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QUESTION 1

Analytics is being used to estimate the number of machine breakdowns a company will experience next year. The business analyst provides an optimistic estimate of 10 breakdowns, a pessimistic estimate of 100 breakdowns, and a most likely value of 50 breakdowns. What type of estimation is being used?

- A. Parametric Estimation
- B. PERT
- C. Top-down
- D. Delphi

Correct Answer: B

According to the Guide to Business Data Analytics, PERT (Program Evaluation and Review Technique) is a type of estimation that uses three values: optimistic, pessimistic, and most likely. The PERT estimate is calculated as the weighted average of these three values, with more weight given to the most likely value. PERT can be used to estimate the duration, cost, or other variables of a project or activity, taking into account the uncertainty and variability of the data. PERT can help provide a realistic and reliable estimate based on the available information.

QUESTION 2

An insurance company has seen an upward trend in winter-related accidents over the past three years. The company has just completed an analytics study to better understand the primary reasons for these accidents and assess how many of the drivers were using winter tires. This analysis will help the company decide how to move forward with drivers not taking precautionary measures during winter. What type of analysis will help in determining the primary reasons and percentage of those drivers with winter tires?

- A. Prescriptive
- B. Descriptive and Predictive
- C. Descriptive
- D. Descriptive and Diagnostic

Correct Answer: D

Descriptive analytics is a type of analytics that summarizes and visualizes the data to provide an overview of what has happened or is happening, such as the trend of winter-related accidents over the past three years, or the percentage of drivers using winter tires¹². Diagnostic analytics is a type of analytics that explores and analyzes the data to understand why something has happened or is happening, such as the primary reasons for these accidents, or the factors that influence the drivers' decisions¹³. To answer the question, both descriptive and diagnostic analytics would be needed to provide the relevant information and insights for the company.

QUESTION 3

The data analysis completed by the analytics team points to three potential options that could be recommended by the team each of which will help their organization meet their desired goal. Given that there is no significant difference in the

results that each option would provide, the team will reach a final recommendation by determining value to be delivered to specific parts of the organization and:

- A. Within the functional unit with the most staff
- B. By which manager wants the change the most
- C. Assessing the impact of change for each one
- D. By obtaining a decision by senior management

Correct Answer: C

According to the IIBA's Guide to Business Data Analytics, one of the steps in the data analysis process is to use the results to influence business decision making. This involves evaluating the feasibility, viability, and desirability of the potential options or solutions that are derived from the data analysis, and recommending the best option or solution that aligns with the business goals and objectives¹. To evaluate the feasibility, viability, and desirability of the options or solutions, the data analysis team should consider the value to be delivered to specific parts of the organization and the impact of change for each one. The value to be delivered refers to the benefits, outcomes, or improvements that the option or solution will provide to the stakeholders, customers, or processes of the organization. The impact of change refers to the costs, risks, or challenges that the option or solution will entail for the implementation, adoption, or maintenance of the organization. By assessing the value and the impact of each option or solution, the data analysis team can compare and contrast the trade-offs, pros and cons, and strengths and weaknesses of each option or solution, and select the one that maximizes the value and minimizes the impact for the organization².

The other options are not correct criteria for reaching a final recommendation. The functional unit with the most staff, the manager who wants the change the most, and the senior management are not relevant factors for evaluating the options or solutions, as they do not reflect the value or the impact of the options or solutions. The functional unit with the most staff may not be the most affected or the most important part of the organization for the data analysis project. The manager who wants the change the most may not have the authority, influence, or expertise to make the best decision for the organization. The senior management may not be the only or the final decision makers for the data analysis project, as they may delegate, consult, or collaborate with other stakeholders or experts.

QUESTION 4

The analytics team discovers there is an abundance of data available to them from various sources. They are excited about the potential of turning this data into usable information for their organization. They decide to focus the analytics work on:

- A. Using the data that is easiest to collect in order to turn out reports quickly
- B. Harnessing all the data and presenting various results to senior management
- C. Harnessing all the data as long as the analysis meets key cost criteria
- D. Using the data to answer a limited number of key questions

Correct Answer: D

According to the IIBA's Guide to Business Data Analytics, analytics work should be driven by well-defined business problems or opportunities that are aligned with the organization's strategic objectives¹. Having an abundance of data does not necessarily mean that all of it is relevant, reliable, or useful for the analytics purpose. Therefore, the analytics team should focus on using the data to answer a limited number of key questions that are derived from the business context and that can generate actionable insights and outcomes. This approach can help the analytics team prioritize the most important data sources, methods, and tools, as well as avoid wasting time and resources on analysis that is

not impactful or meaningful for the organization.

QUESTION 5

A marketing director has asked the question "How many product purchases are expected this coming year given the current marketing campaign?". What type of analytics would be performed to answer this question?

- A. Descriptive
- B. Predictive
- C. Diagnostic
- D. Prescriptive

Correct Answer: B

Predictive analytics is a type of analytics that uses historical and current data, as well as statistical and machine learning techniques, to forecast future events or outcomes, such as product purchases, customer behavior, or market trends¹². To answer the question "How many product purchases are expected this coming year given the current marketing campaign?", predictive analytics would be performed to estimate the demand and sales based on the existing data and the marketing campaign variables.

QUESTION 6

A large bank has recently revamped their website, adding additional features such as financial investment opportunities, spending activity, and supporting reports. Which question will add value when evaluating how the website is being used?

- A. What is the customer satisfaction rating across the branches?
- B. What are the top keywords used in searches made within the website?
- C. What is the customer retention rate since the website launch?
- D. How many articles were published since the website launch?

Correct Answer: C

Customer retention rate is a measure of how many customers continue to use a product or service over a given period of time. It is an important indicator of customer loyalty, satisfaction, and value. Customer retention rate can help the bank evaluate how the website is being used by comparing the number of customers who visited the website before and after the launch of the new features. A high customer retention rate would suggest that the new features are attractive, useful, and engaging for the customers, while a low customer retention rate would indicate that the new features are not meeting the customers' needs or expectations. Customer retention rate can also help the bank identify the segments of customers who are more or less likely to use the website, and tailor their marketing and communication strategies accordingly.

QUESTION 7

The team has completed their analysis on a vast amount of collected data and agree on their recommendations for

action.

However, they are having difficulty in developing the appropriate messages to support their recommendations. The business analysis professional suggests which technique to assist the team?

- A. T-Testing
- B. Simulation
- C. Visioning
- D. Storyboarding

Correct Answer: D

Storyboarding is a technique that helps the team to develop the appropriate messages to support their recommendations by creating a visual sequence of the main points, evidence, and actions. Storyboarding helps the team to organize their thoughts, identify gaps, and communicate their findings in a clear and compelling way

QUESTION 8

A software company launched a new product in late 2016. The product manager is reviewing a Box and Whisker plot used to compare year-over-year sales, from 2017 to 2018. What is the conclusion he can make from this chart?

- A. 2017 minimum and maximum sales are higher than 2018, and the 2017 median result is higher than the 2018 median result
- B. 2017 minimum and maximum sales are higher than 2018, but the 2017 median result is lower than 2018 1st quartile result
- C. 2018 minimum and maximum sales are higher than 2017, and the 2018 quartile results are higher than 2017 quartile results
- D. 2018 minimum and maximum sales are higher than 2017, and the 2018 1st quartile is higher than 2017 median result

Correct Answer: D

QUESTION 9

An analyst is tasked with helping the sales team make better use of its data to support informed business decision making. The analyst creates the following research question '\\How can shipping costs be lowered in the northeast to remain competitive?\\'. This question:

- A. Is sufficient to begin analytics work and can be revised after analysis
- B. Is adequately stated and scopes the analytics initiative
- C. Needs to be further defined before mathematical modeling can begin
- D. Needs to be more broadly focused to frame the research

Correct Answer: C

According to the Guide to Business Data Analytics, a research question is a clear, concise, and specific question that guides the analytics work¹. The research question should be SMART: Specific, Measurable, Achievable, Relevant, and

Time-bound². The question 'How can shipping costs be lowered in the northeast to remain competitive?' is not SMART, as it lacks some important details, such as:

What is the current shipping cost and the target cost reduction?

What are the criteria for measuring competitiveness?

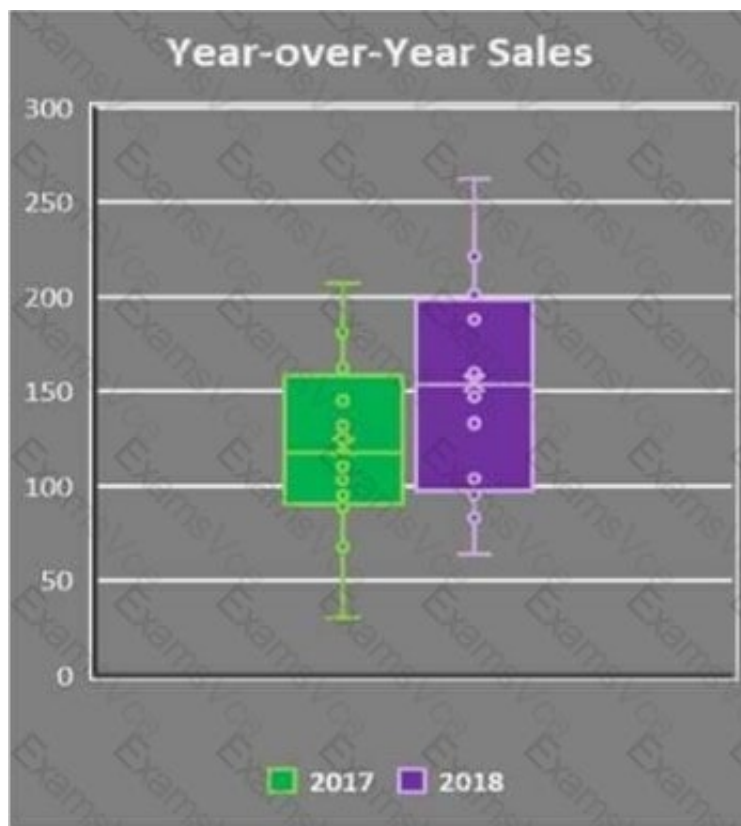
What is the time frame for achieving the cost reduction and competitiveness?

What are the factors that influence the shipping cost and competitiveness? What are the assumptions and constraints of the analysis?

Therefore, the question needs to be further defined before mathematical modeling can begin, as the modeling requires clear and precise inputs and outputs. The other options are not correct, as they imply that the question is either too vague or too narrow, which is not the case.

QUESTION 10

The following boxplot is produced from a dataset. From this boxplot which of the following conclusions can be drawn?



Year-over-Year Sales

A. The medians and the inter-quartile range is the same in each group

- B. The medians and the inter-quartile ranges are different in each group
- C. The medians are the same but the inter-quartile ranges are not
- D. The inter-quartile ranges are the same but the medians are not

Correct Answer: B

According to the Guide to Business Data Analytics, a boxplot is used to provide a visual summary of one or more groups of data values through their quartiles. In this case, the boxplot shows two different years, 2017 and 2018, with distinct medians and interquartile ranges. The median is represented by the line inside the box, while the interquartile range is represented by the height of the box itself. Outliers are marked with circles above and below the box. From the boxplot, we can see that the median sales for 2018 are higher than the median sales for 2017, and the interquartile range for 2018 is narrower than the interquartile range for 2017. This means that the sales for 2018 are more concentrated around the median and have less variability than the sales for 2017. Therefore, the correct answer is B.

QUESTION 11

A financial software company has growth and expansion as one of their top strategic priorities for the year. The senior executive team would like to assess their sales performance over the last 3 years to help set sales objectives. In discussion with the business analytics manager, for a comprehensive sales report, the sales lead recommends looking into the number of contracts signed over the past 3 years and the dollar value for the signed contracts. Which other question is important to consider when evaluating sales performance?

- A. What is the time to market the software
- B. What is the total cost incurred per year
- C. What is the number of customers retained over the past 3 years
- D. What is the average time for conversion

Correct Answer: D

The average time for conversion is the average number of days it takes to convert a lead into a customer. This is an important question to consider when evaluating sales performance, because it indicates the efficiency and effectiveness of the sales process. A shorter time for conversion means that the sales team can close more deals in less time, and thus increase the revenue and profitability of the company. A longer time for conversion may indicate that there are bottlenecks, challenges, or inefficiencies in the sales process that need to be addressed.

QUESTION 12

A large telecommunications company wants to increase their Average Revenue Per User per month by 5%, by end of year, to increase revenue in a highly competitive market. From a SMART target perspective, what is missing?

- A. TThe increase should be seen sooner
- B. Alt is too easy of a target to attain
- C. RSince competition is high, focus should be on increasing customer base and not on ARPU
- D. SThere is no mention of which product group/line the target pertains to

Correct Answer: D

A SMART target is one that is specific, measurable, achievable, relevant, and time-bound¹. The target of increasing the Average Revenue Per User (ARPU) per month by 5%, by end of year, to increase revenue in a highly competitive market is missing the specificity criterion, as it does not mention which product group or line the target applies to. The target should be more specific and clear about the scope and context of the desired outcome, such as which segment, region, or service the target relates to

QUESTION 13

Freedom Insurance is planning to offer a new type of insurance policy and would like to determine how to optimally price it. The company seeks to identify the characteristics of this policy that would produce the maximum profit in the coming year. What type of analytics would Freedom Insurance be considering to achieve this objective?

- A. Retrospective analytics
- B. Descriptive analytics
- C. Predictive analytics
- D. Prescriptive analytics

Correct Answer: D

According to the Guide to Business Data Analytics, prescriptive analytics is a type of analytics that provides recommendations or suggestions for optimal actions or decisions based on data analysis. Prescriptive analytics uses techniques such as optimization, simulation, and decision analysis to evaluate various scenarios and trade-offs and to determine the best course of action for a given objective and constraint. Prescriptive analytics can help organizations achieve their goals, improve their performance, and increase their efficiency and effectiveness. In this situation, Freedom Insurance wants to determine how to optimally price a new type of insurance policy that would produce the maximum profit in the coming year. This is a prescriptive analytics problem, as it involves finding the optimal solution for a complex and uncertain decision problem.

QUESTION 14

The analytics team has been asked to determine if the organization should launch their highest revenue generating product into the North American market. To date, this has only been available in Eastern Europe. To answer this, the team formulates several research questions, including:

- A. What product launch related costs can we expect?
- B. How much revenue does the product generate in Eastern Europe?
- C. Why does management need to know this?
- D. Do existing customers really like the product?

Correct Answer: D

One of the steps in identifying the research questions for business data analytics is to assess the feasibility and desirability of the proposed solution or change¹. This involves understanding the needs, preferences, and satisfaction of the existing and potential customers. Therefore, asking whether the existing customers really like the product is a relevant research question for the analytics team.

QUESTION 15

Based on the results of a recently completed analytics initiative, the Human Resource department for a major department store implemented a change to its hiring practice to address the attrition rates of its sales associates. The new policy stated that candidates applying for sales positions must possess at least 3 years of relevant sales experience to be considered. After implementing the change, attrition rates are 10% higher and management is frustrated. Which of the following could result in this outcome?

- A. The results of analysis have been incorrectly interpreted
- B. Sales experience is not a relevant skill
- C. Analytics is not helpful given this situation
- D. The change proposed is not aligned to company strategy

Correct Answer: D

The change proposed is not aligned to company strategy, because it may not address the root cause of the attrition problem, or it may conflict with other organizational goals or values. For example, the change may reduce the pool of qualified candidates, increase the hiring costs, or lower the diversity or customer satisfaction of the sales team. The change may also ignore other factors that influence the attrition rates, such as compensation, training, feedback, or recognition. Therefore, the change may not achieve the desired outcome of reducing attrition, and may even worsen it.

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