assumes too hastily that the SureSale seminar, rather than some other phenomenon, was responsible for the increase in TechAide's total sales. Perhaps the increase simply reflected general economic or supply-demand trends, or a misstep on the part of TechAide's chief competitor. For that matter, perhaps the increase is attributable to certain TechAide salespeople who are not new employees and who did not take the seminar. Without eliminating these and other plausible explanations for the increase in sales at TechAide, the director cannot convince me that the SureSale seminar was responsible for the increase, let alone that it would also enhance sales at Aura.

Even if TechAide's sales increase is attributable to SureSale, the director's argument rests on the additional assumption that the seminar would provide a similar benefit at Aura. However, the memo fails to account for possible differences between Aura and TechAide that might have a bearing on the seminar's effectiveness. For example, perhaps the SureSale system is effective for companies that provide services and/or are technology-oriented, but ineffective for companies such as Aura that offer traditional products. If so, the memo's recommendation would be indefensible, at least based on TechAide's experience.

Turning to the memo's statistics about the largest twenty companies, the director fails to account for any possible cause of the decline in employee turnover other than the SureSale method. Even if SureSale deserves credit for this decline, it is unreasonable to conclude on this basis that Aura would benefit similarly by adopting the SureSale

method. The increase in employee turnover at Aura might be due to certain factors, such as working conditions, that would remain unaffected by the seminar. If so, then the proposed course of action might not suffice to retain Aura's best salespeople.

Finally, even assuming the SureSale seminar would serve to enhance Aura's profitability and reduce its employee turnover, the director has not convinced me that the proposed course of action is a necessary means toward these ends. Perhaps some other sales seminar, or certain cost-cutting measures, would prove more effective in enhancing Aura's profitability. By the same token, perhaps some other course of action - - such as revising Aura's personnel policies or work environment -- would be more effective in reducing employee turnover.

In sum, as it stands the director's argument is weak. To strengthen it the director should provide statistical evidence showing that companies similar to Aura that have adopted the SureSale program have tended to benefit from it, both in terms of profitability and employee turnover. To better assess the argument, it would be useful to compare the proven benefits of the SureSale seminar to those of similar seminars. It would also be useful to conduct a cost-benefit analysis of alternative courses of action, including various revenue-enhancing as well as cost-cutting measures.