Master Quiz 1: Foundations & Self-Tests

Question 1

The process of management involves the functions of planning, _____, leading, and controlling.

(a) accounting

(b) creating

(c) innovating

(d) organizing

Correct Answer: (d)

The four functions of management are Planning, Organizing, Leading, and Controlling.

Question 2

An effective manager achieves both high-performance results and high levels of _____ among people doing the required work.

(a) turnover

(b) effectiveness

(c) satisfaction

(d) stress

Correct Answer: (c)

An effective manager achieves high performance results and high levels of job satisfaction.

Question 3

Performance efficiency is a measure of the _____ associated with task accomplishment.

(a) resource costs

(b) goal specificity

(c) product quality

(d) product quantity

Correct Answer: (a)

Efficiency is a measure of resource usage (costs) associated with goal accomplishment.

Question 4

The requirement that a manager answer to a higher-level boss for performance results achieved by a work team is called _____.

(a) dependency

(b) accountability

(c) authority

(d) empowerment

Correct Answer: (b)

Accountability is the requirement to show performance results to a supervisor.

Productivity is a measure of the quantity and _____ of work produced, relative to the cost of inputs.

(a) quality

(b) cost

(c) timeliness

(d) value

Correct Answer: (a)

Productivity measures the quantity and quality of work relative to inputs.

_____ managers pay special attention to the external environment, looking for problems and opportunities and finding ways to deal with them.

(a) Top

(b) Middle

(c) Lower

(d) First-line

Correct Answer: (a)

Top managers pay attention to the external environment and strategic direction.

Question 7

The accounting manager for a local newspaper would be considered a _____ manager, whereas the editorial director would be considered a _____ manager.

(a) general, functional

(b) middle, top

(c) staff, line

(d) senior, junior

Correct Answer: (c)

Accounting is a staff function (support), Editorial is a line function (core product).

Question 8

When a team leader clarifies desired work targets and deadlines for a work team, he or she is fulfilling the management function of _____.

(a) planning

(b) delegating

(c) controlling

(d) supervising

Correct Answer: (a)

Clarifying targets and deadlines is part of the Planning function (setting goals).

Question 9

The process of building and maintaining good working relationships with others who may help implement a manager's work agendas is called _____.

(a) governance

(b) networking

(c) authority

(d) entrepreneurship

Correct Answer: (b)

Networking is building relationships to help implement agendas.

Question 10

In Katz's framework, top managers tend to rely more on their _____ skills than do first-line managers.

(a) human

(b) conceptual

(c) decision-making

(d) technical

Correct Answer: (b)

Top managers rely more on Conceptual skills; First-line on Technical skills.

Question 11

The research of Mintzberg and others concludes that managers _____.

(a) work at a leisurely pace

(b) have blocks of private time for planning

(c) are never free from the pressures of performance responsibility

(d) have the advantages of flexible work hours

Correct Answer: (c)

Managers are never free from pressure and work at a fragmented, intense pace.

Question 12

When someone with a negative attitude toward minorities makes a decision to deny advancement opportunities to a Hispanic worker, this is an example of _____.

(a) discrimination

(b) emotional intelligence

(c) performance efficiency

(d) prejudice

Correct Answer: (a)

Discrimination is acting on a prejudice by denying opportunity.

Question 13

Among the trends in the new workplace, one can expect to find _____.

(a) more order-giving

(b) more valuing people as human assets

(c) less teamwork

(d) reduced concern for work–life balance

Correct Answer: (b)

The new workplace values people as human assets (Human Capital).

Question 14

The manager's role in the "upside-down pyramid" view of organizations is best described as providing _____ so that operating workers can directly serve _____.

(a) direction, top management

(b) leadership, organizational goals

(c) support, customers

(d) agendas, networking

Correct Answer: (c)

Upside-down pyramid: Managers support workers, who argue serve customers.

Question 15

The management function of _____ is being performed when a retail manager measures daily sales in the women's apparel department and compares them with daily sales targets.

(a) planning

(b) agenda setting

(c) controlling

(d) delegating

Correct Answer: (c)

Measuring performance and comparing to targets is Controlling.

Question 1

The assumption that people are complex with widely varying needs is most associated with the _____ management approaches.

(a) classical

(b) neoclassical

(c) behavioral

(d) modern

Correct Answer: (c)

Behavioral approaches assume people are complex with social/psychological needs.

Question 2

The father of scientific management is _____.

(a) Weber

(b) Taylor

(c) Mintzberg

(d) Katz

Correct Answer: (b)

Frederick Taylor is the father of Scientific Management.

Question 3

When the registrar of a university deals with students by an identification number rather than a name, which characteristic of bureaucracy is being displayed and what is its intended benefit?

(a) division of labor, competency

(b) merit-based careers, productivity

(c) rules and procedures, efficiency

(d) impersonality, fairness

Correct Answer: (d)

Impersonality ensures fairness by removing bias/favoritism.

Question 4

If an organization was performing poorly and Henri Fayol was called in as a consultant, what would he most likely suggest to improve things?

(a) Teach managers to better plan and control.

(b) Teach workers more efficient job methods.

(c) Promote to management only the most competent workers.

(d) Find ways to increase corporate social responsibility.

Correct Answer: (a)

Fayol (Administrative Principles) focused on management functions like Planning/Control.

Question 5

One example of how scientific management principles are applied in organizations today would be:

(a) conducting studies to increase efficiencies in job performance.

(b) finding alternatives to a bureaucratic structure.

(c) training managers to better understand worker attitudes.

(d) focusing managers on teamwork rather than individual jobs.

Correct Answer: (a)

Scientific management studies jobs to increase efficiency (e.g., UPS delivery methods).

Question 6

The Hawthorne studies raised awareness of how _____ can be important influences on productivity.

(a) structures

(b) human factors

(c) physical work conditions

(d) pay and rewards

Correct Answer: (b)

Hawthorne studies revealed importance of human factors/social setting.

Question 7

Advice to study a job, carefully train workers to do that job, and link financial incentives to job performance would most likely come from _____.

(a) scientific management

(b) contingency management

(c) Henri Fayol

(d) Abraham Maslow

Correct Answer: (a)

Study job, train, incentivize = Scientific Management (Taylor).

Question 8

The highest level in Maslow's hierarchy includes _____ needs.

(a) safety

(b) esteem

(c) self-actualization

(d) physiological

Correct Answer: (c)

Highest level is Self-Actualization.

Question 9

A possible misfit between the mature adult personality and rigid practices of a bureaucratic organization was a major concern of _____.

(a) Argyris

(b) Follett

(c) Weber

(d) Fuller

Correct Answer: (a)

Chris Argyris argued bureaucracy stifles mature adult personalities.

Question 10

When people perform in a situation as they are expected to, this is sometimes called the _____ Effect.

(a) Hawthorne

(b) systems

(c) contingency

(d) open-systems

Correct Answer: (a)

Hawthorne Effect: People perform as expected when singled out/observed.

Question 11

Resource acquisition and customer satisfaction are important when an organization is viewed as a

(a) bureaucracy

(b) closed system

(c) open system

(d) pyramid

(n) _____.

Correct Answer: (c)

Open systems interact with environment (Resources In -> Customer Satisfaction Out).

Question 12

The loan-processing department would be considered a _____ of your local bank or credit union.

(a) subsystem

(b) closed system

(c) resource input

(d) cost center

Correct Answer: (a)

Departments are subsystems of the larger organization.

Question 13

When a manager notices that Sheryl has strong social needs and assigns her a job in customer relations and gives Kwabena lots of praise because of his strong ego needs, the manager is displaying _____.

(a) systems thinking

(b) Theory X

(c) motion study

(d) contingency thinking

Correct Answer: (d)

Contingency thinking matches management style to individual needs/situations.

Question 14

Which is the correct match?

(a) Senge—motion study

(b) McGregor—analytics

(c) Deming—quality management

(d) Maslow—Theory X and Y

Correct Answer: (c)

Deming is associated with Total Quality Management (TQM).

Question 15

When managers try to avoid hearsay and make decisions based on solid facts and information, this is known as _____.

(a) continuous improvement

(b) evidence-based management

(c) TQM

(d) Theory X management

Correct Answer: (b)

Evidence-based management uses facts/data for decisions.

Question 1

The general environment of an organization would include _____.

(a) population demographics

(b) activist groups

(c) competitors

(d) customers

Correct Answer: (a)

General environment includes demographics, economic, legal, etc. (Competitors/Customers are Specific).

Question 2

Internet censorship faced in foreign countries by firms such as Google is an example of how differences in _____ factors in the general environment can cause complications for global business executives.

(a) economic

(b) legal-political

(c) natural environment

(d) demographic

Correct Answer: (b)

Censorship and laws are Legal-Political factors.

Question 3

If the term offshoring describes outsourcing of work and jobs to foreign locations, what is it called when firms like Caterpillar move jobs back into the United States from foreign locations?

(a) protectionism

(b) reshoring

(c) disrupting

(d) upscaling

Correct Answer: (b)

Reshoring is bringing jobs back from foreign locations.

Question 4

Work preferences of different generations and public values over things like high pay for corporate executives are examples of developments in the _____ environment of organizations.

(a) task

(b) specific

(c) socio-cultural

(d) economic

Correct Answer: (c)

Work preferences and values are Socio-cultural factors.

Question 5

A business that has found ways to use technology to outperform its rivals in the marketplace can be said to have gained _____.

(a) environmental capital

(b) competitive advantage

(c) sustainable development

(d) environmental certainty

Correct Answer: (b)

Using technology to outperform rivals is a Competitive Advantage.

Question 6

Apps for an Apple iPhone or Google Android phone are examples of _____ innovations, whereas the use of robotics in performing manufacturing tasks previously done by humans is an example of _____ innovation.

(a) cost-benefit, process

(b) product, cost-benefit

(c) value-driven, service-driven

(d) product, process

Correct Answer: (d)

Apps are Product innovations; Robotics in manufacturing is a Process innovation.

Question 7

Chapter 4

Micro-credit lending that makes it possible for poor people to get small loans so they can start small businesses is an example of a business model innovation that is also a _____ innovation.

(a) social business

(b) technological

(c) disruptive

(d) green

Correct Answer: (a)

Micro-credit for the poor is Social Business (solving social problems via business).

Question 8

Chapter 4

Two dimensions that determine the level of environmental uncertainty are the number of factors in the external environment and the _____ of these factors.

(a) location

(b) rate of change

(c) importance

(d) interdependence

Correct Answer: (b)

Uncertainty = Complexity (Number of factors) + Rate of Change.

Question 9

One of the ways that corporations might better take into account their responsibility for being good environmental citizens is to redefine the notion of profit to: Profit = Revenue - Cost of Goods Sold - _____.

(a) operating expenses

(b) dividends

(c) costs to society

(d) loan interest

Correct Answer: (c)

True profit should account for Costs to Society (sustainability view).

Question 10

The three P's of organizational performance are Profit, People, and _____.

(a) Philanthropy

(b) Principle

(c) Potential

(d) Planet

Correct Answer: (d)

Triple Bottom Line: Profit, People, Planet.

Question 11

What organizational stakeholder must be considered in any serious discussion about how a firm can better fulfill its obligations for sustainable development?

(a) owners or investors

(b) customers

(c) suppliers

(d) future generations

Correct Answer: (d)

Sustainable development protects the rights of Future Generations.

Question 12

The first step in Hamel's wheel of innovation is _____.

(a) imagining

(b) assessing

(c) experimenting

(d) scaling

Correct Answer: (a)

Hamel's wheel starts with Imagining new possibilities.

Question 13

When a medical device is developed in India so that it can sell at a low price and still deliver high-quality results, and then that device is transferred for sale in the United States also at a low price, this is an example of _____.

(a) trickle-down innovation

(b) disruptive innovation

(c) reverse innovation

(d) sustainable innovation

Correct Answer: (c)

Reverse innovation: Created in emerging markets, then sold in developed ones.

Question 14

What term is used to describe the world's storehouse of natural resources, things like land, water, and minerals?

(a) sustainable development

(b) global warming

(c) climate justice

(d) environmental capital

Correct Answer: (d)

Environmental Capital (Natural Capital).

Question 15

Health insurance for employees, flexible work hours to balance work and family responsibilities, and programs to help employees deal with stress in their lives, are ways organizations might try to improve their accomplishments in respect to _____.

(a) profits

(b) human sustainability

(c) innovation

(d) natural capital

Correct Answer: (b)

Health/Work-life balance relate to Human Sustainability.

Question 1

Among the ways information technology is changing organizations today, _____ is one of its most noteworthy characteristics.

(a) eliminating need for top managers

(b) reducing information available for decision making

(c) breaking down barriers internally and externally

(d) decreasing need for environmental awareness

Correct Answer: (c)

IT breaks down barriers (boundaryless organizations).

Whereas management information systems use the latest technologies to collect, organize, and distribute data, _____ involves tapping the available data to extract and report it in organized ways that are most useful to decision makers.

(a) analytics

(b) business intelligence

(c) anchoring and adjustment

(d) optimizing

Correct Answer: (b)

Business Intelligence extracts useful data for decisions.

A manager who is reactive and works hard to address problems after they occur is known as a _____.

(a) problem seeker

(b) problem avoider

(c) problem solver

(d) problem manager

Correct Answer: (c)

Problem Solvers deal with problems as they occur (Reactive). A Problem Seeker is proactive.

A

(a) systematic

(b) intuitive

(c) internal

(d) external

(n) _____ thinker approaches problems in a rational and an analytic fashion.

Correct Answer: (a)

Systematic thinkers are rational/analytic.

A person likes to deal with hard facts and clear goals in a decision situation; she also likes to be in control and keep things impersonal. This person's cognitive style tends toward _____.

(a) sensation thinking

(b) intuitive thinking

(c) sensation feeling

(d) intuitive feeling

Correct Answer: (a)

Sensation Thinking: Hard facts, clear goals, impersonal.

Question 6

The assigning of probabilities for action alternatives and their consequences indicates the presence of _____ in the decision environment.

(a) certainty

(b) optimizing

(c) risk

(d) satisficing

Correct Answer: (c)

Risk environment: Alternatives known, probabilities assigned.

Question 7

The first step in the decision-making process is to _____.

(a) identify alternatives

(b) evaluate results

(c) find and define the problem

(d) choose a solution

Correct Answer: (c)

Step 1: Find and define the problem.

Question 8

Being asked to develop a plan to increase international sales of a product is an example of the types of _____ problems that managers must be prepared to deal with.

(a) routine

(b) unstructured

(c) crisis

(d) structured

Correct Answer: (b)

Unstructured problems (ambiguous, new) require non-programmed decisions.

Question 9

Costs, timeliness, and _____ are among the recommended criteria for evaluating alternative courses of action.

(a) ethical soundness

(b) competitiveness

(c) availability

(d) simplicity

Correct Answer: (a)

Ethical soundness is a mandatory check.

Question 10

A common mistake made by managers in crisis situations is that they _____.

(a) try to get too much information before responding

(b) rely too much on group decision making

(c) isolate themselves to make the decision alone

(d) forget to use their crisis management plan

Correct Answer: (c)

Isolating oneself is a mistake; crisis requires communication.

Question 11

The _____ decision model views managers as making optimizing decisions, whereas the _____ decision model views them as making satisficing decisions.

(a) behavioral, human relations

(b) classical, behavioral

(c) heuristic, humanistic

(d) quantitative, behavioral

Correct Answer: (b)

Classical = Optimizing (Rational); Behavioral = Satisficing (Bounded Rationality).

Question 12

When a manager makes a decision about someone's annual pay raise only after looking at his or her current salary, the risk is that the decision will be biased because of _____.

(a) a framing error

(b) escalating commitment

(c) anchoring and adjustment

(d) strategic opportunism

Correct Answer: (c)

Anchoring bias: Relying on a starting value (current salary) to adjust.

Question 13

When a problem is addressed according to the positive or negative context in which it is presented, this is an example of _____.

(a) framing error

(b) escalating commitment

(c) availability and adjustment

(d) strategic opportunism

Correct Answer: (a)

Framing error: Being influenced by how the problem is presented (glass half full/empty).

Question 14

When a manager decides to continue pursuing a course of action that facts otherwise indicate is failing to deliver desired results, this is called _____.

(a) strategic opportunism

(b) escalating commitment

(c) confirmation error

(d) the risky shift

Correct Answer: (b)

Escalating commitment: Throwing good money after bad.

Question 15

Personal creativity drivers include creativity skills, task expertise, and _____.

(a) emotional intelligence

(b) management support

(c) organizational culture

(d) task motivation

Correct Answer: (d)

Creativity = Expertise + Creative Skills + Task Motivation.

Question 1

Planning is the process of _____ and _____.

(a) developing premises about the future, evaluating them

(b) measuring results, taking corrective action

(c) measuring past performance, targeting future performance

(d) setting objectives, deciding how to accomplish them

Correct Answer: (d)

Planning = Setting objectives + Deciding how to accomplish them.

Question 2

The benefits of planning include _____.

(a) improved focus

(b) lower labor costs

(c) more accurate forecasts

(d) higher profits

Correct Answer: (a)

Planning improves focus and flexibility.

Question 3

In order to help implement its corporate strategy, a business firm would likely develop a (an) _____ plan for the marketing department.

(a) functional

(b) single-use

(c) production

(d) zero-based

Correct Answer: (a)

Functional plans (marketing, finance) support strategy.

Question 4

_____ planning identifies alternative courses of action that can be taken if and when certain situations arise.

(a) Zero-based

(b) Participative

(c) Strategic

(d) Contingency

Correct Answer: (d)

Contingency planning = 'What if' scenarios.

Question 5

The first step in the control process is to _____.

(a) measure actual performance

(b) establish objectives and standards

(c) compare results with objectives

(d) take corrective action

Correct Answer: (b)

Step 1: Establish objectives and standards.

Question 6

A sexual harassment policy is an example of _____ plans used by organizations.

(a) long-range

(b) single-use

(c) standing-use

(d) operational

Correct Answer: (c)

Policy is a Standing-use plan (used repeatedly).

Question 7

When a manager is asked to justify a new budget proposal on the basis of projected activities rather than past practices, this is an example of _____ budgeting.

(a) zero-based

(b) variable

(c) fixed

(d) contingency

Correct Answer: (a)

Zero-based budgeting starts from scratch, justifying every dollar.

Question 8

One of the benefits of participatory planning is _____.

(a) reduced time for planning

(b) less need for forecasting

(c) greater attention to contingencies

(d) more commitment to implementation

Correct Answer: (d)

Participation increases commitment to implementation.

Question 9

The ideal situation in a hierarchy of objectives is that lower-level plans become the _____ for accomplishing higher-level plans.

(a) means

(b) ends

(c) scenarios

(d) benchmarks

Correct Answer: (a)

Lower-level plans are the Means to the Higher-level Ends.

Question 10

When managers use the benchmarking approach to planning, they _____.

(a) use flexible budgets

(b) identify best practices used by others

(c) are seeking the most accurate forecasts that are available

(d) focus more on the short term than the long term

Correct Answer: (b)

Benchmarking = Comparing to best practices.

Question 11

One of the problems in relying too much on staff planners is _____.

(a) a communication gap between planners and implementers

(b) lack of expertise in the planning process

(c) short-term rather than long-term focus

(d) neglect of budgets as links between resources and activities

Correct Answer: (a)

Staff planners can create a communication gap with line managers.

Question 12

The planning process isn't complete until _____.

(a) future conditions have been identified

(b) stretch goals have been set

(c) plans are implemented and results evaluated

(d) budgets commit resources to plans

Correct Answer: (c)

Planning is a cycle; evaluation feeds into new plans.

Question 13

When a team leader is trying to follow an approach known as management by objectives, who should set a team member's performance objectives?

(a) the team member

(b) the team leader

(c) the team leader and team member

(d) the team member, the team leader, and a lawyer

Correct Answer: (c)

MBO requires joint goal setting (Leader + Member).

Question 14

A good performance objective is written in such a way that it _____.

(a) has no precise timetable

(b) is general and not too specific

(c) is almost impossible to accomplish

(d) can be easily measured

Correct Answer: (d)

Objectives should be Measurable (SMART).

Question 15 Chapter 8

Which type of plan is used to guide resource allocations for long-term advancement of the organization's mission or purpose?

(a) tactical

(b) operational

(c) strategic

(d) functional

Correct Answer: (c)

Strategic plans are long-term and comprehensive.

Question 1 Chapter 9

After objectives and standards are set, what step comes next in the control process?

(a) Measure results.

(b) Take corrective action.

(c) Compare results with objectives.

(d) Modify standards to fit circumstances.

Correct Answer: (a)

Measure actual performance (Step 2).

Question 2

When a soccer coach tells her players at the end of a game: "I'm pleased you stayed with the game plan," she is using a/an _____ to a measure performance, even though in terms of outcomes her team lost.

(a) input standard

(b) output standard

(c) historical comparison

(d) relative comparison

Correct Answer: (a)

Input standard measures effort/adherence to plan, not result.

Question 3

When an automobile manufacturer is careful to purchase only the highest-quality components for use in production, this is an example of an attempt to ensure high performance through _____ control.

(a) concurrent

(b) statistical

(c) inventory

(d) feedforward

Correct Answer: (d)

Feedforward control (preliminary) ensures inputs are good.

Question 4

Management by exception means _____.

(a) managing only when necessary

(b) focusing attention where the need for action is greatest

(c) the same thing as concurrent control

(d) the same thing as just-in-time delivery

Correct Answer: (b)

Focusing on significant deviations (exceptions).

Question 5

When a supervisor working alongside an employee corrects him or her when a mistake is made, this is an example of _____ control.

(a) feedforward

(b) concurrent

(c) internal

(d) clan

Correct Answer: (b)

Concurrent control happens during work.

Question 6

If an organization's top management visits a firm in another industry to learn more about its excellent record in hiring and promoting minority and female candidates, this is an example of using _____ for control purposes.

(a) a balanced scorecard

(b) relative comparison

(c) management by exception

(d) progressive discipline

Correct Answer: (b)

Relative comparison (Benchmarking) against another firm.

Question 7

The control equation states: _____ = Desired Performance – Actual Performance.

(a) Problem Magnitude

(b) Management Opportunity

(c) Planning Objective

(d) Need for Action

Correct Answer: (d)

Need for Action = Desired - Actual.

Question 8

When a UPS manager compares the amount of time a driver takes to make certain deliveries against standards set through a quantitative analysis of her delivery route, this is known as _____.

(a) a historical comparison

(b) an engineering comparison

(c) relative benchmarking

(d) concurrent control

Correct Answer: (b)

Engineering comparison uses scientifically deteremined standards.

Question 9

Projects are unique one-time events that _____.

(a) have unclear objectives

(b) must be completed in a specific time

(c) have unlimited budgets

(d) are largely self-managing

Correct Answer: (b)

Projects are one-time and must be completed by a deadline.

Question 10

The _____ chart graphically displays the scheduling of tasks required to complete a project.

(a) exception

(b) Taylor

(c) Gantt

(d) after-action

Correct Answer: (c)

Gantt chart displays scheduling bars.

Question 11

When one team member advises another team member that "your behavior is crossing the line in terms of our expectations for workplace civility," she is exercising a form of _____ control over the other's inappropriate behaviors.

(a) clan

(b) market

(c) internal

(d) preliminary

Correct Answer: (a)

Clan control: Social norms/peer pressure.

Question 12

In a CPM/PERT analysis the focus is on _____ and the event _____ that link them together with the finished project.

(a) costs, budgets

(b) activities, sequences

(c) timetables, budgets

(d) goals, costs

Correct Answer: (b)

CPM/PERT focuses on Activities and Sequences.

Question 13

If fixed costs are $10,000, variable costs are $4 per unit, and the target selling price per unit is $8, what is the breakeven point?

(a) 2

(b) 500

(c) 2,500

(d) 4,800

Correct Answer: (c)

Breakeven = Fixed / (Price - Variable) = 10000 / (8-4) = 2500.

Question 14

Among the financial ratios used for control, Current Assets/Current Liabilities is known as the _____.

(a) debt ratio

(b) net margin

(c) current ratio

(d) inventory turnover ratio

Correct Answer: (c)

Current Ratio = Current Assets / Current Liabilities.

Question 15

In respect to return on assets (ROA) and the debt ratio, the preferred directions when analyzing them from a control standpoint are _____.

(a) decrease ROA, increase debt

(b) increase ROA, increase debt

(c) increase ROA, decrease debt

(d) decrease ROA, decrease debt

Correct Answer: (c)

Increase ROA (Efficiency) and Decrease Debt (Risk).

Question 1

The most appropriate first question to ask in strategic planning is _____.

(a) "Where do we want to be in the future?"

(b) "How well are we currently doing?"

(c) "How can we get where we want to be?"

(d) "Why aren't we doing better?"

Correct Answer: (a)

First question: 'Where do we want to be?' (Mission/Vision).

Question 2

The ability of a firm to consistently outperform its rivals is called _____.

(a) vertical integration

(b) competitive advantage

(c) incrementalism

(d) strategic intent

Correct Answer: (b)

Sustainable Competitive Advantage.

Question 3

In a complex conglomerate business such as General Electric, a

(a) institutional

(b) corporate

(c) business

(d) functional

(n) _____ level strategy sets strategic direction for a strategic business unit.

Correct Answer: (c)

Business strategy directs a specific SBU.

Question 4

The _____ is a predominant value system for an organization as a whole.

(a) strategy

(b) core competency

(c) mission

(d) corporate culture

Correct Answer: (d)

Corporate Culture is the value system.

Cost efficiency and product quality are two examples of _____ objectives of organizations.

(a) official

(b) operating

(c) informal

(d) institutional

Correct Answer: (b)

Operating objectives are specific/short-term (Cost/Quality).

An organization that is downsizing to reduce costs is implementing a grand strategy of _____.

(a) growth

(b) cost differentiation

(c) retrenchment

(d) vertical integration

Correct Answer: (c)

Retrenchment = Downsizing/restructuring to solve problems.

Question 7

When PepsiCo acquired Tropicana, a maker of orange juice, the firm's strategy was growth by _____.

(a) related diversification

(b) concentration

(c) vertical integration

(d) cooperation

Correct Answer: (a)

Related diversification (Synergy).

Question 8

In Porter's five forces framework, having _____ increases industry attractiveness.

(a) many rivals

(b) many substitute products

(c) low bargaining power of suppliers

(d) few barriers to entry

Correct Answer: (d)

Barriers to entry make it hard for new rivals, protecting profits.

Question 9

A _____ in the BCG matrix would have a high market share in a low-growth market, and the correct grand or master strategy is _____.

(a) dog, growth

(b) cash cow, stability

(c) question mark, stability

(d) star, retrenchment

Correct Answer: (b)

Cash cow (High Share, Low Growth) -> Stability strategy.

Question 10

The alliances that link together firms in supply chain management relationships are examples of how businesses try to use _____ strategies.

(a) B2C

(b) growth

(c) cooperation

(d) concentration

Correct Answer: (c)

Alliances/Supply Chains are Cooperation strategies.

Question 11

The two questions asked by Porter to identify competitive strategies for a business or product line are: 1—What is the market scope? 2—What is the _____?

(a) market share

(b) source of competitive advantage

(c) core competency

(d) industry attractiveness

Correct Answer: (b)

Source of difference (Cost vs Uniqueness) and Market Scope (Broad vs Narrow).

Question 12

According to Porter's model of competitive strategies, a firm that wants to compete with its rivals in a broad market by selling a very low-priced product would need to successfully implement a _____ strategy.

(a) retrenchment

(b) differentiation

(c) cost leadership

(d) diversification

Correct Answer: (c)

Broad market, Low Price = Cost Leadership.

Question 13

When Coke and Pepsi spend millions on ads trying to convince customers that their products are unique, they are pursuing a/an _____ strategy.

(a) transnational

(b) concentration

(c) diversification

(d) differentiation

Correct Answer: (d)

Differentiation: Uniqueness (Brand/Ad).

Question 14

The role of the board of directors as an oversight body that holds top executives accountable for the success of business strategies is called _____.

(a) strategic leadership

(b) corporate governance

(c) logical incrementalism

(d) strategic opportunism

Correct Answer: (b)

Corporate Governance (Board role).

Question 15

An example of a process failure in strategic planning is _____.

(a) lack of participation

(b) weak mission statement

(c) bad core values

(d) insufficient financial resources

Correct Answer: (a)

Lack of participation is a key process failure.

Question 1

The main purpose of organizing as a management function is to _____.

(a) make sure that results match plans

(b) arrange people and resources to accomplish work

(c) create enthusiasm for the work to be done

(d) match strategies with operational plans

Correct Answer: (b)

Organizing = Arranging people/resources.

Question 2

_____ is the system of tasks, reporting relationships, and communication that links together the various parts of an organization.

(a) Structure

(b) Staff

(c) Decentralization

(d) Differentiation

Correct Answer: (a)

Structure links parts of the organization.

Question 3

Rumors and resistance to change are potential disadvantages often associated with _____.

(a) virtual organizations

(b) informal structures

(c) delegation

(d) specialized staff

Correct Answer: (b)

Informal structures (Rumors/Grapevine).

Question 4

An organization chart showing vice presidents of marketing, finance, manufacturing, and purchasing all reporting to the president is depicting a _____ structure.

(a) functional

(b) matrix

(c) network

(d) product

Correct Answer: (a)

Functional Structure (grouping by skill/function).

Question 5

The functional chimneys problem occurs when people in different functions _____.

(a) fail to communicate with one another

(b) try to help each other work with customers

(c) spend too much time coordinating decisions

(d) focus on products rather than functions

Correct Answer: (a)

Functional chimneys (Silos) = Lack of communication across functions.

A manufacturing business with a functional structure has recently developed three new product lines. The president of the company might consider shifting to a/an _____ structure to gain a stronger focus on each product.

(a) virtual

(b) informal

(c) divisional

(d) network

Correct Answer: (c)

Divisional (Product) structure focuses on specific products.

_____ structure tries to combine the best elements of the functional and divisional forms.

(a) Virtual

(b) Boundaryless

(c) Team

(d) Matrix

Correct Answer: (d)

Matrix combines Functional and Divisional.

Question 8

The "two-boss" system of reporting relationships is found in the _____ structure.

(a) functional

(b) matrix

(c) network

(d) product

Correct Answer: (b)

Matrix structure has two bosses (Functional + Project).

Question 9

Better lower-level teamwork and more top-level strategic management are among the expected advantages of a _____ structure.

(a) divisional

(b) matrix

(c) geographical

(d) product

Correct Answer: (d)

Product structure allows experts to focus on product, improving teamwork/strategy.

Question 10

"Tall" organizations tend to have long chains of command and _____ spans of control.

(a) wide

(b) narrow

(c) informal

(d) centralized

Correct Answer: (b)

Tall = Narrow span of control.

Question 11

A student volunteers to gather information on a company for a group case analysis project. The other members of the group agree, and tell her to go ahead and choose the information sources. In terms of delegation, this group is giving the student _____ to fulfill the agreed-upon task.

(a) responsibility

(b) accountability

(c) authority

(d) decentralization

Correct Answer: (c)

Authority is the right to act/command.

Question 12

The current trend in the use of staff in organizations is to _____.

(a) give staff personnel more authority over operations

(b) reduce the number of staff personnel

(c) remove all staff from the organization

(d) combine all staff functions in one department

Correct Answer: (b)

Trend: Leaner staff, more decentralization.

Question 13

The bureaucratic organization described by Max Weber is similar to the _____ organization described by Burns and Stalker.

(a) adaptive

(b) mechanistic

(c) organic

(d) adhocracy

Correct Answer: (b)

Bureaucracy = Mechanistic (Rigid).

Question 14

Which type of organization design best fits an uncertain and changing environment?

(a) mechanistic

(b) bureaucratic

(c) organic

(d) traditional

Correct Answer: (c)

Organic (Adaptive) fits uncertain environments.

Question 15

An organization that employs just a few "core" or essential full-time employees and outsources a lot of the remaining work show signs of using a _____ structure.

(a) functional

(b) network

(c) matrix

(d) mechanistic

Correct Answer: (b)

Network Structure (Core + Outsourcing).

Question 1

Pluralism and the absence of discrimination and prejudice in policies and practices are two important hallmarks of _____.

(a) the glass ceiling effect

(b) a multicultural organization

(c) quality circles

(d) affirmative action

Correct Answer: (b)

Multicultural organizations value pluralism/no discrimination.

Question 2

When members of minority cultures feel that they have to behave in ways similar to the majority culture, this is called _____.

(a) biculturalism

(b) symbolic leadership

(c) the glass ceiling effect

(d) inclusivity

Correct Answer: (a)

Biculturalism: Adopting majority culture to succeed.

Question 3

Engineers, scientists, and information systems specialists are likely to become part of separate _____ subcultures in an organization.

(a) ethnic

(b) generational

(c) functional

(d) occupational

Correct Answer: (d)

Occupational subcultures (shared professions).

Question 4

Stories told about an organization's past accomplishments and heroes such as company founders are all part of what is called the _____ culture.

(a) observable

(b) underground

(c) functional

(d) core

Correct Answer: (a)

Stories/Heroes are Observable Culture.

Question 5

Honesty, social responsibility, and customer service are examples of _____ that can become foundations for an organization's core culture.

(a) rites and rituals

(b) values

(c) subsystems

(d) ideas

Correct Answer: (b)

Values are core beliefs.

Question 6

Which leadership approach is most consistent with an organizational culture that values the full utilization of all diverse talents of all the organization's human resources?

(a) Managing diversity

(b) Affirmative action

(c) Status quo

(d) Rational persuasion

Correct Answer: (a)

Managing Diversity values distinct talents of all.

Question 7

When members of a dominant subculture, such as white males, make it hard for members of minority subcultures, such as women, to advance to higher level positions in the organization, this is called the _____ effect.

(a) dominator

(b) glass ceiling

(c) brick wall

(d) end-of-line

Correct Answer: (b)

Glass ceiling.

Question 8

An executive pursuing transformational change would give highest priority to which one of these change targets?

(a) an out-of-date policy

(b) the organizational culture

(c) a new information system

(d) job designs in a customer service department

Correct Answer: (b)

Culture change is transformative.

Question 9

_____ change results in a major change of direction for an organization, while _____ change makes small adjustments to current ways of doing things.

(a) Frame breaking; radical

(b) Frame bending; incremental

(c) Transformational; frame breaking

(d) Transformational; incremental

Correct Answer: (c)

Transformational (Major/Frame Breaking) vs Incremental (Frame Bending).

Question 10

The presence or absence of a felt need for change is a key issue in the _____ phase of the planned change process.

(a) improvising

(b) evaluating

(c) unfreezing

(d) refreezing

Correct Answer: (c)

Unfreezing: Creating felt need for change.

Question 11

When a manager listens to users, makes adaptations, and continuously tweaks and changes a new MIS as it is being implemented, the approach to technological change can be described as _____.

(a) top-down

(b) improvisational

(c) organization development

(d) frame breaking

Correct Answer: (b)

Improvisational change (tweaking during implementation).

Question 12

A manager using a force-coercion strategy will rely on _____ to bring about change.

(a) expertise

(b) benchmarking

(c) formal authority

(d) information

Correct Answer: (c)

Force-coercion uses Authority/Punishment.

Question 13

The most participative of the planned change strategies is _____.

(a) force-coercion

(b) rational persuasion

(c) shared power

(d) command and control

Correct Answer: (c)

Shared power (Normative-Reeducative) is participative.

Question 14

True internalization and commitment to a planned change is most likely to occur when a manager uses a

(a) education and communication

(b) rational persuasion

(c) manipulation and co-optation

(d) shared power

(n) _____ change strategy.

Correct Answer: (d)

Shared power leads to Internalization.

Question 15

Trying to covertly influence others, offering only selective information, and structuring events in favor of the desired change, is a way of dealing with resistance by _____.

(a) participation

(b) manipulation and co-optation

(c) force-coercion

(d) facilitation

Correct Answer: (b)

Manipulation and Co-optation.

Question 1

Someone with a clear sense of the future and the actions needed to get there is considered a _____ leader.

(a) task-oriented

(b) people-oriented

(c) transactional

(d) visionary

Correct Answer: (d)

Visionary leader: Clear sense of future.

Question 2

Leader power = _____ power + _____ power.

(a) reward, punishment

(b) reward, expert

(c) legitimate, position

(d) position, personal

Correct Answer: (d)

Power = Position + Personal.

Question 3

A manager who says "because I am the boss, you must do what I ask" is relying on _____ power.

(a) reward

(b) legitimate

(c) expert

(d) referent

Correct Answer: (b)

Legitimate power (Authority).

Question 4

When a leader assumes that others will do as she asks because they want to positively identify with her, she is relying on _____ power to influence their behavior.

(a) expert

(b) reference

(c) legitimate

(d) reward

Correct Answer: (b)

Referent power (Identity/Charisma).

Question 5

The personal traits now considered important for managerial success include _____.

(a) self-confidence

(b) gender

(c) age

(d) height

Correct Answer: (a)

Self-confidence is a trait (Gender/Height are not valid predictors).

Question 6

In the leader-behavior approaches to leadership, someone who does a very good job of planning work, setting standards, and monitoring results would be considered a

(a) task-oriented

(b) control-oriented

(c) achievement-oriented

(d) employee-centered

(n) _____ leader.

Correct Answer: (a)

Planning/Monitoring = Task-oriented.

Question 7

According to the Blake and Mouton leadership grid, the most successful leader is one who acts with _____.

(a) high initiating structure and low consideration

(b) high concern for task and high concern for people

(c) high emotional intelligence and high integrity

(d) low job stress and high task goals

Correct Answer: (b)

Team Manager (9,9): High Task, High People.

Question 8

A leader whose actions indicate an attitude of "do as you want, and don't bother me" would be described as having a

(a) autocratic

(b) country club

(c) democratic

(d) laissez-faire

(n) _____ leadership style.

Correct Answer: (d)

Laissez-faire (Hands-off).

Question 9

In Fiedler's contingency model, both highly favorable and highly unfavorable leadership situations are best dealt with by a _____ leader.

(a) task-motivated

(b) laissez-faire

(c) participative

(d) relationship-motivated

Correct Answer: (a)

Fiedler: Task-motivated works best in extremes (Very Good/Very Bad).

Question 10

_____ leadership model suggests that leadership style is strongly anchored in personality and therefore hard to change.

(a) Trait

(b) Fiedler's

(c) Transformational

(d) Blake and Mouton's

Correct Answer: (b)

Fiedler believed style is fixed (Trait-like).

Question 11

House's _____ theory of leadership says that successful leaders find ways to add value to leadership situations.

(a) trait

(b) path-goal

(c) transformational

(d) life-cycle

Correct Answer: (b)

Path-Goal: Leader clears path/adds value.

Question 12

A leader who _____ would be described as achievement-oriented in the path–goal theory.

(a) sets challenging goals for others

(b) works hard to achieve high performance

(c) gives directions and monitors results

(d) builds commitment through participation

Correct Answer: (a)

Achievement-oriented: Sets challenging goals.

Question 13

The critical contingency variable in the Hersey-Blanchard situational model of leadership is _____.

(a) followers' maturity

(b) LPC

(c) task structure

(d) LMX

Correct Answer: (a)

Hersey-Blanchard: Follower Maturity (Readiness).

Question 14

Vision, charisma, integrity, and symbolism are all on the list of attributes typically associated with _____ leaders.

(a) contingency

(b) informal

(c) transformational

(d) transactional

Correct Answer: (c)

Transformational leaders have Vision/Charisma.

Question 15

The interactive leadership style, sometimes associated with women, is characterized by _____.

(a) inclusion and information sharing

(b) use of rewards and punishments

(c) command and control

(d) emphasis on position power

Correct Answer: (a)

Interactive: Inclusion/Communication (often associated with female leaders).