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Chapter 1

The Lowdown on the GMAT

Congratulations on deciding to take a significant step in your business career! More than 100 countries offer the Graduate Management Admission Test (GMAT), and according to the Graduate Management Admission Council, more than 6,000 programs at 2,300 universities and organizations in 114 countries use the GMAT to make admissions decisions. That said, you're probably not taking the GMAT because you want to. In fact, you may not be looking forward to the experience at all! But the GMAT need not be a daunting ordeal. A little knowledge can help calm your nerves, so this chapter shows you how admissions programs use your test score and addresses the concerns you may have about the GMAT's format and testing and scoring procedures.

Knowing Why the GMAT Is Important

If you're reading this book, you're probably thinking about applying to an MBA program. And if you're applying to an MBA program, you probably need to take the GMAT. Many MBA programs require that you submit a GMAT score for the admissions process. (Some may require other tests or no test at all, so make sure you check each program's admissions checklist.) Even if your program doesn't require a GMAT score through a test-optional or test-flexible policy, a strong GMAT score can significantly support your application.

Your GMAT score gives the admissions committee another tool to use to assess your skills and compare you with other applicants. But if you're seeking a career in business, you're probably resigned to being continually assessed and compared. The GMAT doesn't attempt to evaluate any particular subject area that you may have studied, but instead it gives admissions officers a standardized idea of how you'll likely perform in the classes that make up a graduate business

curriculum. Although the GMAT doesn't rate your experience or motivation, it does provide an estimate of your academic preparation for graduate business studies.



REMEMBER

Not every MBA applicant has the same undergraduate experience, but most applicants take a standardized test. Other admissions factors, like college grades, work experience, the admissions essay or essays, and a personal interview, are important, but the GMAT is a tool that admissions committees can use to directly compare you with other applicants and confirm your academic qualifications.

The most selective schools primarily admit candidates with solid GMAT scores, and good scores will certainly strengthen your application to any program, but you shouldn't feel discouraged if your practice tests don't put you in the 90th percentile. Very few students achieve anything near a perfect score on the GMAT. Even if you don't score as high as you want to, you undoubtedly have other strengths in your admissions profile, such as work experience, leadership ability, good college grades, motivation, and people skills. You may want to contact the admissions offices of the schools you're interested in to see how much they emphasize the GMAT. That said, the GMAT can be an important factor in admissions, and you should do everything you can to perform your best!

Planning It Perfectly: When and How to Take the GMAT

Which MBA programs to apply to isn't the only decision you have to make. After you've figured out where you want to go, you have to make plans for the GMAT. You need to choose which format works best for you, determine the ideal time to take the test, and know what to have with you when you do. The following sections can help you out.

Choosing between taking the GMAT online or at a test center

The Graduate Management Admissions Council provides two options for taking the GMAT: online at home or at a designated testing center. Regardless of where you take it, the GMAT e-content and interface are the same. Which method is best for you depends on several considerations. For many, the advantage of testing in a familiar environment outweighs the challenges of creating a secure testing environment. Others prefer the stability of taking the computerized exam at a testing center.

The GMAT Online Exam

You may choose to take the GMAT Online Exam in the comfort of your home on your own computer. Before you take the exam, you download the special secure software and set up your test space. A human proctor virtually oversees the online exam throughout the testing experience, and you're responsible for meeting the stringent specifications for setting up the testing environment. Here are the advantages of taking the online exam:

- » **The online format is available even more often than the offline option provided at testing centers.** You can take the online GMAT 24 hours a day, 7 days a week, and you can register 24 hours before an open slot.

- » **The testing environment is familiar.** As long as you set up the testing environment along the required guidelines, you can test from any location.
- » **You don't have to worry about traffic or other commuting issues.** It's hard to get lost when you're commuting from your bedroom to your home office.

The GMAT at a testing center

You can also opt to take the GMAT at a testing center. Although testing at home may seem more desirable, you may choose the testing center for the following reasons:

- » **The testing center provides all supplies.** You don't have to worry about a reliable Internet connection or purchasing your own whiteboard for notes.
- » **You aren't responsible for securing your environment.** To maintain the integrity of the home testing experience, you must follow stringent guidelines. Testing at a center guarantees that you won't be penalized for an interruption by a family member or fail to pass a room scan.

When to register for and take the GMAT

When is the best time to take the GMAT? With the computerized and online testing procedures, this question has become more interesting than it was in the days of paper-based tests. When the exam was a paper-and-pencil format with a test booklet and an answer sheet full of bubbles, you had a limited choice of possible test dates — about one every two months. Now you've got much more flexibility when choosing the date and time for taking the test. You can pick just about any time to sit down and click answer choices with your mouse.

Registering when you're ready

The first step in the GMAT registration process is scheduling an appointment, but don't put off making this appointment the way you'd put off calling the dentist (even though you'd probably like to avoid both!). Depending on the time of year, appointment times can go quickly. You may have to wait at least a month for an open time. To determine what's available, you can go to the official GMAT website at www.mba.com. From there, you can choose an online test appointment or testing location and find out what dates and times are available. When you find a date and time you like, you can register online or over the phone.



REMEMBER

The best time to take the GMAT is after you've had at least six to eight weeks of quality study time and during a period when you don't have a lot of other things going on to distract you. Of course, if your MBA program application is due in four weeks, put this book down and schedule an appointment right away! Be sure to come right back, though. You need to start studying — and now! If you have more flexibility, you should still plan to take the GMAT as soon as you think you've studied sufficiently. All the following circumstances warrant taking the GMAT as soon as you can:

- » **You want to start your MBA program right away.** If you're confident that you want to begin business school within the next few semesters, you should consider taking the GMAT in the near future. After you know your score, you'll be better able to narrow down the business schools you want to apply to. Then you can focus on the other parts of your application, and you won't have to worry about having an application due in four weeks and no GMAT score.
- » **You're considering attending business school.** Maybe you don't know whether you want to pursue an MBA. Even so, now's a good time to take the GMAT. Your GMAT score may help you decide that you have the skills to succeed academically in graduate business school. You may

think that you don't have what it takes, but your performance on the GMAT may surprise you! If you do decide to apply to an MBA program, you'll already have one key component of the application under wraps.

» **You're about to earn (or have just earned) your bachelor's degree.** If you're nearing graduation or have just graduated from college and you think you may want to get an MBA, it's better to take the GMAT now than wait until later. You're used to studying. You're used to tests. And math and grammar concepts are probably as fresh on your mind as they'll ever be.

You don't have to start an MBA program right away. Your GMAT scores are valid for up to five years, so you can take the test now and take advantage of your current skills as a student to get you into a great graduate program later.



REMEMBER

Giving yourself about four to six weeks to study provides you with enough time to master the GMAT concepts but not so much time that you forget what you've studied by the time you sit for the test.

Scheduling for success

Whenever you register, you want to consider your own schedule when picking a test date and time. Take advantage of the flexibility allowed by the computer format. The GMAT is no longer just an 8 a.m. Saturday morning option. You can take the test any day of the week except Sunday, and, depending on the test center, you may be able to start at a variety of times. Many centers offer 8 a.m. testing times, but some have other options, even 6:30 at night — great for those night owls who consider 8 a.m. a good bedtime rather than a good exam time. Your options for the online test may be even more abundant. You have a little bit of control over making the test fit into your life instead of having to make your life fit the test!

If you're not a morning person, don't schedule an early test if you can help it. If you're better able to handle a nonstop, two-and-a-half-hour barrage of questions — not to mention the analytical essay — after the sun hits its highest point in the sky, schedule your test for the afternoon or evening. By choosing the time that works for you, you'll be able to comfortably approach the test instead of worrying whether you set your alarm. We're guessing that you have enough to worry about in life as it is without the added stress of an inconvenient test time.



TIP

Check the GMAT website for the available testing times at the test centers near you or at home. Then study for the test at the different available times of the day to see when you're at your best. Schedule your test session for that time. Even if you have to take a few hours away from work or classes, being able to take the test at a time that's best for you is worth it. And you may end up picking a test center based on its available times rather than its proximity to you.

While you're thinking about the time that's best for the test, you should think about days of the week, as well. For some people, Saturday may be a good day for a test. For others, the weekend is the wrong time for that type of concentrated academic activity. If you're used to taking the week-ends off, scheduling the test during the week may make more sense for you.



REMEMBER

Choosing the time and day to take the GMAT is primarily up to you. Be honest with yourself about your habits, preferences, and schedule, and pick a time and day when you'll excel.

Things to take to the GMAT testing center (or to have at home)

The most important thing you can bring to the GMAT is a positive attitude and a willingness to succeed. However, if you don't have your admission voucher or your photo ID, you won't get the

chance to apply those qualities! In addition to the voucher and ID, you may bring a list of five schools where you'd like to have your scores sent. You can send your scores to up to five schools for free if you select those schools when entering your pretest information at the test site. (You can skip this step at the testing center if you provide your school information when you register online.) You can, of course, list fewer than five schools, but if you decide to send your scores to additional schools later, you'll have to pay. If you can come up with five schools you'd like to apply to and you feel confident about your abilities, you may as well send your scores for free.



TIP

Because you can take two optional eight-minute breaks, we recommend you have access to a quick snack, like a protein bar, and a bottle of water. You have food or drink in the testing area, but at the centers you're given a little locker that you can access during a break. For the online test, you can leave the room during breaks to use the restroom or eat a quick snack, but you need to leave your camera on while you're gone.

That's really all you need to bring to the testing center. You can't use a calculator, and the test center provides a booklet of five noteboards and a special black pen (but no eraser), which you're required to use instead of pencil and paper. You can ask for another booklet if you fill yours up.

If you test at home, you'll likely want to purchase your own whiteboard to use for notes during the test. The software provides you with an online whiteboard, but you can't use a stylus, so the online version is awkward to use. The erasable whiteboard can be no bigger than 12 by 20 inches. You can have up to two erasable markers and one whiteboard eraser.

Forming First Impressions: The Format of the GMAT

The GMAT is a standardized test, and by now in your academic career, you're probably familiar with what that means: lots of questions to answer in a short period of time, no way to cram for them or memorize answers, and very little chance of scoring 100 percent. The skills tested on the GMAT are those that leading business schools have decided are important for MBA students: analytical writing, integrated reasoning, quantitative reasoning, and verbal reasoning.

The GMAT allows you to choose the order in which you take the four sections:

- » The original order of analytical writing assessment, integrated reasoning, quantitative, and verbal
- » Quantitative, verbal, integrated reasoning, and analytical writing assessment
- » Verbal, quantitative, integrated reasoning, and analytical writing assessment

Pick the order that's most comfortable for you. If you're unsure, we suggest leaving the less important writing and integrated reasoning sections for the end when you're more fatigued. Whether you take the quantitative or verbal first depends on which section is easier for you. You may want to lead with your strength or get the section you like least out of the way in the beginning.

Getting familiar with what the GMAT tests

Standardized tests are supposed to test your academic potential, not your knowledge of specific subjects. The GMAT focuses on the areas that admissions committees have found to be relevant to MBA programs. The sections that follow are an introduction to the four GMAT sections. We devote the majority of the rest of this book to telling you exactly how to approach each one.

Demonstrating your writing ability

You type an original analytical writing sample during the GMAT. The test gives you 30 minutes to compose and type an essay that analyzes an argument. You're expected to write this essay in standard written English. Although you won't know exactly the nature of the argument you'll get on test day, examining previous essay prompts gives you adequate preparation for the *type* of task you're bound to see.



REMEMBER

The readers of your GMAT essay score your essay based on the overall quality of your ideas and your ability to organize, develop, express, and support those ideas.

Integrating your reasoning skills

The next GMAT section is a 30-minute integrated reasoning test that examines your ability to read and evaluate charts, graphs, and other forms of presented data. You'll examine a variety of data representation and answer 12 questions based on the information.

The GMAT categorizes the four basic question types in this section as graphics interpretation, two-part analysis, table analysis, and multi-source reasoning. Graphics interpretation and table analysis questions are self-explanatory: You interpret graphs and analyze tables — simple enough, right? The two-part analysis questions present a problem and related data, provided in two columns. You choose a piece of information from each column to solve the problem. Multi-source reasoning questions provide you with a bunch of information from which you have to decide what piece or pieces of data actually give you what you need to know to solve the problem.

Quizzing your quantitative skills

The quantitative section is pretty similar to most standardized math sections except that it presents you with a different question format and tests your knowledge of statistics and probability. In the 31-question section, the GMAT tests your knowledge of arithmetic, algebra, geometry, and data interpretation with standard problem-solving questions. You'll have to solve problems and choose the correct answer from five possible choices.

Additionally, GMAT data sufficiency questions present you with two statements and ask you to decide whether the problem can be solved by using the information provided by the first statement only, the second statement only, both statements, or neither statement. We show you exactly how to tackle these unusual math questions in Chapter 16.

Validating your verbal skills

The GMAT verbal section consists of 36 questions of three general types: the ubiquitous reading comprehension problems, sentence correction questions, and critical reasoning questions. Reading comprehension requires you to answer questions about written passages on a number of different subjects. Sentence correction questions test your ability to spot and correct writing errors. Critical reasoning questions require you to analyze logical arguments and understand how to strengthen or weaken those arguments.

Understanding the computerized format

The quantitative reasoning and verbal reasoning sections on the computerized GMAT can be taken only in *computer-adaptive test* (CAT) format. The CAT adapts to your ability level by presenting you with questions of various difficulty, depending on how you answered previous questions. If you're answering many questions correctly, the computer gives you harder questions as it seeks to find the limits of your impressive intellect. If you're having a tough day and many of your answers are wrong, the computer presents you with easier questions as it seeks to find the correct level of difficulty for you.

With the CAT format, your score isn't based solely on how many questions you get right and wrong, but rather on the average difficulty of the questions you answer correctly. Theoretically, you could miss several questions and still get a very high score, so long as the questions you missed were among the most difficult available in the bank of questions. At the end of each section, the computer scores you based on your level of ability.

Answering in an orderly fashion

With the CAT format, the question order in the verbal and quantitative sections is different from the order on paper exams that have a test booklet and answer sheet. On the CAT, the first question of the test is preselected for you, and the order of subsequent questions depends on how well you've answered this question. So if you do well on the first question, Question 2 will reflect your success by being more challenging. If you do poorly on the initial questions, you'll get an easier Question 2. The program continues to take all previous questions into account as it feeds you question after question.



WARNING

Perhaps the most important difference of the CAT format is that because each question is based on your answers to previous questions, you can't go back to any question. You must answer each question as it comes. After you confirm your answer, it's final. If you realize three questions later that you made a mistake, try not to worry about it. After all, your score is based on not only your number of right and wrong answers but also the difficulty of the questions.

We're guessing you've figured out that the analytical writing assessment isn't in CAT format because it's not a multiple-choice test. But you may not know that the integrated reasoning section also isn't a CAT section. You receive questions in a preordained order, and that order doesn't change based on your answer selections. Like the CAT sections, though, after you've submitted an answer to a question, you can't change your answer.

Observing time limits

The verbal section has a 65-minute time limit, and the quantitative section has a 62-minute time limit. Because the quantitative section has 31 questions, you have about 2 minutes to master each question. The verbal section has 36 questions, so you have a little less time to ponder those, about a minute and three-quarters per question. The integrated reasoning section is shorter; you have 30 minutes to answer 12 questions, or about 2 and a half minutes per question. You don't have unlimited time in the analytical writing section, either; you have to write the essay within 30 minutes.



TIP

These time limits have important implications for your test strategy on the quantitative and verbal sections. As we discuss later in this chapter, your GMAT score for these two sections depends on the number of questions you're able to answer. If you run out of time and leave questions unanswered at the end of a section, you'll essentially reduce your score by the number of questions you don't answer. In Chapter 2, we present you with an efficient, workable strategy for managing your time and maximizing your score.

Honing your computer skills for the GMAT

Technically challenged, take heart! You need to have only minimal computer skills to take the computerized GMAT. In fact, the skills you need for the test are far fewer in number than those you'll need while pursuing an MBA! Because you have to type your essays, you need basic word-processing skills. For the multiple-choice sections, you need to know how to select answers by using either the mouse or the keyboard.

Knowing Where You Stand: Scoring Considerations

Okay, you know the GMAT's format and how many questions it has and so on. But what about what's really important to you, the crucial final score? Probably very few people take standardized tests for fun, so we give you the lowdown on scoring in the following sections.

How the GMAT testers figure your score

Because the GMAT is a computer-adaptive test, your verbal and quantitative scores aren't based just on the number of questions you get right. The scores you earn are based on three factors:

- » **The difficulty of the questions you answer:** The questions become more difficult as you continue to answer correctly, so getting tough questions means you're doing well on the test.
- » **The number of questions you answer:** If you don't get to all the questions in the verbal and quantitative sections, your score is reduced by the proportion of questions you didn't answer. So if you failed to answer 5 of the 31 quantitative questions, for example, your raw score would be reduced by 16 percent: After converting the raw score to the scaled measure, this loss could significantly decrease your percentile rank.
- » **The number of questions you answer correctly:** In addition to scoring based on how difficult the questions are, the GMAT score also reflects your ability to answer those questions correctly.

GMAT essay readers determine your analytical writing assessment (AWA) score. College and university faculty members from different disciplines read your response to the essay prompt. However, one of your readers may be an automated essay-scoring machine programmed to evaluate the important elements of your essay. Two independent readers separately score your writing assignment on a scale from 0 to 6, with 6 being the top score. Your final score is the average of the scores from each of the readers.

If the two readers assigned to your writing task give you scores that differ by more than one point, a third reader is assigned to adjudicate. For example, if one reader gives you a 6 and the other gives you a 4, a third reader will also review your essay.

Your integrated reasoning score ranges in whole numbers from 1 to 8, with 8 being the highest. Scores of 1 and 2 are rare and unusually low, and very few GMAT-takers score as high as 7 or 8. Generally, if you receive a score of 4, 5, or 6, you've done a respectable job answering the integrated reasoning questions.

How the GMAT testers report your score

Your final GMAT score consists of separate verbal reasoning, quantitative reasoning, integrated reasoning, and analytical writing assessment scores and a combined verbal and quantitative score. When you're finished with the test — or when your time is up — the computer immediately calculates your verbal, quantitative, and integrated reasoning scores and provides them to you in an unofficial score report. You'll have a separate scaled score from 0 to 60 for the verbal and quantitative sections. The two scores are added together and converted to a scaled score ranging between 200 and 800. The mean total score falls slightly above 560.

You won't see your analytical writing assessment scores immediately after the test. These scores are included in the official score report that's either mailed to you or made available online about 20 days after you take the exam. So although you'll be able to view your verbal, quantitative, integrated reasoning, and total scores immediately after the test, you'll need to wait three weeks to see how well you did on the AWA section.

When you do get your official score, the AWA score appears as a number between 0 and 6. This number is a scaled score that's the average of the scores for all the readings of your response. The final score is rounded to the nearest half point, so a 4.8 average is reported as 5. The integrated reasoning scaled score ranges between 1 and 8. Neither the AWA nor the integrated reasoning score affects your total GMAT score in any way. Both scores are reported separately, and each MBA program decides how to use them in their admissions decisions.

Official scores, including the verbal reasoning, quantitative reasoning, total, integrated reasoning, and AWA scores, are sent to the schools that you've requested receive them. The score reports they receive include all your scores, as well as a table showing the percentage of test-takers who scored below you. (For example, if your total score is 670, then about 80 percent of test-takers have a score lower than yours.) You don't have to pay for the five schools you select before you take the test to receive your scores, and for a fee, you can request that your scores be sent to any other school at any time up to five years after the test.

When should you cancel your GMAT score?

Immediately after you complete the computerized exam at the test center or the online exam in your own location, your official verbal, quantitative, integrative reasoning, and total GMAT scores will pop up on the screen. From there, the race is on. Within two minutes, you must decide whether to keep your scores. If you don't accept them within those short two minutes, the GMAT cancels your scores. That's right. The default is to cancel the results of your labor. That's a bunch of pressure after your brain is fried from hours of testing, so you should have a cancellation plan before you begin the GMAT.



TIP

Give careful thought to the lowest scores you'll accept by assessing these factors:

- » **Knowing the score you're capable of earning.** After dedicatedly studying the chapters and answering practice questions in this book and taking official timed practice tests from the GMAC website and GMAC publications, you should have a clear idea of where you're scoring on the GMAT. Use this information to determine your typical score range.
- » **Research the average scores for the MBA programs on your application list.** Use program websites and call admissions offices to determine the lower limits for GMAT scores of accepted students.

Based on the scores you've been getting in practice and the average scores of realistic MBA programs, come up with an idea of the lowest score you'll accept. Cancel your score only if it falls below the limit you've preset. You can also choose to cancel your score later on mba.com within 72 hours of your exam completion time. There is a fee associated with this score cancellation, however, so it's better to cancel a score within that two-minute countdown right after your test than waiting.

If you accept your score and then decide that choice was a mistake, don't despair. You have the option (for a fee) to cancel your score in your mba.com account up to 72 hours from the exam completion time. If you decide you want to keep your score after you've cancelled it, you're also allowed to reinstate it for an additional fee any time up to four years and five months after the exam date.

Repeating the Process: Retaking the GMAT

Because most programs consider only your top scores, retaking the GMAT may be in your best interest if you aren't happy with your first score. The GMAT administrators let you take the test quite a few times if you want (that's pretty big of them, considering you have to pay for it every time). If you do retake the GMAT, make sure you take the process and test seriously. You should show score improvement. A college will be much more impressed with a rising score than a falling one.



WARNING

Many colleges may be turned off if they see that you've taken the GMAT more than two or three times. The key is to prepare to do your best on the first (or second) try.



REMEMBER

Official GMAT reports contain scores for every time you take the test. So if you take the GMAT twice, both scores appear on your report. It's up to the business program to decide how to use those scores. Some may take the higher score and some may take the average. Keep in mind that your new scores won't automatically be sent to the recipients of previous scores, so you'll need to reselect those programs when you retake the test.