

**MULTIPLE CHOICE QUESTIONS**

**CHAPTER 2 TOPIC: DEMAND FORECASTING**

1. Which of the following is not true for forecasting?  
(A) Forecasts are rarely perfect  
(B) The underlying casual system remain same in future  
(C) Forecast for group of items accurate than individual items  
(D) Short range forecasts less accurate than long range
  
2. Which of the following is not a forecasting technique?  
(A) Judgmental (B) Time series (C) Time horizon (D) Associative
  
3. In which of the following forecasting technique, data obtained from past experience is analyzed?  
(A) Judgmental (B) Time series (C) Associative (D) All of these
  
4. Delphi method is used for  
(A) Judgmental (B) Time series (C) Associative (D) All of these
  
5. Short term regular variations related to the calendar or time of day is known as  
(A) Trend (B) Seasonality (C) Cycles (D) Random variations
  
6. The process of using present and past conditions for analyzing future aspect is called \_\_\_\_  
(A) Forecasting (B) Term analysis (C) Expectations analysis (D) All of these
  
7. Main object of long term sales forecasting is/are to  
(A) earn more profit (B) earn goodwill  
(C) prepare a plant for long term production (D) All of these
  
8. \_\_\_\_\_ forecasting is more important from managerial view point as it helps the management in decision making with regard to the firms demand and production.  
(A) Macro level (B) Industry level (C) Firm level (D) None of these

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9. Under \_\_\_\_\_ Method, a panel is selected to give suggestions to solve the problems in hand.

- (A) Opinion survey      (B) Expert opinion      (C) Delphi technique      (D) Consumer interview

10. Forecasts \_\_\_\_\_

- (A) become more accurate with longer time horizons  
(B) are rarely perfect  
(C) more accurate for individual items than for groups of items  
(D) All of these

**ANSWERS**

1. (D)	2. (C)	3. (B)	4. (A)	5. (B)
6. (A)	7. (C)	8. (C)	9. (C)	10. (B)