



Dr.G.R.Damodaran College of Science

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II MIB [2016-2018]

SEMESTER III

CORE : GLOBAL STRATEGIC MANAGEMENT - 353B

Multiple Choice Questions.

1. How many cells are there in a SWOT matrix?

- A. 6
- B. 3
- C. 9
- D. 2

ANSWER: C

2. What are the means by which long term objectives will be achieved?

- A. a. Strategies
- B. b. Policies
- C. c. Strength
- D. d. Opportunities

ANSWER: A

3. When an industry relies heavily on government contracts, which forecasts can be the most important part of an external audit

- A. Economic
- B. Competitive
- C. Political
- D. Multinational

ANSWER: C

4. A possible and desirable future state of an organization is called:

- A. Mission
- B. Vision
- C. Strategy implementation
- D. Strategy formulation

ANSWER: B

5. Selling all of a company's assets in parts for their tangible worth is called:

- A. Divestiture
- B. Concentric Diversification
- C. Liquidation
- D. Unrelated integration

ANSWER: C

6. What are the guides to decision making?

- A. Rules
- B. Procedures
- C. Goals
- D. Policies

ANSWER: D

7. Buying another company by one company means:

- A. Joint venture
- B. Acquisition
- C. Amalgamation
- D. Merger

ANSWER: B

8. Which environment can create new market and new business segments?

- A. Political environment
- B. Economic environment
- C. Socio cultural environment
- D. Technological environment

ANSWER: D

9. Buyers market exist when:

- A. few suppliers in the market
- B. buyers purchases in small volume
- C. buyers purchases in large volume
- D. product of suppliers are unique and differentiated

ANSWER: C

10. The Reasons for diversification is:

- A. to reduce competition
- B. to increase organizational capabilities
- C. to get tax advantage
- D. to get quick entry into a business

ANSWER: B

11. Strategic Management handles:

- A. external issues
- B. management issues
- C. internal issues
- D. administrative issues

ANSWER: A

12. What is the starting point of strategic intent?

- A. Objectives
- B. Goals
- C. Mission

D. Vision
ANSWER: D

13. Corporate level strategy deals with:
- A. objectives of specific functions
 - B. objective of Single strategic Business Unit
 - C. objectives of the corporate
 - D. objectives of specific operations

ANSWER: C

14. From the following activity which does not comes under the primary activities of value Chain analysis:

- A. Operations
- B. Technology development
- C. Marketing and sales
- D. Services

ANSWER: B

15. Which of the following can be identified as a best statement that represents a firms big picture statements, describing a desired end state, general in scope and not restrictive?

- A. Corporate philosophy statement
- B. Company creed
- C. Vision statement
- D. Mission statement

ANSWER: C

16. One of the top level manager of a large manufacturing plant uses to spend her day trying to ensure that the material waste is not more than 10% , she spends her day performing the management process of:

- A. Planning
- B. Organizing
- C. Leading
- D. Controlling

ANSWER: D

17. All of the following are key opportunities and threats in external environment because of political, government and legal forces except:

- A. Tax rate
- B. Social security program
- C. Cross boarder relationship
- D. Patent law

ANSWER: B

18. Internal audit is done:

- A. Before external audit
- B. After external audit
- C. Parallel to external audit
- D. Vertical to external audit

ANSWER: C

19. Bargaining power of customers is high if:

- A. Differentiation of competitors product is low
- B. Switching costs are low for substitute products
- C. The buyer has little information about the market
- D. The buyer requires a high quality product for own production

ANSWER: A

20. The magnitude and changes that may affect an organization is survival owing to all of the following except:

- A. Merger-mania
- B. Demographics
- C. E-commerce
- D. Dubious firms

ANSWER: D

21. Which of the following requires a firm to establish annual objectives, devise, policies, motivates employees and allocate resources for the execution of strategies?

- A. Strategy formulation
- B. Strategy evaluation
- C. Strategy implementation
- D. Strategy estimation

ANSWER: C

22. Which type of trend can be exemplified by the increasing numbers of two income households in a society?

- A. Solid
- B. Economic
- C. Cultural
- D. Technological

ANSWER: B

23. The primary benefit brought from restructuring is:

- A. employee involvement
- B. cost reduction
- C. increased morale
- D. increased number and organizational hierarchy

ANSWER: B

24. Technological advancements can create which of the following advantage besides many other existing powerful advantages for the businesses?

- A. Economic
- B. Social
- C. Environmental
- D. Competitive

ANSWER: D

25. Which strategies aim at improving internal weakness by taking advantage of external opportunities?

- A. SO
- B. WO
- C. SW
- D. ST

ANSWER: B

26. the sketch of the BCG matrix, what is the label of the horizontal axis?

- A. Industry growth rate
- B. Market share
- C. Market growth rate
- D. Business strength

ANSWER: B

27. the sketch of the BCG matrix, what is the label of the vertical axis?

- A. Market growth rate
- B. Business strength
- C. Market share
- D. Industry growth rate

ANSWER: D

28. What is the purpose of an activity map?

- A. A system to facilitate better time-planning
- B. It is used in business process reengineering to show how the different activities of an organisation are linked together
- C. It is used to identify and understand strategic capability by mapping how the different activities of an organisation are linked together
- D. A list of activities undertaken by an organisation

ANSWER: C

29. Industry/sector benchmarking compares:

- A. Organisational performance between firms/public sector organisations in different industries or sectors
- B. Organisational performance between firms/public sector organisations in the same industry or sector
- C. Organisational performance between firms/public sector organisations in different countries
- D. Organisational performance between different divisions of the firm

ANSWER: B

30. Which of the following statements is not true reg corporate strategies?

- A. They are concerned with the broad and more long-term issues of the organization
- B. They are concerned with how the organization is going to compete in a specific business or industry
- C. are concerned with the direction the organization is headed
- D. They are concerned with the business(es) that the organization is in and the businesses they want to be in

ANSWER: B

31. Allah group of industries is involved in the sale of its marginal business. It is not likely to say that Abdullah group is implementing which one of the following strategies?

- A. Retrenchment
- B. Liquidation
- C. Acquisition
- D. Joint venture

ANSWER: C

32. Which would be classified as a stakeholder?

- A. Communities
- B. Banks
- C. Suppliers
- D. Communities Banks Suppliers

ANSWER: D

33. An organisation increases its sales through greater marketing efforts, and expands its workforce and production capacity to cope with the increase in demand for its product, it is following a growth strategy in which growth is achieved through:

- A. Unrelated diversification
- B. Acquisition
- C. Merger
- D. Direct expansion

ANSWER: D

34. According to the BCG matrix, an SBU comprising products in an attractive industry but representing little market share would be referred to as:

- A. A cash cow
- B. A star
- C. A dog
- D. A question mark

ANSWER: D

35. If a company offers unique products that are widely valued by customers, it is likely to follow a:

- A. Differentiation strategy
- B. Combination strategy
- C. Focus strategy
- D. Cost-leadership strategy

ANSWER: A

36. The following are considered grand strategies, except for:

- A. A retrenchment strategy
- B. Strategic business units
- C. A growth strategy
- D. Related diversification

ANSWER: B

37. Analysing the external environment and the organisation's resources are part of the:

- A. Functional level planning process
- B. Determining the mission of the business
- C. Financial planning process
- D. Strategic planning process

ANSWER: D

38. Which of the following is not one of Porters five competitive forces?

- A. Bargaining power of suppliers
- B. Threats of new entrants and barriers to entry
- C. Threats of technological advances
- D. Threats of substitutes

ANSWER: C

39. Strategic business units

- A. Are found in one-business organisations
- B. Carry out strategies assigned by the CEO
- C. Develop their own unique way of competing
- D. Implement the marketing function's strategic planning and management decisions

ANSWER: C

40. Marketing current products with possible modifications and range increases is also known as what?

- A. Retrenchment
- B. Market penetration
- C. Product development
- D. Market development

ANSWER: D

41. Retrenchment is:

- A. When a company experiences declining profits and makes cutbacks to improve efficiency.
- B. When a company adopts a new strategic position for a product or service
- C. The sale of the complete business, either as a single going concern or piecemeal to different buyers or sometimes by auctioning the assets
- D. ely to take place when an organization lacks a key success factor for a particular market

ANSWER: A

42. When does horizontal integration occur?

- A. When a firm acquires or merges with a major competitor
- B. When a firm acquires or merges with a an unrelated business
- C. When a firm acquires or merges with a distributor
- D. When a firm acquires or merges with a supplier firm

ANSWER: A

43. Divestment is what kind of strategy?

- A. An asset-reduction strategy
- B. A weakness-reduction strategy
- C. A product-reduction strategy
- D. A cost-reduction strategy

ANSWER: A

44. Sustained survival implies

- A. that a turnaround is achieved but there is little further growth
- B. that a turnaround is achieved and there is potential for further growth
- C. that a turnaround is achieved and there is a clear opportunity to employ a new growth strategy
- D. that a turnaround is achieved and it is appropriate to diversify soon

ANSWER: A

45. In which of the following scenarios is a joint venture likely to be more attractive than acquisition?

- A. Horizontal integration
- B. Vertical integration
- C. New market entry
- D. Larger resource pool

ANSWER: A

46. McDonalds is deciding whether to expand into manufacturing kitchen equipment in China. At what level is this decision likely to be made?

- A. Business
- B. Corporate
- C. Functional
- D. International

ANSWER: B

47. Corporate governance is concerned with:

- A. Executive remuneration, disclosure of information, auditing and accounting procedures, and organizations' management structures
- B. Elections to the board of directors
- C. Relationships with national governments
- D. Corporate-level strategy

ANSWER: A

48. The slowest way to grow a business is likely to be through:

- A. A merger
- B. outsourcing
- C. Internal development
- D. A strategic alliance

ANSWER: C

49. The value chain is subdivided into two main headings. These are primary activities and:

- A. Peripheral activities
- B. Support activities
- C. Secondary activities
- D. Outsourced activities

ANSWER: B

50. A joint venture can be defined as:

- A. Two firms collaborate together on a specific project
- B. One firm licenses its intellectual property to another firm
- C. Two firms merge together
- D. Two firms come together to form a third, legally separate firm

ANSWER: D

51. Which of the following is not a recognized element of corporate strategy?

- A. Competitive advantage
- B. Closure
- C. Acquisition
- D. Divestment

ANSWER: A

52. Which of the following statements is false? Formal strategic planning

- A. implies determined actions for achieving objectives
- B. is a time consuming process
- C. should develop clear and rigid plans for the organization to implement
- D. is most applicable in stable environments

ANSWER: C

53. Which of the following statements best describes the concept of strategic awareness?

- A. Managers understanding of the organizations history, competencies, and current strategy
- B. Managers understanding of current strategy and its effectiveness
- C. Managers understanding of the strategic options available to the organization
- D. Managers understanding the organizations strategy, its effectiveness

ANSWER: D

54. 54. Which of the following is associated with successful strategies?

- A. Creating superior value to customers
- B. Exploitation of key success factors
- C. Creating and maintaining strategic fit
- D. All of the above

ANSWER: D

55. Which type of strategies are of particular importance to global companies?

- A. Corporate
- B. Functional
- C. Competitive
- D. Corporate and competitive

ANSWER: D

56. Which one of the following is of concern for not-for-profit organizations?

- A. The markets to service
- B. Identifying suppliers to deal with
- C. Developing capabilities
- D. Building monopolies

ANSWER: A

57. Select the statement that best applies to emergent strategies. Emergent strategy...

- A. implies an ability to react to events
- B. implies strategizing
- C. implies no deviation from plans
- D. implies constant evaluation of the bigger picture

ANSWER: A

58. Select the most accurate statement. Value

- A. means value for money
- B. is best described as the benefits the business chooses to give to customers through its product/service
- C. is the benefits of a product/service as perceived by the customer
- D. does not offer competitive advantage

ANSWER: C

59. Which of the following statements best describes strategic management?

- A. A process consisting of determining objectives and strategic actions to achieve those objectives
- B. A process consisting of determining objectives, strategic actions to achieve those objectives, the implementation of desired strategy, and the monitoring of that strategy
- C. A process consisting of the determination of direction, strategic actions to achieve objectives, the implementation of desired strategy, and monitoring of that strategy
- D. A process for determining direction, strategic actions to achieve objectives, and the implementation of desired strategy

ANSWER: C

60. Which one of the following would not be considered a functional strategy?

- A. Financial
- B. Marketing
- C. Product-market
- D. Operations

ANSWER: C

61. Which of these is not a key stakeholder that an organization must seek to satisfy?

- A. Managers
- B. Shareholders
- C. Employees
- D. Customers

ANSWER: A

62. Who can be considered as the main stakeholders for London Zoo?

- A. Research groups
- B. Visitors
- C. The government
- D. Private investors

ANSWER: B

63. What common, related problem do not-for-profit organizations such as the British Museum and

the National History Museum often face?

- A. Costs associated with repairs and maintenance
- B. The need to be educational and adhere to their scientific/research orientation whilst addressing commercial issues (e.g., admission charges to cover costs)
- C. The need to be educational and adhere to their scientific/research orientation whilst satisfying main stakeholders
- D. The conflict between pursuing organizational objectives and resource availability constraints

ANSWER: A

64. Which of the following is not a way in which organizations can behave more ethically and socially responsibly?

- A. By avoiding discrimination and improving working conditions
- B. By lowering prices to their targeted market, to stimulate demand and increasing profit by increases in productivity to meet customer demands
- C. By ensuring product safety
- D. By avoiding pollution and safely disposing of waste

ANSWER: B

65. Which one of these would not be a problem for an organization attempting to establish a unified vision or direction?

- A. The constraints applied by key stakeholders upon the organizations management
- B. The personal objectives of those within the organization
- C. The varying expectations of external stakeholders
- D. Conflicts between the product and its desired target market

ANSWER: D

66. Which of these questions is not addressed by an effective business model?

- A. What do customers value today?
- B. Who are our customers?
- C. What does the organization produce?
- D. None of the above. All are essential questions for effective business models

ANSWER: D

67. Which of the following would you not expect to see in a vision statement?

- A. Descriptions of desirable future situations
- B. Motivational terminology
- C. Focus on the values to which the organization is committed
- D. What the organization seeks to do to reach desirable future states

ANSWER: D

68. Which of the following does Campbell (1989) suggest to be a dimension of valuable mission statements?

- A. Differentiates the business from competitors
- B. States the objectives of the organization
- C. Meaningful and relevant to stakeholders
- D. States the values of the organization

ANSWER: D

69. Which one of the following is not a form of non-price competition?

- A. Branding
- B. Innovation
- C. Advertising
- D. None. All of the above increase non-price competition

ANSWER: D

70. Which one of the following is not an aspect of the MOST analysis

- A. Mission
- B. Strategies
- C. Tactics
- D. Organization

ANSWER: D

71. Which one of the following does not influence organizational learning?

- A. Awareness of wider environmental developments
- B. Knowledge of competitor activity
- C. Reflecting on past actions
- D. Applying activity maps

ANSWER: D

72. Which one of the following is not a future pattern identified by Courtney et al. (1997)

- A. A limited and definable number of discrete alternatives which can be evaluated and judged by strategic managers
- B. A limited and definable number of alternatives which cannot be evaluated nor judged with any great certainty
- C. A limited but undefinable number of discrete alternatives which can be evaluated and judged
- D. A limited but undefinable number of discrete alternatives that cannot be evaluated nor judged at all

ANSWER: A

73. Which of the following is not a purpose of strategic thinking?

- A. To realize what needs to change
- B. To establish the agenda for managing strategic change
- C. To clarify future direction
- D. To allocate scarce resources

ANSWER: A

74. Which of the following is not an element of strategic thinking?

- A. Judge what strategic changes to make
- B. Realize what needs to change
- C. Understanding current strategic positions
- D. Manage organizational resources and competencies

ANSWER: D

75. Which of the following is not a recognized area of opportunity for developing synergy?

- A. Functional
- B. Processual

- C. Strategic
- D. Managerial

ANSWER: B

76. Which of the following is one of the four key elements which must be adhered to if synergy is to be achieved?

- A. Efficiency
- B. Competitive strategies
- C. Customer satisfaction
- D. Effective leadership

ANSWER: D

77. What is synergy?

- A. When the organization is providing a product to the customer that perfectly suits their requirements
- B. When the parts of an organization are combined and managed in such a way that the drawbacks exceed those which would result if the parts were operating separately
- C. When the parts of an organization are combined and managed in such a way that the benefits exceed those which would result if the parts were operating separately
- D. When the parts of an organization are combined and managed in such a way to reduce costs

ANSWER: C

78. What is Kelloggs main challenge for the future:

- A. To create new products for a market that is both growing and declining according to geography whilst generating enough cash to advertise and launch new products
- B. To create new products for a market that is both growing and declining according to geography
- C. To create new products for a market that has the same tastes, whilst generating enough cash to advertise and launch new products
- D. To not become adversely affected by increased competition again and adapt to changing customer tastes

ANSWER: A

79. Which one of the following are considered to be synergistic benefits for LVMH?

- A. Joint ventures
- B. Similarity of portfolio
- C. Commercial exploitation
- D. Name association

ANSWER: D

80. Which one of the following is not one of the elements of strategic thinking described by Campbell and Alexander (1997)?

- A. Organizational culture
- B. Outlining of competencies
- C. Future-gazing
- D. Organizational behavior

ANSWER: B

81. What is the most appropriate method of categorizing stakeholders?

- A. Relative power only
- B. Relative level of interest only
- C. Relative power and interest
- D. Relative power, interest, and amount of stock held

ANSWER: C

82. What is monopoly power?

- A. When an organization has absolute power in its chosen marketplace
- B. When an organization has power over its immediate rivals in its chosen marketplace
- C. When an organization has limited power in its chosen marketplace
- D. When an organization buys out another organization and assumes power of its share of the marketplace

ANSWER: A

83. Which of the following statements best describes scenario planning?

- A. Exploring future possibilities by looking at potential outcomes from particular causes and seeking to explain why things might occur
- B. Considering three likely scenarios for future developments, and devising a strategy according to the likeliest outcome
- C. Helping managers come to terms with the threats and opportunities within the company by devising a possible scenario to eliminate the threats and capitalize on the opportunities
- D. Planning the best way to secure the scenario outcome that would benefit the company most

ANSWER: A

84. How is an organization most likely to secure and sustain a position of strength in its associated environment?

- A. By seeking to influence and manage their external environment
- B. By seeking to influence their competitors' environment
- C. By seeking to influence and manage their internal environment
- D. By seeking to restrict changes within their environment

ANSWER: A

85. Which of the following would not be considered a barrier to entry?

- A. High innovation
- B. Concentration of distribution channels
- C. Steep experience curves
- D. Concentration of suppliers

ANSWER: A

86. Which of the following factors does not increase the bargaining power of a supplier?

- A. Substitutability
- B. Concentration of suppliers
- C. A buyer is important to the supplier
- D. High switching costs

ANSWER: C

87. What is the danger of excessive monopoly power?

- A. The organization will charge high prices
- B. The organization will not attempt to cut costs
- C. The organization will change strategy to seek to fully exploit its power
- D. The organization will stifle innovation

ANSWER: C

88. Why should governments seek to regulate?

- A. To control competition and stop monopoly power
- B. To minimize resource wastage and monopoly power
- C. To control competition and minimize resource wastage
- D. To control competition, minimize resource wastage, and inhibit the exploitation of weak

buyers and suppliers

ANSWER: D

89. Which of the following is not suggested by Markides (1999) as a factor for competitive and strategic success?

- A. Synergy
- B. Careful evaluation of strategic options
- C. Ensure consistency between desired strategic position and the chosen strategy
- D. Active opportunity searching

ANSWER: C

90. To succeed, Ansoff (1987) demands that organizations become

- A. more aggressive in terms of competitive strategies and entrepreneurialism or change orientation
- B. more aggressive in terms of competitive strategies
- C. more aggressive in terms of competitive strategies and in their pursuit of opportunities
- D. more aggressive in terms of competitive strategies and innovation

ANSWER: A

91. Organizations require good people with appropriate skills and abilities to work together effectively to be successful. Which of the following characteristics is not seen as critical for this?

- A. Competent
- B. Committed
- C. Cost-effective
- D. Capable

ANSWER: D

92. Hard human resource management assumes which of the following?

- A. Employees are more productive when they are better informed
- B. Employees are more productive if they are committed to the organization
- C. Employees are resources to be used effectively in the search for competitive advantage
- D. Employees have to be trusted to make correct decisions

ANSWER: C

93. Which of these is a characteristic of soft human resource management?

- A. Managers are responsible for employees
- B. Teams provide increased productivity

- C. Managers are responsible for deploying employees
- D. Scientific management principles and systems should be used to deal with employees

ANSWER: B

94. Which of the following is not an example of a managerial mindset?

- A. Analytic
- B. Reflective
- C. Competent
- D. Co-operative

ANSWER: C

95. What does the acronym SMART refer to?

- A. Superiority, Measurement, Appropriability, Replicability, Transparency
- B. Specific, Measurable, Achievable, Realistic, Timescale
- C. Substitutability, Measurement, Appropriability, Replicability, Transparency
- D. Specific, Measurable, Achievable, Realistic, Timely

ANSWER: B

96. Which of the following is not a characteristic of the Internet?

- A. Provides information
- B. Facilitates communication
- C. Provides competitive advantage
- D. Enables electronic trading

ANSWER: A

97. Which one of the following criteria does not provide a means to assess strategic resources?

- A. Sustainability
- B. Scarcity
- C. Inimitability
- D. Synergy

ANSWER: D

98. Innovation and quality can be seen as which form of management?

- A. Marketing management
- B. Financial management
- C. Operations management
- D. Human resource management

ANSWER: C

99. Which of the following is not one of the four key strategic elements linked to corporate objectives?

- A. Competitive environment
- B. Stakeholder expectations
- C. Research and development
- D. Organization structure

ANSWER: C

100. Information is defined by Lucas (1976) as

- A. some tangible or intangible entity that creates certainty about a state or event
- B. some tangible or intangible entity that reduces uncertainty about a state or event
- C. some tangible or intangible entity that leads to understanding
- D. some tangible or intangible entity that leads to knowledge

ANSWER: B

101. Which of the following is a skill required by organizations to deal with competitive chaos?

- A. The ability to share information among all managers
- B. The ability to operate efficiently and effectively
- C. The ability to discern patterns in the dynamic environment and competitive chaos, and spot opportunities ahead of rivals
- D. The ability to benchmark competitors

ANSWER: C

102. Which of the following is a characteristic of a customer-driving organization?

- A. Innovative
- B. Conservative
- C. Responsive
- D. Unresponsive

ANSWER: A

103. What are focus strategies?

- A. Where a company focuses on achieving lower costs than its rivals so as to compete across a broad range of market segments
- B. Where a company chooses to concentrate on only one market segment or a limited range of segments
- C. When a company conducts market research through focus groups to determine how their strategy should be shaped
- D. When a company focuses on supplying differentiated products which appeal to different market segments

ANSWER: B

104. Which of the following is not a factor in the positioning of an organization in an industry?

- A. Competitive advantage
- B. Rate of growth
- C. Market share
- D. Size

ANSWER: B

105. Heller (1998) suggested organizations must address seven key issues effectively to sustain competitive advantage. Which of the following is not one of those issues?

- A. Effectiveness
- B. Innovation
- C. Costs
- D. Speed

ANSWER: D

106. Which of these characteristics best describes a customer-driven organization?

- A. Unresponsiveness
- B. Cost reduction
- C. Responsiveness
- D. Innovation

ANSWER: C

107. Which of the following is a source of differentiation?

- A. Relationships with customers
- B. Distribution
- C. Low costs
- D. Unreliability

ANSWER: A

108. Which of the following best relates to market share? Market share is:

- A. the best indicator of performance
- B. not important
- C. indicative of competitive advantage
- D. subjective

ANSWER: D

109. The goal of the cost leader is to:

- A. start a price war
- B. minimize wages
- C. charge the lowest price
- D. make high margins

ANSWER: D

110. Which of the following is not a means to develop a customer commitment focus in the organization?

- A. Introducing quality control
- B. Activity mapping
- C. Enhancing customer service
- D. Image building

ANSWER: C

111. By what means should an organization measure its performance?

- A. Efficiency
- B. Effectiveness
- C. Economy, efficiency, and effectiveness
- D. Efficiency and effectiveness

ANSWER: C

112. Which of these statements best describes all the benefits a company can derive from analyzing its financial performance?

- A. It can make comparisons with competitors, reveal lost profit and growth potential, emphasize possible dangers and enable a study of trends and progress
- B. It can make comparisons with competitors, reveal lost profit and growth potential and isolate neglected market sectors

C. It can reveal lost profit and growth potential, emphasize possible dangers and isolate neglected market segments

D. It can make comparisons with competitors, reveal lost profit and growth potential and reveal possible trends in the development of the company's share price

ANSWER: A

113. According to Schein (1985), what are the levels that make up a company's culture?

A. Artifacts, values, underlying assumptions, and behaviors

B. Artifacts, values, and underlying assumptions

C. Artifacts, communications, underlying assumptions, and behaviors

D. Values, communications, and underlying assumptions

ANSWER: A

114. In order for a culture to generate success, what does it need to be?

A. Stable and secure

B. Flexible and adaptive

C. Innovative and resourceful

D. Flexible and resourceful

ANSWER: B

115. Which of the following would a market-driven business most likely be?

A. Competitive

B. Efficient

C. Flexible

D. Resourceful

ANSWER: D

116. According to Sir Allen Shepherd what is the task of corporate leadership?

A. To apply energy and judgement to the corporate culture to ensure its relevance

B. To apply energy and judgement to the corporate culture to ensure its stability

C. To apply energy and judgement to the corporate culture to ensure its continuity

D. To apply energy and judgement to the corporate culture to ensure its productivity

ANSWER: A

117. According to Press (1990), what are the four discrete philosophies upon which an organization's culture can be based?

A. The resource focus, the product focus, the shareholder focus and the people focus

B. The product focus, the shareholder focus, the people focus and the market focus

C. The resource focus, the shareholder focus, the people focus and the market focus

D. The shareholder focus, the people focus, the product focus and the market focus

ANSWER: C

118. What or who are Reactors?

A. Innovative and entrepreneurial organizations

B. Organizations which follow industry trends

C. Conservative and low risk organizations

D. Organizations with limited change and measured steps

ANSWER: B

119. Kets de Vries (1996) suggested strategic leaders have two key roles to play. Which two roles are they?

- A. Transformational and Effective
- B. Charismatic and Effective
- C. Transformational and Charismatic
- D. Charismatic and Architectural

ANSWER: D

120. What form of strategy formation would be expected to be found in Defender organizations?

- A. Formal planning
- B. Visionary
- C. Adaptive
- D. Incremental

ANSWER: A

121. Strategy creation involves three strands. Which of the following is not one of the three strands?

- A. Planning
- B. Vision
- C. Entrepreneurship
- D. Emergent strategies

ANSWER: C

122. Which of the following is not one of the three elements of strategy creation?

- A. Sales
- B. Innovation
- C. Planning
- D. Leadership

ANSWER: A

123. What is an emergent strategy?

- A. One with clear objectives leading to a clear strategy
- B. One with no specific objectives, that is fully flexible, using opportunism to seize the main chance at the right moment
- C. One with a formal approach to adaptive strategy creation, so that in a turbulent environment objectives and strategies can be adjusted
- D. One that has a clear mission and directional objectives but that also recognizes the need for flexibility

ANSWER: B

124. What must the strategic visionary leader avoid in order to ensure the prolonged success of a strategy?

- A. Becoming blinkered by the success of one strategy to the detriment of others
- B. Depending too heavily on colleagues
- C. Becoming too ambitious
- D. Being adaptable

ANSWER: A

125. What is an incremental strategy?

- A. One that is formalized from the beginning and adhered to along the way exactly
- B. One that evolves according to past experiences and changing circumstances
- C. One that is formalized, but is slightly flexible if necessary
- D. One that has the potential to open up new opportunities along the way which can be

incorporated into the long term strategy

ANSWER: B

126. Name one of the strategic pressures that could weaken an unprepared organization?

- A. Exploitation of opportunities
- B. Lax controls that indulge flexibility
- C. Adaptation along the strategic path
- D. Too many controls at the expense of flexibility

ANSWER: D

127. In military analogy, what is the outcome if in strategy creation the organization has both capability and intent?

- A. Capacity
- B. Credibility
- C. Emergent strategy
- D. Intended strategy

ANSWER: B

128. What is the key variable in executing visionary strategy creation at the competitive strategy level?

- A. Seizing the opportunities presented
- B. Formalized planning
- C. Innovation
- D. Learning

ANSWER: C

129. If unprepared, what strategic pressures are recognized as key factors that can weaken the organization?

- A. Competitive and environmental pressures
- B. Control at the expense of flexibility
- C. Lack of planners
- D. Competitive and environmental pressures, and excessive control

ANSWER: D

130. What is said to be the key factor in maintaining organizational growth (e.g., Hurst 1995)?

- A. Entrepreneurial vision
- B. Planning
- C. Innovation
- D. Flexibility

ANSWER: D

131. Why of the following is the best reason for why strategic planning is still important today?

- A. Without a formal strategic plan a company cannot expect to compete effectively

- B. Without a strategic plan an organization can drift without purpose or definition
- C. Without it, companies would exist without cause or co-ordination
- D. Because of slower economic growth, globalization and technological change

ANSWER: D

132. What is top-down planning?

- A. This takes place in someone's head, and the decisions may not be written down in any extensive form. It is often practiced by entrepreneurial managers with real flair
- B. This requires managers to spend time discussing the future opportunities and threats and areas in which the organization might develop
- C. This involves managers throughout the organization, and ensures that everyone involved in implementing plans will be consulted
- D. This relates to decisions taken at the higher parts of the organization and passed onto other managers for implementation. These managers will have had little or no input into the planning process

ANSWER: D

133. Which of the following is true for small businesses in relation to strategic planning?

- A. It belongs in all organizations
- B. It is too expensive
- C. It only belongs in large organizations
- D. The benefits are too long term

ANSWER: A

134. According to Ringbakk (1971) and Steiner (1972) which of the following should be avoided when creating a formal plan?

- A. Seeing planning as a support activity in strategic decision making
- B. Seeing planning as a once-a-year ritual
- C. Flexibility
- D. Involving implementers in planning

ANSWER: B

135. What does SPACE stand for?

- A. Sales, Position, and ACTION Evaluation
- B. Strategic Profit And Credit Evaluation
- C. Sales, Profit, ACTION and Evaluation
- D. Strategic Position and ACTION Evaluation

ANSWER: D

136. What is the planning gap?

- A. A concept that is used to clarify the extent of revenue or profits gap that might emerge if current strategies are left unchanged
- B. The time between the strategic plan being devised and the time it is actually implemented
- C. The time between the conception of a strategic plan and the formalization of it
- D. Any part of a plan that has not been formalized which allows for flexibility and the introduction of any new developments that could enhance the current strategy

ANSWER: A

137. The understanding of what key element is essential for successful strategic planning?

- A. Understanding the needs and expectations of stakeholders
- B. Understanding competencies
- C. Understanding the processes of strategic change
- D. Understanding how to plan

ANSWER: C

138. Which of these is not a role for a planner as discussed by Robinson (1986)

- A. To help managers make decisions regarding strategic changes
- B. To enable good managers to plan
- C. To state objectives
- D. To concentrate on understanding the future

ANSWER: C

139. Which of the following is not an element of the growth/market options matrix developed by Ansoff (1987)?

- A. Market development
- B. Diversification
- C. Product development
- D. Market segmentation

ANSWER: D

140. Which of the following is not a key planning element of spheres of influence?

- A. Buffer zones
- B. Forward positions
- C. Cost base
- D. Vital interests

ANSWER: C

141. Which of the following is one of the factors related to the issue of the feasibility of a strategy?

- A. Skills and resources, available and needed
- B. Levels of return expected
- C. Finance and other resource availability
- D. Effect on strategic perspective

ANSWER: C

142. Which of the following is not one of the contextual aspects that have a critical impact on strategic change?

- A. Structural factors
- B. Environmental factors
- C. Personal factors
- D. Financial factors

ANSWER: D

143. Marketing current products with possible modifications and range increases is also known as what?

- A. Retrenchment
- B. Market penetration

- C. Product development
- D. Market development

ANSWER: D

144. Retrenchment is

- A. When a company experiences declining profits and makes cutbacks to improve efficiency
- B. When a company adopts a new strategic position for a product or service
- C. The sale of the complete business, either as a single going concern or piecemeal to different buyers or sometimes by auctioning the assets
- D. Likely to take place when an organization lacks a key success factor for a particular market

ANSWER: A

145. Which of the following is not a key theme in market development?

- A. Identifying new uses for existing products and services
- B. Strategic positioning
- C. Developing new products for new markets and segments
- D. Identifying new markets and segments

ANSWER: C

146. When does horizontal integration occur?

- A. When a firm acquires or merges with a major competitor
- B. When a firm acquires or merges with an unrelated business
- C. When a firm acquires or merges with a distributor
- D. When a firm acquires or merges with a supplier firm

ANSWER: A

147. Sound strategic choices will always address four issues. Which of the following is one of those reasons?

- A. Availability of resources
- B. Strategic thinking
- C. Strategic fit
- D. Financial returns

ANSWER: D

148. Which of the following is a consideration when assessing the appropriateness of a strategy?

- A. Synergy
- B. Stakeholders
- C. Competitive advantage
- D. Resources

ANSWER: D

149. Which of the following is a consideration when assessing the feasibility of a strategy?

- A. Timing
- B. Planning gap
- C. Synergy
- D. Culture

ANSWER: A

150. Swot Analysis is done to know the
- A. strengths
 - B. Threats and strengths
 - C. Weaknesses and opportunities
 - D. Threats, strengths Weaknesses and opportunities

ANSWER: D

151. A company specializing in producing mass market cars acquires a company which specializes in financial services. The new company can now offer financial services to its car purchasers. What form of diversification is this?

- A. Resource-based
- B. Unrelated
- C. Routine-based
- D. Replication-based

ANSWER: B

152. Which of these is not a factor causing weak synergy?

- A. Underestimated weaknesses
- B. Competitor activity
- C. Premium paid
- D. Making too many resources available to the integration program

ANSWER: D

153. Which of these is not one of Drucker's (1982) five rules for successful acquisitions?. Determine the exact contribution the organization can make to the acquiring company.

- A. Value the people of the acquired company.
- B. Within a year, promote managers across company boundaries
- C. Value the products, services and customers of the acquired company.
- D. Value the products of the acquired company.

ANSWER: B

154. Many merger discussions breakdown or are abandoned. Which of these is not a reason why?

- A. Egos can get in the way.
- B. Reluctance to accept which will become 'number two'.
- C. The bid is deemed hostile leading to aggressive defense.
- D. Inadequate consultation with shareholders who then intervene.

ANSWER: C

155. Research into diversification and acquisition can be divided into 4 schools. Which of the following is not one of the schools?

- A. Environmental
- B. Financial
- C. Accounting
- D. Economic

ANSWER: A

156. If a business is blinkered, technology shy, and 'impoverished', what does this signal?

- A. A weak strategic plan

- B. A planning gap
- C. A lack of innovation and vision
- D. Weak strategic leadership

ANSWER: D

157. Divestment is what kind of strategy?

- A. An asset-reduction strategy
- B. A weakness-reduction strategy
- C. A product-reduction strategy
- D. A cost-reduction strategy

ANSWER: A

158. When a company is experiencing an economic recession this is a good time to do what?

- A. Reduce costs and assets
- B. Refocus
- C. Simplify
- D. Invest

ANSWER: B

159. Turnaround strategies involve changes at what level of strategy?

- A. Corporate
- B. Functional
- C. Competitive
- D. All levels

ANSWER: C

160. Acquisitions often fail to deliver the successes that were predicted prior to acquisition. What is the main reason for this failure?

- A. Premium price
- B. Poor strategic leadership
- C. Goodwill
- D. Synergy

ANSWER: B

161. Sustained survival implies:

- A. that a turnaround is achieved but there is little further growth
- B. that a turnaround is achieved and there is potential for further growth
- C. that a turnaround is achieved and there is a clear opportunity to employ a new growth strategy
- D. that a turnaround is achieved and it is appropriate to diversify soon

ANSWER: A

162. Which of these is not an issue in selecting a business as a divestment candidate?

- A. Current market position
- B. Product life-cycle
- C. Alternate uses for resources
- D. The size of the business

ANSWER: D

163. Which of the following is an aspect of implementation that can be changed indirectly if necessary?

- A. Organizational structure
- B. Information systems
- C. Quality
- D. Procedures

ANSWER: C

164. A small company, with power concentrated in the hands of one central figure, tends to be what?

- A. Centralized and formal
- B. Centralized and informal
- C. Decentralized and formal
- D. Decentralized and informal

ANSWER: B

165. Which one of the following types of organizations would benefit from a matrix structure?

- A. Diverse independent businesses in a conglomerate
- B. Organizations growing through merger and acquisition
- C. Small companies with few plants and limited product or service diversity
- D. Small, sophisticated service companies

ANSWER: D

166. Which of these is not a reason for why employees resist the implementation of strategic changes?

- A. Anxiety regarding jobs
- B. Lack of necessary strategic resources
- C. Lack of knowledge
- D. Poor strategic leadership

ANSWER: B

167. Which of these is not a main determinant of centralization/decentralization?

- A. Geographical considerations (e.g., location etc)
- B. Costs
- C. Size
- D. Demographical considerations (e.g., age; ethnicity etc)

ANSWER: D

168. Which of these is not an identified form of organizational structure?

- A. Intrapreneurial
- B. Functional
- C. Divisional
- D. Matrix

ANSWER: A

169. When are holding company structures are most useful?

- A. For organizations in stable environments
- B. Where appropriate business unit splits exist

- C. For companies pursuing restructuring strategies
- D. For large, multinational companies

ANSWER: C

170. Which of these are characteristic of matrix structures?

- A. Decentralization and co-ordination
- B. Centralization and co-ordination
- C. Decentralization and control
- D. Centralization and control

ANSWER: A

171. What is likely to be the effect of a logical corporate strategy but poor strategy implementation.

- A. Strategic weaknesses and underachievement.
- B. Fragmented performance through strategic and structural flaws.
- C. Structural and stylistic flaws.
- D. Effectiveness but little efficiency.

ANSWER: C

172. Which of these is not a valid reason in support of focused strategies?

- A. Greater control.
- B. Reduction of weak business to develop a strong core.
- C. Competence consolidation.
- D. Cost reduction

ANSWER: A

173. Which of the following is not a strategic criteria for deciding which firms to retain in the organizational core?

- A. The company's mission.
- B. Longevity.
- C. Financial performance over time.
- D. Relatedness of technologies.

ANSWER: B

174. Which of these is not an activity associated with restructuring?

- A. Acquiring unrelated businesses.
- B. Intervening in business processes.
- C. Hoarding new businesses.
- D. Value optimization.

ANSWER: C

175. Corporate resource allocation may be different depending on the speed of growth of the organization. Which of the following is inappropriate when facing rapid growth?

- A. Opportunities for synergy.
- B. Past allocations and budgets.
- C. Look to share activities.
- D. Assess desirability of outcomes to organizational strategy.

ANSWER: B

176. Which of the following is not an aspect of a definition of the term budgets?
- A. Concerned with allocation of resources and investment.
 - B. A strategic plan outlining means to utilize budget, make sales, and generate profits.
 - C. Numerical or financial expression of money to be spent by departments and for what purpose.
 - D. Information on cash-flow.

ANSWER: B

177. What are designed to guide managers in the pursuit and achievement of strategies and objectives?

- A. Procedures
- B. Budgets
- C. Policies
- D. Plans

ANSWER: C

178. Strategy effectiveness and competitive success is dependent on which of the following groups of competencies?

- A. Change, planning, learning
- B. Content, change, planning
- C. Content, change, learning
- D. Learning, planning, content

ANSWER: C

179. Which of the following competencies relates to functionality?

- A. Providing excellent quality which is recognized by customers
- B. Developing and introducing new processes for cost savings and speedier decision-making
- C. Manage 'green' issues to avoid crises or create competitive advantage
- D. Avoid business failures by becoming and staying crisis averse

ANSWER: B

180. Doing things right and doing the right things are also known as?

- A. Efficiency and effectiveness
- B. Strategic competency and congruence
- C. Strategic competency and strategy creation
- D. Corporate strategy and synergy

ANSWER: A

181. Which of the following elements of strategy affect the process of strategy creation and implementation?

- A. Synergy
- B. The strategic leader's perspective on strategy
- C. Structure
- D. Strategic paradoxes

ANSWER: D

182. Miles and Snow (1994) identify four main reasons for failure. Which of the following is one of those reasons?

- A. Lack of competitive advantage

- B. Lack of strategy competency
- C. Lack of strategic resources
- D. Poor judgement leading to poor, inappropriate strategic decisions

ANSWER: D

183. How does Checkland (1981) describe an organization?

- A. A collection of people who are trying to act with purpose
- B. Systems that comprise a collection of people who are trying to act with purpose
- C. A collection of people that act with little purpose
- D. A collection of systems and functions, inclusive of its people

ANSWER: B

184. How might an organization spot, create, and exploit new opportunities ahead of its rivals?

- A. Through managers in the various businesses working together, sharing information and capabilities, helping each other, and creating synergy.
- B. Through managers in the various businesses sharing information, capabilities, and creating synergy.
- C. Through managers in the various businesses working together, sharing information, and sharing capabilities.
- D. Through managers in the various businesses working together to create strategic competencies for the organization in order to pursue opportunities.

ANSWER: A

185. Which of the following is not a competence recognized by Richardson and Thompson (1994)?

- A. Strategic thinking
- B. Managing paradoxes
- C. Innovative climate
- D. Providing excellent quality

ANSWER: B

186. If an organization is to survive, which of the following is most essential?

- A. Strong financial performance
- B. Committed employees
- C. High level of service
- D. Customer retention

ANSWER: C

187. If an organization is to survive, which of the following is most essential?

- A. Supernormal profits
- B. Market share
- C. Meeting stakeholder needs and expectation
- D. Meeting financial targets and satisfying investors

ANSWER: C

188. The corporate level is where top management directs:

- A. all employees for orientation
- B. its efforts to stabilize recruitment needs
- C. overall strategy for the entire organization

D. overall sales projections

ANSWER: C

189. Value for shareholders of a firm is measured by:

- A. customer comments
- B. stock performance and profitability
- C. sales revenue
- D. satisfactory employee targets

ANSWER: B

190. The three organizational levels are:

- A. corporate level, business level, functional level
- B. corporate level, business unit level, functional level
- C. corporate strategy level, business unit level, functional level
- D. corporate strategy level, business level, specialist level

ANSWER: A

191. Cross-functional teams are:

- A. a small group of people from the same department who work on projects together.
- B. a small group of people who come together to resolve business unit issues.
- C. a small group of specialists who collaborate on a task force.
- D. a small group of people from different departments who are mutually accountable to a common set of performance goals.

ANSWER: D

192. The business unit strategy has three major components:

- A. mission, business, and SBU goals
- B. marketing, advertising and pricing objectives
- C. mission, business unit goals, and competencies
- D. business mission, department mission, and daily plans

ANSWER: C

193. Disney is in the business of:

- A. theme parks or movies.
- B. creating entertainment, fun and fantasy.
- C. building theme parks.
- D. designing new imaginative characters.

ANSWER: B

194. The Holiday Inn, Burlington statement, "If a customer has a need or want, we fill it." is an example of a:

- A. Business unit goals
- B. Marketing objectives
- C. Business unit mission
- D. Goal of a business segment

ANSWER: B

195. A useful framework used to assess a company's investments/divisions is called:

- A. unit production analysis
- B. corporate insight analysis
- C. company productivity analysis
- D. business portfolio analysis

ANSWER: D

196. Cash cows are SBU's that typically generate:

- A. problems for product managers
- B. paper losses in the long run
- C. large awareness levels but few sales
- D. a lot of competition

ANSWER: D

197. Business unit competencies should be distinctive enough to provide a(n):

- A. clear understanding of who you want to lead the company
- B. competitive advantage
- C. opportunity to compete on a productivity basis
- D. additional strategic mission

ANSWER: B

198. TQM is a strategy that is designed to change the quality of a product to satisfy customer needs by using the concept of _____:

- A. benchmarking
- B. brainstorming
- C. reverse brainstorming
- D. product maintenance

ANSWER: A

199. Firms may view growth opportunities in these terms:

- A. Current markets and current products
- B. Current and new markets, and current products
- C. New markets and new products
- D. Current and new markets, and current and new products

ANSWER: D

200. The strategic marketing process is how an organization allocates its marketing mix resources to reach its:

- A. stated business ideas
- B. potential
- C. target markets
- D. competition

ANSWER: C

201. An effective short-hand summary of the situation analysis is a:

- A. BCG analysis
- B. SWOT analysis
- C. SBU analysis
- D. Competition analysis

ANSWER: A

202. In the strategic marketing process, once you get results you go into the:

- A. control phase
- B. marketing plan
- C. planning phase
- D. marketing program

ANSWER: A

203. Ben & Jerry had four market-product strategies to expand sales. They included (1) market penetration, (2) product development, (3) market development and:

- A. current customer retention
- B. defensive synergy
- C. diversification
- D. product simplification

ANSWER: C

204. Aggregating prospective buyers into groups is called:

- A. market categorization
- B. market segmentation
- C. modeling
- D. BCG matrix analysis

ANSWER: B

205. cohesive marketing mix consists of the product, promotion, price, and

- A. personnel
- B. production
- C. advertising
- D. communication

ANSWER: D

206. One key to effective implementation is setting:

- A. schedule of events
- B. deadlines
- C. milestones
- D. good managers in motion

ANSWER: D

207. When actual performance results are better than what the plan called for, managers should:

- A. ignore it.
- B. sell more products.
- C. issue more stock options to employees.
- D. increase prices.

ANSWER: D

208. Which of the following is NOT a characteristic of strategic management that makes it different from other types of management?

- A. It is interdisciplinary.

- B. It has an external focus.
- C. It has an internal focus.
- D. It concerns the present direction of the organization.

ANSWER: D

209. The basic activities of strategic management include:

- A. offense, defense, and control.
- B. situation analysis, strategy formulation, implementation, and evaluation.
- C. development, control, and management.
- D. ethics, management, and practice.

ANSWER: B

210. An organization's strategies should be designed so that they incorporate:

- A. opportunities and threats.
- B. resources and capabilities.
- C. only traditional values of past organizations.
- D. opportunities, threats, resources, and capabilities.

ANSWER: B

211. . Situation analysis involves the process of:

- A. designing and choosing appropriate organizational strategies.
- B. analyzing the current environment of the organization.
- C. analyzing the external environment only.
- D. evaluating the internal aspects of the organization.

ANSWER: B

212. Situation analysis allows the organization to examine:

- A. external factors only.
- B. internal factors only.
- C. the organization's top management only.
- D. both external and internal factors.

ANSWER: D

213. Which of the following is an issue considered in developing corporate strategies?

- A. What business(es) are we in?
- B. What direction are we going?
- C. What resources do we have to implement our strategies?
- D. What businesses are we in and what to do with those businesses?

ANSWER: D

214. Which of the following is NOT a major element of the strategic management process?

- A. Formulating strategy
- B. Implementing strategy
- C. Evaluating strategy
- D. Assigning administrative tasks

ANSWER: D

215. Which of the following statements is NOT true regarding corporate strategies?

- A. They are concerned with the broad and more long-term issues of the organization.
- B. They are concerned with how the organization is going to compete in a specific business or industry.
- C. They are concerned with the direction the organization is headed.
- D. They are concerned with the business(es) that the organization is in and the businesses they want to be in.

ANSWER: B

216. An example of a corporate strategy would involve the decision to:

- A. increase the price of the Hummer.
- B. spin Taco Bell off from Pepsi.
- C. combine marketing functions in the Northeast and the Southeast.
- D. increase the advertising budget for Coca-Cola.

ANSWER: B

217. As part of its training, most military academies teach the: (Points: 5)

- A. Nine Principles of War.
- B. Seven Principles of Success.
- C. Five Keys to Effectiveness.
- D. Three Principles to Effective Leadership.

ANSWER: D

218. Which of the following management accounting systems places a very strong emphasis on incorporating data relating to its competitors in the preparation of management reports?

- A. Activity based management
- B. Flexible budgeting
- C. Strategic management accounting
- D. Sales variance analysis

ANSWER: C

219. What term best describes the use of both financial and non-financial measures in assessing whether an entity has achieved its objectives?

- A. Balanced scorecard
- B. Benchmarking
- C. Performance measurement
- D. Target setting

ANSWER: C

220. _____ is any sharp disagreement or collision of interests and ideas.

- A. Issues management
- B. Conflict positioning
- C. A conflict
- D. A crisis

ANSWER: C

221. Environmental scanning occurs in what phase of strategic conflict management?

- A. Reactive
- B. Proactive

- C. Recovery
 - D. Strategic
- ANSWER: B

222. _____ takes place in the recovery phase of strategic conflict management

- A. Conflict positioning
- B. Reputation management
- C. Risk communication
- D. Issues tracking

ANSWER: B

223. _____ is any verbal or written exchange that attempts to communicate information regarding risk to public health and safety and the environment.

- A. Image restoration
- B. Risk communication
- C. Conflict positioning
- D. Reputation management

ANSWER: B

224. This is the last stage in the conflict management lifecycle.

- A. Environmental scanning
- B. Risk communication
- C. Image restoration
- D. Issues management

ANSWER: C

225. What do you understand by the term 'a prospector organisation'?

- A. An organisation that represents a good prospect for a firm looking to make an acquisition
- B. An organisation with good growth prospects
- C. An organisation that has recently been founded as an entrepreneurial start-up
- D. An organisation that actively seeks new opportunities and change

ANSWER: D

226. Which of the following is not a limitation of SWOT (Strengths, Weaknesses, Opportunity, Threats) analysis?

- A. Organizational strengths may not lead to competitive advantage
- B. SWOT gives a one-shot view of a moving target
- C. SWOT's focus on the external environment is too broad and integrative
- D. SWOT overemphasizes a single dimension of strategy

ANSWER: C

227. . A marketing department that promises delivery quicker than the production department's ability to produce is an example of a lack of understanding of the

- A. synergy of the business units.
- B. need to maintain the reputation of the company.
- C. organizational culture and leadership.
- D. interrelationships among functional areas and firm strategies.

ANSWER: D

228. Which of the following lists is comprised of support activities:

- A. human resource management, information systems, procurement, and firm infrastructure
- B. customer service, information systems, technology development, and procurement
- C. human resource management, technology development, customer service, and procurement
- D. human resource management, customer service, marketing and sales, and operations

ANSWER: A

229. Although firm infrastructure is quite frequently viewed only as overhead expense, it can become a source of competitive advantage. Examples include all of the following except:

- A. negotiating and maintaining ongoing relations with regulatory bodies.
- B. marketing expertise increasing a firm's revenues and enabling it to enter new markets.
- C. effective information systems contributing significantly to a firm's overall cost leadership strategy.
- D. top management providing a key role in collaborating with important customers

ANSWER: B

230. The competencies or skills that a firm employs to transform inputs into outputs are:

- A. tangible resources.
- B. intangible resources.
- C. organizational capabilities.
- D. reputational resources.

ANSWER: C

231. An array of firm resources include interpersonal relations among managers in the firm, its culture, and its reputation with its customers and suppliers. Such competitive advantages are based upon

- A. physical uniqueness.
- B. path dependency.
- C. social complexity.
- D. tangible resources.

ANSWER: C

232. A company's ability to meet its short-term financial obligations is measured by which of the following categories?

- A. liquidity ratios
- B. profitability ratios
- C. activity ratios
- D. leverage ratios

ANSWER: A

233. The "balanced scorecard" supplies top managers with a _____ view of the business.

- A. long-term financial
- B. detailed and complex
- C. simple and routine
- D. fast but comprehensive

ANSWER: D

234. Industry boundaries are blurring at an incredible rate as companies are recognizing that new opportunities lie at the intersection of two or more industries—this is called _____.

- A. globalization
- B. customization
- C. industry convergence
- D. heightened competition

ANSWER: C

235. What kind of organizational structure combines a vertical chain of command with horizontal reporting requirements?

- A. line authority
- B. matrix
- C. functional
- D. quality circle

ANSWER: B

236. What kind of training program is most appropriate for a simple task?

- A. on-the-job training
- B. vestibule training.
- C. laboratory training.
- D. away-from-the-job training.

ANSWER: A

237. Possibly the most important pre-20th century influence on management was:

- A. Scientific management.
- B. The industrial revolution.
- C. The division of labour.
- D. Therbligs.

ANSWER: A

238. Strategic stretch involves:

- A. The fit between the organisation and its environment.
- B. Creating new opportunities by stretching and exploiting capabilities in new ways.
- C. The skills of the senior management.
- D. Utilising all the resources of an organisation to their full capacity.

ANSWER: B

239. What are core competences?

- A. Resources which critically underpin competitive advantage and that others cannot obtain.
- B. Activities and processes needed to meet customers' minimum requirements and therefore to continue to exist.
- C. Key skills required for success in a particular business.
- D. Activities that underpin competitive advantage and are difficult for competitors to imitate or obtain.

ANSWER: D

240. Best in Class Benchmarking seeks to assess organisational performance against:

- A. The nearest geographical competitor.

- B. The competitor who is 'best in class' wherever that may be.
- C. The competitor who is the best in the industry.
- D. The nearest principal competitor.

ANSWER: B

241. Cost efficiency is determined by which of the following drivers?

- A. Supply Costs, Experience, Product/Process Design and Economies of Scale.
- B. Supply Costs & Economies of Scale.
- C. Product/Process Design and Economies of Scale.
- D. Experience.

ANSWER: A

242. The three stages of strategic management are

- A. strategy formulation, strategy implementation, and strategy execution.
- B. strategy formulation, strategy execution, and strategy assessment.
- C. strategy formulation, strategy implementation, and strategy evaluation.
- D. stratify assessment, strategy execution, and strategy evaluation.

ANSWER: C

243. Job titles that refer to strategists include which of the following?

- A. External audit
- B. Owner, entrepreneur, executive director, and accountant
- C. Chief executive officer, salesman, dean, and lawyer
- D. Owner, dean, president, and executive director

ANSWER: D

244. Relative deficiency or superiority is important information in performing which activity?

- A. External audit
- B. Allocating resources
- C. Internal audit
- D. Evaluating strategies

ANSWER: C

245. How often should strategic-management activities be performed?

- A. Annually
- B. Quarterly
- C. Monthly
- D. Continuously

ANSWER: D

246. Who is most responsible for developing, communicating, and enforcing the code of business ethics for a firm?

- A. Strategists
- B. Line managers
- C. Staff managers
- D. All managers

ANSWER: A

247. Strategy-implementation activities include

- A. conducting research.
- B. measuring performance.
- C. preparing a TOWS matrix.
- D. establishing annual objectives.

ANSWER: D

248. In a large organization, strategic management activities occur at what level(s)?

- A. Corporate and divisional
- B. Functional, business and corporate
- C. Strategic business unit
- D. Divisional

ANSWER: B

249. Conducting research, integrating intuition with analysis, and making decisions are all _____ activities.

- A. strategy-formulation
- B. strategy-implementation
- C. long-range planning
- D. short-range planning

ANSWER: A

250. Which of these questions is addressed by a mission statement?

- A. What do we want to become?
- B. What is our business?
- C. How many employees must we have?
- D. Who do we want to serve?

ANSWER: B

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