1.

With a record number of new companies starting up in Derderia and with previously established companies adding many jobs, a record number of new jobs were created last year in the Derderian economy. This year, previously established companies will not be adding as many new jobs overall as such companies added last year. Therefore, unless a record number of companies start up this year, Derderia will not break its record for new jobs created.

Which of the following is an assumption on which the argument relies?

(A) Each year, new companies starting up create more new jobs overall than do previously established companies.

(B) Companies established last year will not add a greater number of jobs overall this year than they did last year.

(C) This year, the new companies starting up will not provide substantially more jobs per company than did new companies last year.

(D) This year, the overall number of jobs created by previously established companies will be less than the overall number of jobs lost at those companies.

(E) The number of jobs created in the Derderian economy last year was substantially larger than the number of jobs lost last year.

Solution:

(A) Each year, new companies starting up create more new jobs overall than do previously established companies.

→**Last Year:**
1. Established companies = MANY new jobs
2. Many new companies
Result: record number of new jobs
This Year:
1. Established companies = FEWER new jobs
Conclusion: UNLESS record NUMBER of new companies, no new record for new jobs
Assumption: The NUMBER of new companies determines the number of new jobs. In other words, we are assuming that new companies will not hire more individuals PER COMPANY.
Answer choice A is irrelevant to the argument; it makes a comparison between new companies and established companies, rather than between the number of new companies and the number of jobs per new company.

(B) Companies established last year will not add a greater number of jobs overall this year than they did last year.

→consider this statement **from the passage**:

This year, previously established companies will not be adding as many new jobs overall as such companies added last year.

this is not a lie. choice B is about 'companies established last year'. thus, choice B is merely a subset of the blue statistic. the blue statistic is a FACT. choice B is just about one component of the blue statistic. but, since we already know THE OVERALL OUTCOME of the blue statistic, we don't care about its components. thus B is irrelevant.

→choice (b) deals only with companies established *last year*, whereas the stated premise deals with companies established at *any* time before this year. the companies dealt with in choice (b), then, are only a small subset of the companies dealt with in the stated premise.
however, we don't need to make the assumption in choice (b), as it's irrelevant one way or the other: the companies founded *last year* are merely a subset of "previously established companies". therefore, since the stated premise already gives us the *overall* result for ALL previously founded companies, we have no need to be concerned with the results of smaller components of that population (such as (b)).
another way to look at it: if a statement is a *required assumption*, that means the PASSAGE WON'T WORK if the assumption is FALSE.
this is not the case with choice (b). it's perfectly possible for choice (b) to be false - for the companies founded *last year* to add *more* new jobs - and yet the stated premise can still be true; all that it takes is for the companies founded *before* last year to add even *fewer* jobs, to cancel out the additional jobs added by last year's companies.
but yeah, make sure that you read the answer choices very, very literally. "founded last year" is *nowhere close* to being the same thing as "previously established companies". if you look at those and think they're the same, then you MUST start reading the passages more closely with more attention to detail.

→B is not stated in the premises. The premises say that established companies will produce no more new jobs per company than did established companies last year. B says something slightly different. It still wrong, though.

>>

(C) This year, the new companies starting up will not provide substantially more jobs per company than did new companies last year.

→correct.
when you examine questions involving quantitative arguments - which this argument definitely is, even though it doesn't contain actual numbers - you should focus especially on the quantitative parts of the argument.
sure enough, in this problem, the issue is to be found in the numbers: the argument asserts that a **record number of new startups** must be founded. however, what's *actually* needed is a **record number of new startup *jobs***. therefore, you need an assumption that solidifies the idea that, unless a record number of startups are founded, you won't get a record number of startup *jobs*, either.
choice c does exactly that.

→well, the problem has lots of words; that's probably the issue.
analogy:
Last year, the pizza places in Louisville served an all-time high total # of pizzas.
This year, the existing pizza places aren't expected to make as many pizzas as they did last year.
*So, for the city's pizza places to break that record for total pizzas, **a record-high number of new pizza places** must start up.*
you shouldn't need to "plug in numbers" to see what the issue is here:
• the existing places aren't going to make as many pizzas.
• so, there is a **shortfall of a certain NUMBER of pizzas.**
• common sense says we can make up that shortfall in one of two ways: 1/ we can start up a whole bunch of new places, or 2/ we can start up fewer new places but *those* places can turn out HUGE numbers of pizzas.
argument says #1, but there's no good reason why it can't be #2 (= correct answer).

→GMATCLUB:

Last Year :
New Companies = 10
Jobs per new company = 10
Total Jobs from new companies = 10*10 = 100
Jobs from old companies = 100
Total Jobs = 200
This Year :
New Companies = 1
Jobs per new company = 1000
Total Jobs from new companies = 1000
Jobs from old companies = 1
Total Jobs = 1001
In this scenario, we can see that although significantly fewer companies were created, the

record for number of jobs is broken. The argument assumes that such a situation is not possible and C correctly addresses this assumption.

>>>

(D) This year, the overall number of jobs created by previously established companies will be less than the overall number of jobs lost at those companies.

→it's dead out-of-scope. Any consideration of jobs lost is irrelevant. To be fair, though, once you've eliminated D for reasons of scope, you really don't care how far out of scope it is.

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(E) The number of jobs created in the Derderian economy last year was substantially larger than the number of jobs lost last year.

→Both D and E are considering the jobs lost last year. We can't comment on something for which we don't have any information.

→focuses only on last year.