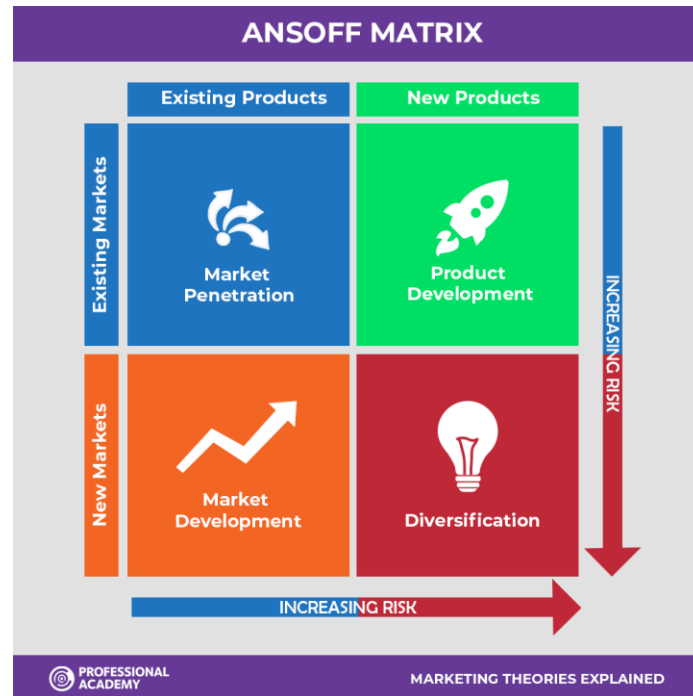


SM302: Principles of Management Quiz

Ansoff Matrix



Industrial Organization

2 parts of Industrial Organization:

- Industrial organization is the study of imperfect competition
- It is also the examination of how firms and markets are organized from an economic perspective

Monopoly provides the sharpest insights into how price discrimination, product differentiation and anti-competitive strategies work.

Oligopolies are useful in are useful in understanding strategic interactions between firms.

Theories behind Monopolies:

- Price discrimination
- Product differentiation
- Bundling
- Limit pricing
- Predatory conduct

Theories behind Oligopolies:

- Game Theory
- Cournot Model
- Bertrand Model

- Stackelberg Model

Industrial Organization is a response to the intellectual challenges posed by antitrust legislation, enforcement and judicial rulings.

Diffusion of Innovations

Main people in diffusion of innovations:

- **Innovators:** People who are open to risks and the first to try new ideas.
- **Early adopters:** People who are interested in trying new technologies and establishing their utility in society.
- **Early majority:** The early majority paves the way for use of an innovation within mainstream society and are part of the general population.
- **Late majority:** The late majority is also part of the general population and refers to the set of people who follow the early majority into adopting an innovation as part of their daily life.
- **Laggards:** Laggards lag the general population in adopting innovative products and new ideas.

5 attributes of innovation by Rogers:

- **Relative Advantage:** degree to which an innovation appears to be better than any other alternatives.
- **Trialability:** degree in which the innovation can be experienced firsthand on a limited basis.
- **Observability:** degree in which the innovation or its results can be seen by others likely to adopt it.
- **Compatibility:** degree to which the innovation is seen as consistent with existing values, previous experiences, and needs of the user.
- **Complexity:** degree in which the innovation is seen as difficult to understand or use.

Product-oriented approach, innovations can be classified into three categories:

- Continuous Innovation
- Dynamically continuous
- Discontinuous

The approaches that receives wide attention are the **market-oriented** and the **consumer-oriented** approaches to studying "innovation".

Rogers claims, "Innovativeness indicates overt behavioral change, which is the ultimate goal of most diffusion programs, rather than just cognitive or attitudinal change. Innovativeness is the bottom-line behavior in the diffusion process".

Innovators are not "generic". They are in most cases "specific" to a product and service type.

Line extensions are continuous innovations.

Innovations are measured on two dimensions:

- Technological changes
- Behavioral changes

Innovators: Most venturesome, rich, have a small group of people who have the capability to understand the technology

Early adopters: highest degree of opinion leadership, rich

Early majority: middle-class, deliberate for long time before making a decision.

Late majority: relatively low income or old citizens, confirm to social pressure

Laggards: older, conservative, and more price conscious.

Various stages in adoption process:

- Awareness
- Interest
- Evaluation
- Trial
- Adoption(or rejection)

Firm-oriented:

-the product is “innovative”, if it is “new” for the company.

-the existence of the product in the market is disregarded

Product-oriented:

-the product is “innovative”, if it is “new” in terms of form, attributes and features.

-there are changes in technology, as well as impact on consumer consumption behavior.

Market-oriented:

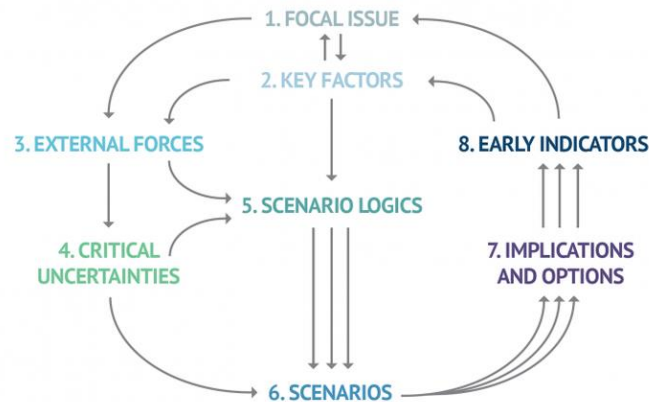
-the product is regarded “new” if the market does not have much exposure of it.

-sales penetration has been low.

Scenario Planning

One of the benefits of scenario planning is that it challenges the **status quo**.

THE EIGHT-STEP SCENARIO PLANNING PROCESS



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Strategy and Structure

Strategy is how your organization goes about its work is its strategy (vs. your strategic plan document).

This includes the plans that set out how your organization will use its major resources to meet specific goals.

Structure is the way the pieces of your organization fit together to meet a common goal. The structure is much more than an organization chart. It is the people, positions, procedures, processes, culture, technology and related elements. It defines how all the pieces, parts and processes work together.

The structure works with the strategy to reach end goals that are set by the business.

Three Approaches to Strategy Based on Price Point:

- Designing Structural Elements
- Labor Force Planning and Strategy
- Infrastructure Elements and Strategy

Strategy and Structure Cohesion

Strategy and structure are separate processes that do have some overlap, but really, they must align to create an effective model. When the strategy and structure operate independently of each other, inefficiencies are created.

Gap Analysis

A **gap analysis** is the process of identifying where your team is versus where it wants to be.

How to Conduct a Gap Analysis: 4 Steps to Completion

- Step #1: Identify the current state of your department.
- Step #2: Identify where you want to be with your department.
- Step #3: Identify the gaps in your department.
- Step #4: Devise improvements to close the gaps in your department.

Concrete vs. Conceptual

You can perform a *concrete* gap analysis that looks at the real world, or a *conceptual* one that examines hypothetical scenarios.

Strategic vs. Operational

A gap analysis can be *strategic* and focus on the overall organization and the planning and execution at that level, or it can be *operational* and focus on the day-to-day work of a team or department.

Some reasons that a company might kick off a gap analysis include the following:

- **Benchmarking:** Comparing results against external criteria
- **Portfolio Analysis:** Examining their product portfolio to look for new sales opportunities, a company can use a gap analysis to identify new products to sell. In the opposite direction, they can also look for existing products that are not selling well, use a gap analysis to find out why, then promote them.
- **Profits:** If a forecast profit percentage isn't reached, a company can use a gap analysis to determine what went wrong, and whether it was in planning or execution.

- **Processes:** A gap analysis can help reveal the shortcomings of processes, so that the real outcomes match the expected outcomes.
- **Performance Indicators:** A gap analysis can also be applied to key performance indicators like new customer acquisition, average order amount, or return on investment (ROI).
- **Usage Gaps:** A *usage gap* is the difference between current market size for a product or service, and the potential market size. A gap analysis in this area can help an organization see why they are not reaching the full potential.

What Is a Market Gap Analysis?

A *market gap analysis* (performed internally or externally) is a way to research sales opportunities where the demand is greater than the supply.

A market gap analysis differs from market research in that it's proactive rather than reactive.

What Is a Strategic Gap Analysis?

A *strategic gap analysis* looks at company's strategy and is closely tied to benchmarking (comparing yourself to competitors or best practices).

Frameworks for Gap Analysis

- McKinsey 7Ss Framework
- Nadler-Tushman Congruence Framework
- SWOT Framework
- PESTEL Framework
- Fishbone Framework

Product Lifecycle

Purpose: to help make better decisions over time

Introduction:

- Substantial investment in advertising
- A marketing campaign
- Least competitors
- Number of prototypes
- Build up sales and increase awareness

Growth: If the product is successful, it then moves to the growth stage.

- Growing demand
- An increase in production
- Expansion in its availability.

- Large market share
- Rapid sales
- Price skimming

Maturity:

- Most profitable stage
- Costs of producing and marketing decline.
- Established product bringing revenue.
- Economies of sale

Decline: A product takes on increased competition as other companies emulate its success – sometimes with enhancements or lower prices. The product may lose market share and begin its decline.

- Niche markets opening
- Least production costs

PEST

Economic factor:

- Emerging customer needs would be considered.
- Inflation
- Exchange rates
- Interest rates
- **Boom and recession** factor can be described as the business cycle which results in periods of high employment and high sales followed by a period of high unemployment and low sales.

Political factor:

- Trade restrictions have just been lifted, allowing your company to expand trade globally.
- Increase in minimum wage which increases costs and reduces profits
- Decrease in income tax which leads to an increase in disposable income of citizens leading to more sales.
- New GDPR legislation means that a PLC must contact all customers to seek consent to keep their personal data - which increases administration costs
- Inver Clyde Council make grants available to companies which encourages a number of businesses to relocate to a local industrial estate
- Withdrawal from the EU leads to an increase in admin costs for UK companies who import raw materials from Belgium
- A cap on immigration numbers means that UK farmers find it hard to recruit temporary staff to pick fruit and crops which increases the amount of spoiled products.

Social factors:

- Change in demographics e.g. age/gender/religion/race
- Changes in work-life balance and flexible working e.g. home working
- Changes in tastes and fashion

Experience Curve

The concept: the more experience a business has in producing a particular product, the lower its costs.

The logic behind the Experience Curve is this:

- As businesses grow, they gain experience...
- That experience may provide an advantage over the competition...
- The “experience effect” of lower unit costs is likely to be particularly strong for large, successful businesses (market leaders)

Therefore:

- Experience is a key barrier to entry.
- Firms should try to maximize market share.
- External growth (e.g. takeovers) might be the best way to do this if a business can acquire firms with strong experience.

SWOT Analysis

Internal factors: Strengths and Weaknesses in a business as referred to by SWOT analysis. Can be controlled by managers in an organization.

Competitors: An example of Opportunities or Threats from the external environment

Global expansion is an example of **opportunity**.

Changes in demographics results in shifting demand away from products, this is classified as **a threat**.

New competitions entering a market is a **threat**.

A business has developed a great product, but still lacks the patent, this is an example of **a weakness**.

An employee notices an unfilled customer need, this is an example of an **opportunity**.

A PEST Analysis is used to examine the external indicators of the SWOT Analysis.

A PEST Analysis examines **opportunity and threats** as the two external SWOT components.

Due to an increase in disposable income (purchasing power) over the last six years, local residents have more money to spend on leisure activities is an **opportunity**.

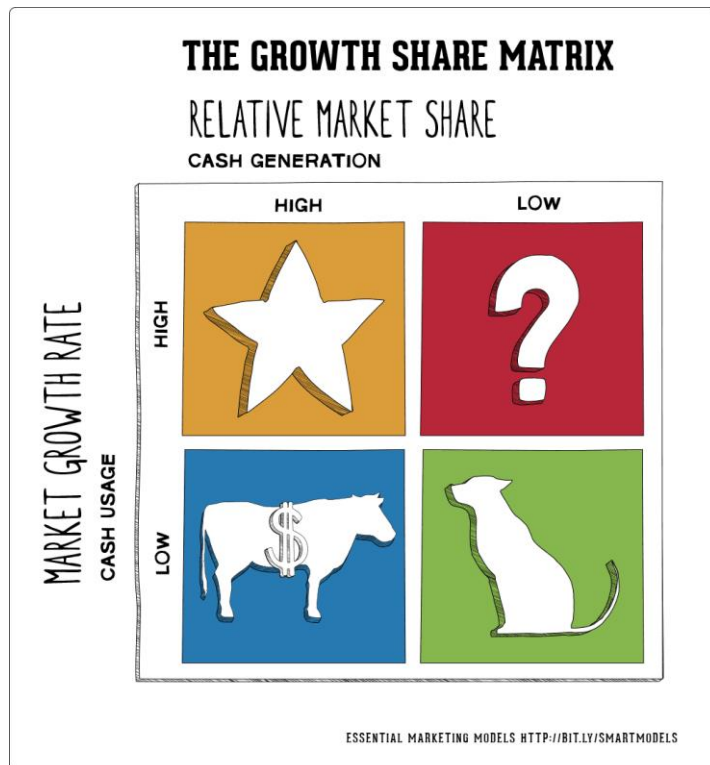
Decrease in birth rates is **a threat**.

Threat: Cannot be removed or ignored and will need planning to work with or around and are a potential risk to your development.

SWOT ANALYSIS



BCG Portfolio Matrix



Dogs: These are products with low growth or market share.

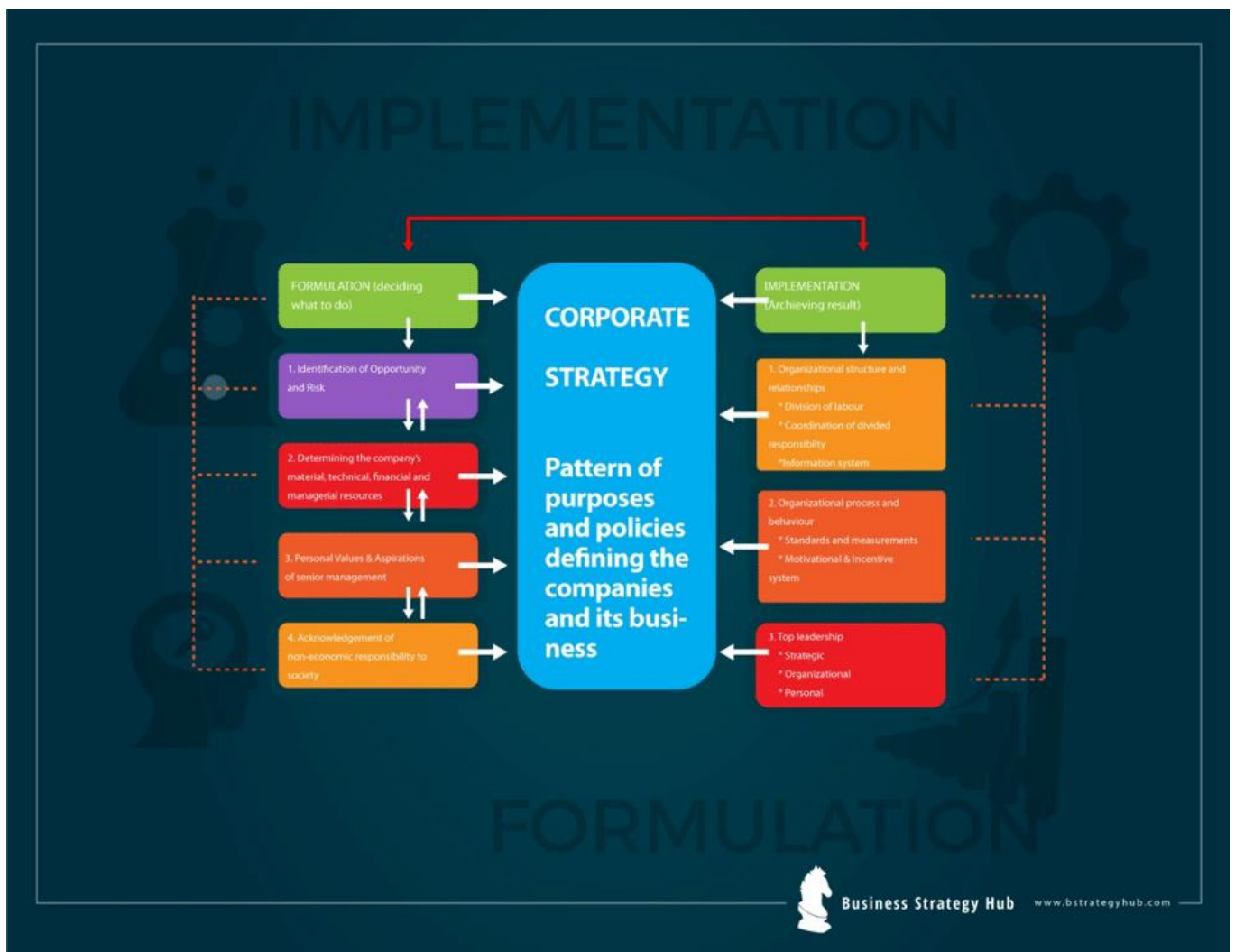
Question marks or Problem Child: Products in high growth markets with low market share.

Stars: Products in high growth markets with high market share.

Cash cows: Products in low growth markets with high market share

Andrew's Strategy Framework

According to Andrews' model formulation and implementation of corporate strategy are the two factors responsible for influencing organizational structure, behavior, processes and internal and external business relationships.



The Profit Impact of Market Strategies

Real Options

Real option refer to projects involving tangible assets versus financial instruments.

Rule of three and four

A ratio of 2 to 1 in market share between any two competitors seems to be the equilibrium point at which it is neither practical nor advantageous for either competitor to increase or decrease share.

Any competitor with less than one quarter the share of the largest competitor cannot be an effective competitor.

Deliberate and Emergent strategies

A **deliberate strategy** is one that arises from conscious, thoughtful, and organized action on the part of a business and its leadership.

An **emergent strategy** is one that arises from unplanned actions and initiatives from within an organization.

It's typically viewed as the product of **spontaneous innovation**, and often a direct result of the daily prioritization and investment decisions made by individual contributors, such as middle managers, engineers, financial staff, and salespeople.

Which of the following is NOT a characteristic of emotional intelligence? Escalating commitment

A company's mission: what company does.

Evidence suggests that the best way to maximize the long-run return to shareholders is to focus on: Satisfying customer needs and making sure that employees are fairly treated.

In a typical scenario planning exercise: Managers formulate plans that are based on "what-if" scenarios that are about the future.

Organization's principal general manager: Chief executive officer (CEO).

A component of strategy implementation is: Designing the organization's control and reward systems.

Rapid growth in demand enables companies to expand their revenues and profits without taking market share away from competitors.

A company's closest competitors are those in its strategic group.

An industry's buyers have high bargaining power when switching costs are low.

The extent of rivalry among established companies is lowest when demand is growing rapidly.

Economies of scale can arise from: An advantage gained by spreading fixed production costs over a large production volume.

Brand loyalty can be created by: Emphasizing high-quality products.

The competitive structure of an industry refers to the number and size distribution of companies within it.

The level of industry demand: Is one of the determinants of the intensity of rivalry in the industry.

5 forces

Competitive rivalry

Supplier Power

Buyer Power

Threat of substitution

Threat of New Entry

Porter's five forces model is essentially about competition rivalry.

Most significant barrier to enter steel industry: Scale and experience

Porter's Five Forces used in business decision: Which industries to enter or leave.

Reduction in barriers to entry will increase competition rivalry.

Bargaining power of buyers is likely to be high when few large buyers account for majority of sales.

4 phases of strategy

Formulation

Implementation

Evaluation

Modification and Amplification

Logical Incrementalism

1. An effective manager or leader is the one who pushes the organization forward in small yet logical steps.
2. Incremental change enhances the confidence amid employees and decreases organizational dependence on outsiders to give impetus for [strategic change](#).

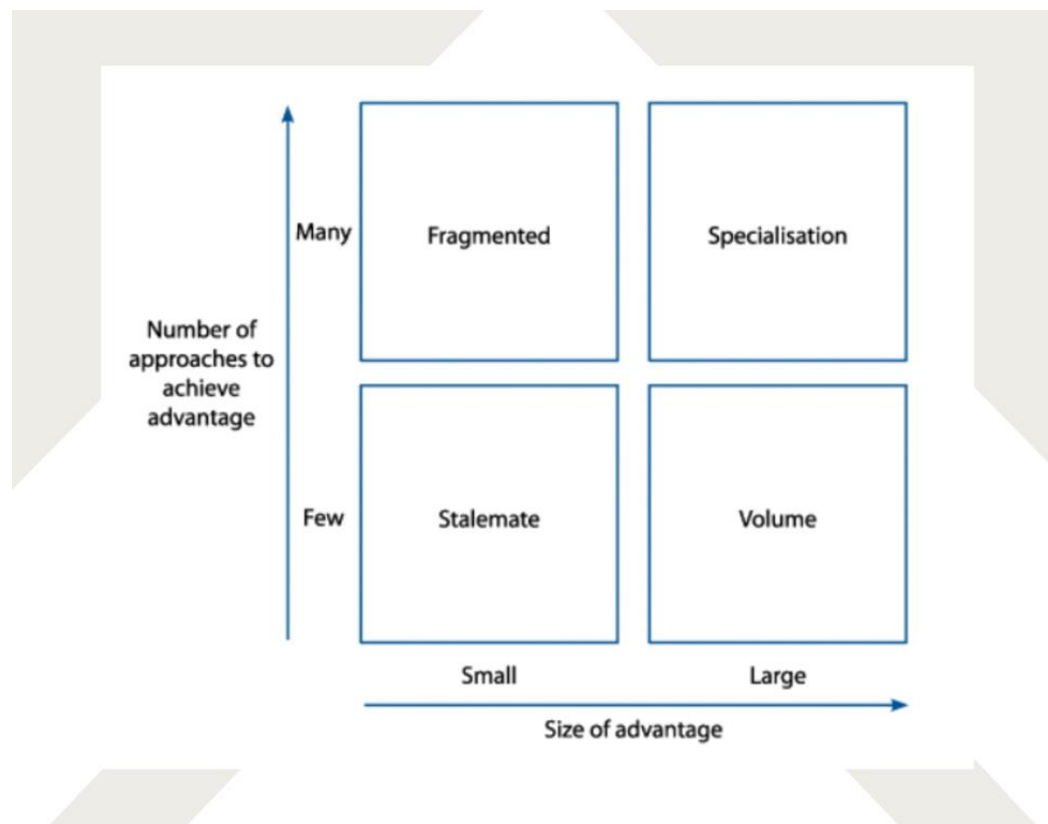
Why the strategy?

1. It is more **practical**.
2. It is more **responsive** to the uncertainty that comes with strategic challenges
3. It responds to the **reality** of logical
4. It embraces the practical theories and the power of the "Science of muddling through"
5. It employs a real-options frame of mind that is well suited to handle extreme complexity, uncertainty, and progressively 'evil' nature of strategic issues.
6. It adapts the functional and logical elements of formal, traditional analytical processes, and processes that determine and handle the psychological shifts and power inherent in strategic change.

Reasons for workplace to resist change:

- Status quo is comfortable
- Belief that change is wrong
- Hearing only what they want to hear
- Resentment of the change
- Fear of the unknown
- Rebellion against the rapidity of change.

BCG Advantage Matrix



However, this matrix takes as its axes the two opposing variables:

- Competitive advantage
- Competitive differentiation

Stalemate Industries

- Little gain from scaling up
- Possibility for competitive advantages is limited.
- Only a few approaches are present to achieve them
- Cut the prices while sustaining production through outsourcing.

Volume Industries

- Do not profit from specialization.
- Do have the capacity to gain from scaling up.
- Strategies that entail ways to boost the production volume
- Capital intensive
- dominated by a few giant industry players who attain the economies of scale
- may be restricted by differentiation and market segmentation

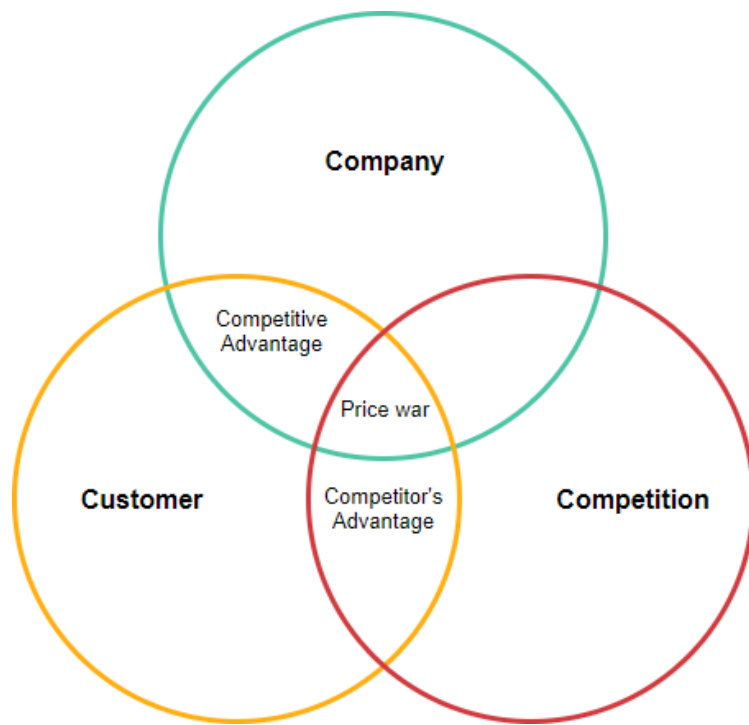
Fragmented Industries:

- excellent opportunity to profit from **distinguishing itself** from its competitors
- the potential to profit from scaling up is limited
- well-suited to niche players

Specialized industries:

- can profit from both scaling up as well as specialization
- potential advantage of differentiation is substantial
- size and profitability are not automatically linked here
- focused on segments and sheer learning curves
- Comprehending the application of competitive advantage and generic strategies are key to success.

3Cs



Kehnichi Ohmae

Customer Analysis

Demographic data plays a huge part in this analysis.

Important elements are needs, requirements, demands, problem areas, buying motives, value components, decision-makers, etc.

Segmentation of objectives (use of products) and customers (geography, age, social interests) and the market (potential customers, competitors) are important for constructing and adopting a strategy.

Competitor Analysis

Comparison websites are popular in every industry and make investigating their products and services quite straightforward.

Constructed by looking at possible differentiation in functions such as purchasing, design, engineering, operational capacity, sales and maintenance.

Fixed costs can for instance lower prices in a slow market and help gain market share.

Corporation Analysis

From the results of the customer and competitor analyses you have done so far, enumerate the company's "strong points" and "resources" which produce them.

Focusing on a key functional area may create a decisive improvement in other functions of the competition.

7s Framework

McKinsey



Advantages of the Model

- It enables different parts of a company to act in a coherent and “synced” manner.
- It allows for the effective tracking of the impact of the changes in key elements.
- It is considered a longstanding theory, with numerous organizations adopting the model over time.

Disadvantages of the Model

- It is considered a long-term model.
- With the changing nature of businesses, it remains to be seen how the model will adapt.

- It seems to rely on internal factors and processes and may be disadvantageous in situations where external circumstances influence an organization.

Diversification strategy and Profitability

The major objective which focuses discussion on diversification and profitability is designed to examine diversification in relationship with performance on profitability in an organization and also access the fundamental theories of diversification, models of diversification and firm performance.

Synergistic motive:

Synergy occurs when the sum of all businesses together equals more than the sum separately

Synergy may be created if operations of the individual units complement one another, so there are benefits from offering consumers a complete line of products

The market power motive:

Diversified firm conglomerate power which makes it enters another, and hence gives this new venture an advantage.

Financial motives:

The total risk, as measured by variability of consolidated cash flows is reduced by diversification.

The agency motive:

Empire building, the managers diversify in order to create their own empire to enable them thrive on their diversity.

Firm will not have conglomerate power if it does not hold significant positions in a number of markets.

Montgomery (1994) managerial entrenchment, manager will diversify into markets or products in a way that increase the demand for their skill and abilities.

Free cash flow theory, instead of paying stake owners the managers spend the excess cash flow on acquisitions.

The Resource Motive:

Conventional wisdom suggest that the bigger the company the more resources it control, hence it should perform above average in an industry.

Types of Diversification Strategies:

Concentric Diversification:

- An organization is on concentric diversification when it adds related products or markets to its existing operations with the aim of achieving strategic fit.
- Achieve profitability through synergy

Conglomerate Diversification:

- Conglomerate diversification occurs when an organization is generally entering a promising business outside of the scope of the existing business unit.

- It requires strong analysis of fit between the unrelated industries.
- It is often a good option for companies whose assets are financially distressed, or those with bright growth prospects, but is short on investment.

Niche strategy

Niche marketing is an advertising strategy that focuses on a unique target market.

A niche market could stand apart from others because of:

- Geographic area
- Lifestyle
- Occasion
- Profession
- Style
- Culture
- Activity or habits
- Behavior
- Demographic
- Need
- Feature reduction or addition

The benefit of niche marketing is that it allows brands to differentiate themselves, appear as a unique authority, and resonate more deeply with a distinct set of customers.

A brand can use niche marketing to stand out, appear more valuable, reach its growth potential, and build a stronger, longer-lasting connection with its ideal audience.

4 steps:

1. Identify your strengths and interests.
2. Do industry research.
3. Get to know your ideal customer.
4. Choose, test, adjust, and repeat.

Ansoff Matrix

1. Which of the four strategies in the Ansoff Matrix is generally thought to involve the highest risk?

Diversification

2) A significant increase in market share would be evidence of a successful strategy of:

Ans-market penetration

3) Attempting to grow sales of existing products in existing markets is known as:

market penetration

4) Which of the four strategies in the Ansoff Matrix is generally thought to involve the lowest risk?

-market penetration

5) An argument in support of a strategy of diversification is that it: spreads risk in a business

spreads risk in a business

6) According to the Ansoff Matrix, a strategy of building customer loyalty and securing market share is:

market penetration

7) What is the Ansoff Matrix?

business analysis technique

8). What is the major aim of the Ansoff Matrix technique identifying growth opportunities.

9) Which is not a part of the structure of the Ansoff Matrix

Market filtering

10) What is not one technique used by Starbucks to grow sales??

Depremiumization

11) What is a really essential part of assessing a business's growth prioritizing your risks

12)What is a limitation to the Ansoff matrix system theoretical model

13) What is a benefit to the Ansoff Matrix Discipline

14)Ansoff's matrix is useful for what?
Joining a business's marketing strategy with general strategic direction

15) Joanie wants to open a new store location 100 miles from her existing shop. Which of these strategies is she considering?

- a. Expansion
- b. Market development
- c. Market penetration
- d. Product development

Ans-Market development

16)Tom has decided to expand his store hours and offer discounted pricing on his existing line of pet supplies. Which strategy is Tom considering?

- a. Market penetration
- b. Diversification
- c. Product development
- d. Promotions

Ans-Market penetration

17)Ansoff's Matrix illustrates the ways companies can grow through increasing sales opportunities. True or false?

Ans -True

18)According to Ansoff's matrix, a company that tries to increase sales by selling its existing products in a new market is following what kind of strategy? market development

19) Which model looks at new and existing markets, and new and existing products?

Ansoff's matrix

20) Strategic Clock help us decide whether we should do _____.
Market penetration

21) Porter 5 forces will help us decide about
Market development

22) What are the 4 areas of the Ansoff model

Market penetration

Market development

Product development

[Diversification](#)

23) The rapid growth of the number of dominoes UK franchises is an example of ?

Market penetration

24) Launch of Apple's first wearable device is an example of ?

Product development

25) Example of market development?

Exporting to international customers

26) Ansoff matrix concerned with ?

Strategic direction

27) UK-based clothing retailer buys similar competitor in US

Market development

28) Introduction of premium burgers in McDonalds

Product development

29) Launch of car model in new international market?

Market development

Industrial Organization Areas of Study

1) 1. What is part of a firm's business environment?

- a. Market environment
- b. Legal frameworks
- c. Institutional structures
- d. All of the above

ans-All of the above

2) Strategists refer to _____ as factors shaping _____ for the organization's goods and services in the environments in which the organization operates.

ans-b. demand drivers/demand

3) _____ are relationships with other entities, such as competing firms or government.

Horizontal relationships

4) _____ are about the management of suppliers and buyers.

- a. Vertical relationships
- b. Horizontal relationships
- c. Governmental relationships
- d. Institutional relationships

Vertical relationships

5) _____ takes an external perspective and is concerned with the industry within which firms operate and behave as producers, sellers and buyers of goods and services.

Industrial organization

6. According to industrial organization theory, which factor does NOT influence market structure?

- a. Supply conditions
- b. Demand for a product
- c. Manufacturing base of the leading firm
- d. The degree of differentiation of products

Answer:

c. Manufacturing base of the leading firm

7. _____ refers to the characteristics of the product and is the way through which firms improve the quality of their offerings over time (usually by means of innovation).

- a. Product differentiation

- b. Augmented product
- c. Core product
- d. Product development

Answer:

- a. Product differentiation

8. What do we call firms that invest in a variety of different product markets to reduce exposure to risk in single product markets?

- a. Investment firms
- b. Diversified firms
- c. Monopolies
- d. Oligopolies

Answer:

- b. Diversified firms

9. National, regional and local governments, as well as economic or political unions like the European Union (EU) or the North American Free Trade Agreement (NAFTA), often enforce regulations that can do which of the following?

- a. Guide and restrict competition
- b. Impose taxes and subsidies
- c. Regulate employment
- d. All of the above

Answer:

- d. All of the above

10. Michael Porter (1980, 1985) suggested that factors such as initial capital requirements, the threat of price-cutting by established firms and the level of product differentiation represent _____ for new-firm entrants into markets.

- a. barriers to entry
- b. opportunities
- c. market ideas
- d. threats

Answer:

a. barriers to entry

11)Industrial and organizational (I-O) psychology is typically divided into how many subfields?ans-3

12)Which overall field of psychology studies worker and workplace interactions?

Industrial and organizational (I-O) psychology

13) Which subfield of industrial-organizational psychology focuses mostly on hiring practices?

Industrial psychology

14)-Organisation establishes relationship between

(A) People, work and resources

(B) Customer, work and resources

(C) People, work and management

(D) Customer, work and management

(Ans: A)

15)Organisation is a process of

(A) Identifying and grouping of work to be performed

(B) Defining and delegating the responsibility and authority

(C) Both 'A' and 'B'

(D) None of the above

(Ans: C)

16) Responsibility always flows from

- (A) Superior to subordinate
- (B) Subordinate to superior
- (C) Both 'A' and 'B'
- (D) None of the above

(Ans: B)

17) Authority always flows from

- (A) Superior to subordinate
- (B) Subordinate to superior
- (C) Both 'A' and 'B'
- (D) None of the above

(Ans: A)

18) 'No one on the organisation should have more than one boss' is a statement of

- (A) Principle of specialisation
- (B) Principle of authority
- (C) Principle of unity of command
- (D) Principle of span of control

(Ans: C)

19)The number of persons which can be effectively supervised by a single executive or departmental head should be limited to ____ in an average firm.

- (A) Six
- (B) Ten
- (C) Fourteen
- (D) Twenty

(Ans: A)

20)The following is not a principle of organisation

- (A) Principle of exception
- (B) Principle of balance
- (C) Principle of complexity
- (D) Principle of co-ordination

(Ans: C)

21)As per the principle of balance, there should be balance between

- (A) The activities
- (B) Authority and responsibility
- (C) Standardisation of procedures and flexibility
- (D) All of the above

(Ans: D)

22)The following is not a type of organisation structure

- (A) Line organisation
- (B) Functional organisation
- (C) Line and staff organisation
- (D) Flexible organisation

23)The following is also known as Military organisation

- A) Line organisation**
- (B) Functional organisation**
- (C) Line and staff organisation**
- (D) None of the above**

(Ans: A)

11-In line organisation, the business activities are divided into following three types

- (A) Accounts, Production, Sales**
- (B) Production, Quality, Sales**
- (C) Production, Quality, Maintenance**
- (D) Production, Maintenance, Sales**

(Ans: A)

12-In which of the following organisation structure, each specialist is supposed to give his functional advice to all other foremen and workers

- (A) Line organisation**

- (B) Functional organisation**
- (C) Line and staff organisation**
- (D) All of the above**

(Ans: B)

13-Which organisation structure is generally followed by big steel plants?

- (A) Line organisation**
- (B) Functional organisation**
- (C) Line and staff organisation**
- (D) All of the above**

(Ans: C)

14-The process of dividing the work and then grouping them into units and subunits for the purpose of administration is known as

- (A) Departmentation**
- (B) Organisation structure**
- (C) Committee**
- (D) All of the above**

(Ans: A)

15-Departmentation is a process where

- (A) Tasks are grouped into jobs**

- (B) Jobs are grouped into effective work groups**
- (C) Work groups are grouped into identifiable segments**
- (D) All of the above**

(Ans: D)

16-Departmentation leads to grouping of

- (A) Activities**
- (B) Personnel**
- (C) Both 'A' and 'B'**
- (D) None of the above**

(Ans: C)

17-The department can be created

- (A) By function**
- (B) By product**
- (C) By process**
- (D) All of the above**

(Ans: D)

18-In hospitals, the following type of departmentation is common

- (A) By function**
- (B) By committee**

(C) By geographical region

(D) All of the above

(Ans: A)

Roger's Diffusion of Innovation

1) When was the theory of diffusion of innovation developed?

1962

2) What is the name of the first group of adopters?

Innovators

3) Which two groups make up the largest percentage of adopters?

Early Majority and Late Majority

4) "These are people who want to be the first to try the innovation and willing to take risks." Which group of adopter is this?

Innovators

5) Which is NOT the current example of disruptive innovations?

Uber AirBnB Teach For Malaysia **Coca Cola**

6) What is explained by the diffusion of innovation theory?

The way that individuals develop a new idea

7) Diffusion of innovation is a five-step process that occurs on both the personal and social scale. What is step number one?

Ans-Knowledge five step

1) **knowledge**

2) **persuasion**

3) **decision**

4)implementation

5)confirmation

8)What is it called when every individual in society decides to adopt an innovation by themselves?

ans-collective innovation-decision.

In Authority innovation-decision -power person decide

This activity contains 34 questions.

1.

Which of the following does NOT constitute an innovation?

A new way to deliver a product

A new variation on an existing product

A new way to package a product

A new way to phase out a product

2.

A manufacturer of personal-care products tried to introduce a cream hair remover for men as a substitute for razors and shaving cream. This formulation was similar to that used widely by women to remove hair from their legs. The product failed because men were not interested in a product they perceived to be too feminine and thus threatening to their masculine self-concepts. The manufacturer failed to address which key factor for successful adoption of a product?

trialability

relative advantage

observability

compatibility

3.

_____ *refers to the insertion of specific products and the use of brand names in movie and TV scripts.*

Product branding

Product focus

Product advertising

Product placement

4.

_____ refers to the process whereby a new product spreads through a population.

Product spread

Diffusion of adopters

*Diffusion of
innovations*

Product timeline

5.

A _____ refers to the modification of an existing product.

dynamically discontinuous innovation

continuous innovation

dynamically continuous innovation

discontinuous innovation

6.

The process by which certain symbolic alternatives are chosen over others is known as _____.

diffusion of innovations

fashion awareness

adoption of innovations

collective selection

7.

A _____ is a fashion with an extremely long acceptance cycle.

Fad

trend

style

classic

8.

A _____ is the set of individuals and organizations responsible for creating and marketing a cultural product.

*culture control
organization*

**culture production
system**

culture creation system

cultural control system

9.

A(n) _____ is viewed primarily as an object of aesthetic contemplation without any functional value.

craft product

art product

*abstract
product*

visual product

10.

Which of the following is NOT a quality of a fad?

It diffuses rapidly and gains quick acceptance.

It is short lived.

People do not undergo rational decision making before jumping in.

It is utilitarian in nature.

11.

The introduction of the Internet, which has created widespread changes in the way we live, would be considered a _____.

popular innovation

continuous innovation

technological innovation

***discontinuous
innovation***

Which of the following is NOT considered a formal gatekeeper in the cultural production process?

Friends

Casting directors

Textbook authors

*Restaurant
reviewers*

The _____ of the cultural production system is responsible for selecting and making tangible the distribution of new symbols and products.

creative subsystem

communications subsystem

production subsystem

managerial subsystem

Many popular art forms, such as detective stories or science fiction books, generally follow _____, where certain roles and props often occur consistently.

a genre

consistent rules of play

a cultural formula

a symbolic structure

15.

A game that Dairy Queen helped to create called DQ Tycoon lets players run their own fast-food franchise. The game requires players to race against the clock to prepare Peanut Buster Parfaits, take orders, restock the refrigerator, and dip cones. This form of interactive advertising is also referred to as _____.

reality engineering

product placement

advergaming

***branded
entertainment***

The progression of skateboarding from a cult-like activity with rebellious undertones to a mainstream hobby mirrors the journey many products and services take through popular culture. This is an example of _____.

infusion

***the diffusion of
innovation***

a fad

the adoption rate

17.

_____ are the adopter category described as individuals on the lookout for new and novel products and are typically the first to try a new offering.

Early majority

Innovators

Early adopters

Laggards

Which of the following is NOT a prerequisite for successful product adoption?

Relatibility

Observability

*Compatibilit
y*

Trialability

When attempting to explain the rapid diffusion of products through the population, _____ has been likened to a virus that starts of small and steadily infects increasing numbers of people until it becomes an epidemic.

the fashion acceptance cycle

the fashion life cycle

the tipping point

meme theory

Which of the following is the correct definition of fashion?

A fashion is currently desired by consumers.

Fashion is the process of social diffusion by which a new style is adopted by some group(s) of consumers.

Fashion means that a new style is currently positively evaluated by some reference group.

Fashion refers to a particular combination of attributes.

The statement "If it's that cheap, it can't be any good" is associated with _____ in which lower prices actually reduce demand.

the snob effect

conspicuous consumption

parody display

the prestige-exclusivity effect

Which of the following is NOT a common characteristic of fashion and popular culture?

Styles are often rooted in and reflect deeper societal trends.

A style begins as a risky or unique statement by a relatively small group of people and spreads as others become increasingly aware of the style and feel confident about trying it.

Most styles eventually return as recycled ideas, as marketers scramble to come up with something truly original.

The cultural selection process never stops, so when styles become obsolete there are others ready to replace them in popular culture.

23.

Cultural gatekeepers are also known as _____, because they influence the products that are eventually offered to consumers.

snobs

tastemakers

lead users

cultural specialists

24.

The idea that the media is able to change consumers' perceptions of reality such that heavy viewers of television tend to believe the world is more dangerous than it actually is, that all politicians are corrupt, and teen crime is at record-high levels is called _____.

a trend

reality engineering

the cultivation hypothesis

diffusion of innovation

25.

Sony Corp. allows clients to directly insert online ads into PlayStation 3 games—the in-game ads change over time through a user's Internet connection. This act of embedding a product or service link in a video is growing at such a rapid rate that it even has a trademarked name which is _____.

branded entertainment

product placement

plinking

advergaming

26.

Which of the following is NOT true for the fashion process?

Fashion is context dependent.

Fashion processes affect all types of cultural phenomena.

Business practices are not subject to the fashion process.

Fashion can be thought of as a code or language.

Keds sneakers, introduced in 1917, have been successful because they appeal to those who are turned off by high fashion. This is an example of _____.

a trend

a parody display

antifashion

a fad

Lindsay was very excited to learn that she would be able to showcase her new "multi-size" purses at a number of spring fashion shows featured by The Bay, Target, Smart Set, and H&M. Each store would feature a different celebrity carrying the versatile purse. Lindsay knew that this _____ could springboard sales as consumers from different demographic groups were exposed to the product around the same time.

trickle-across effect

branded entertainment

carry-over effect

trickle-down effect

Burger King added sweet potato fries to their new limited-time-only summer BBQ menu, which includes Texas and Carolina BBQ Whoppers, frozen lemonades, a Memphis BBQ Pulled Pork sandwich, and a bacon sundae. These are examples of _____.

dynamically discontinuous innovations

continuous innovations

a fad

discontinuous innovations

30.

When designers modify styles from Victorian England or colonial Africa, they are reaching back through time for inspiration and following _____ that is predictable and effective.

a cultural formula

the voice of the consumer

the trickle-down effect

economic models of fashion

"Diffusion of adoption" refers to the process by which a new product spreads through a population.

True

False

Early adopters and innovators share many characteristics.

True

False

Procter & Gamble has created an organization called Tremor, whose purpose is to facilitate word of mouth about different products. The Tremor mandate is to target the late majority of consumers, because this group tends to be skeptical of new innovations and adopt them only after half of the population has already done so.

True

False

34.

Costumes worn by political figures or movie and rock stars can affect the fortunes of the apparel and accessory industries.

True
False

In 'Diffusion of Innovations' Rogers describes five attributes of innovations which determine its rate of adoption in a system. Which of the following is NOT one of the attributes listed?ans-Affordability

5 attributes

Trialability

Compatibility

Observability

Relative Advantage

Complexity

Which describes the characteristics of "Early Majority" the best?Deliberate

Roger's has proposed a classification of adopters. The five adopter categories as per sequence are:

Innovators, early adopters, early majority, late majority, and laggards.

As per the product-oriented approach, innovations can be classified into three categories, continuous innovations, _____ innovations, and _____ innovations. ans-Dynamically continuous,Discontinuous

Amidst the varying perspectives and orientations, the approach(es) that receives wide attention are the _____ and the consumer-oriented approaches to studying "innovation" Market-oriented

Innovators are "generic"; they are "not specific" to a product and service type. True or False
ans- False

scenario planning

1)What is another name for contingency planning?
Scenario planning

2)What is the definition of a scenario in scenario planning?
An imagined sequence of future events

3)One of the benefits of scenario planning is that it challenges the what?

- Status quo
- Rocking all over the world
- stupid

4) Does scenario planning work better with many or few key influences?

Ans-Few

5)(true/false) Any of the following can be created to document the operational “picture” of the information exchange

True

Strategy and structure

Corporate strategy can be seen as a term which embraces a link between structure, the process of management and:

Work organisation

Human resource management

Applications of organisational behaviour

Job design

All of the above

None of the above

End of Question 1

Question 2.

According to Lynch, in public sector organizations strategy is likely to be governed by:

Bureaucracy

Public policy issues

Both of the above

Neither of the above

End of Question 2

Question 3.

A simple way of expressing the term “synergy” is _____?

$2 \times 2 = 4$

$2 + 2 = 4$

$2 \times 2 = 1$

$2 + 2 = 5$

All of the above

None of the above

End of Question 3

Question 4.

One way of evaluating an organisation's business environment and strategic capability is to use a _____ analysis.

PESTEL

SWIFT

SMART

SWOT

End of Question 4

Question 5.

Organisations have both formal and informal goals. Informal goals can be inferred from:

Decisions and actions taken from within the organisation

The annual results

The mission statement

The strategic plan

All of the above

None of the above

End of Question 5

Question 6.

Organisational _____ set out more specifically the goals of the organisation, the aims to be achieved and the desired end state.

Objectives

Strategy

Purpose

Mission

None of the above

End of Question 6

Question 7.

A policy _____?

Is a set of managerial objectives

Provides the basis for decision making and the course of action to follow to achieve objectives.

Both of the above

Neither of the above

End of Question 7

Question 8.

Which of the following is not one of the categories found in the mnemonic SMART objectives?

Achievable

Timebound

Realistic

Marketable

Specific

None of the above

End of Question 8

Question 9.

The objectives of structure may be summarised as to provide for _____?

The economic and efficient performance of the organisation

Flexibility in order to respond to future demands

Accountability for areas of work undertaken by groups

The social satisfaction of members working in the organisation

All of the above

None of the above

End of Question 9

Question 10.

What are the 3 interrelated levels which, according to Mullins, it is possible to look at organisations in terms of?

Technical, managerial, community

Technical, managerial, society

Community, individual, managerial

Individuals, society, organisation

None of the above

End of Question 10

Question 11.

Which of the following best defines the term “span of control”?

The number of subordinates who report directly to a given manager

The length of the manager’s arms

The responsibility the supervisor has for the actions of their subordinates

The vertical graduation of authority and responsibility

None of the above

End of Question 11

Question 12.

Which of the following is not a relationship found in a formal organisation?

Line

Lateral

Staff

Functional

Personal

None of the above

End of Question 12

Question 13.

What sort of organisation might operate a matrix structure?

A university

A local authority social services department

An insurance company

All of the above

None of the above

End of Question 13

Question 14.

The contingency approach develops the _____ approach one stage further in relating the environment to specific structures of organisation.

Systems

Flexibility

Information

Organisation chart

None of the above

Question 15.

Which author believes that management is no longer the sole prerogative of an elite group called managers?

Jebb

Cloke and Goldsmith

Butcher

Drucker

Birchall

None of the above

16)What is the optimal structural option for the imitation organizational strategy?
Mechanistic and Organic

17)The fundamental purpose for the existence of any organization is described by its Mission

18)The fundamental purpose of an organization's mission statement is to define the organization's purpose in society
19)

Gap analysis

In general, the gap analysis process has how many steps?four

Which of these shows the gap analysis steps in their correct order?

Identify Strategic Objectives

Identify Current Standings and Deficiencies

Analyze the Gaps

Support Your Plan with Data Analysis

1. An organisation with an 'outside-in' approach focuses on the needs of the organisation first, and customers and the marketplace second. True or false?

True

False

Answer:

False

2. In a SWOT analysis, strengths and weaknesses are external factors. True or false?

True

False

Answer:

False

3. A business mission statement is an explicit form of words that captures the broad aims of the company. True or false?

True

False

Answer:

True

4. Ansoff's Matrix illustrates the ways companies can grow through increasing sales opportunities. True or false?

True

False

Answer:

True

5. It is usually cheaper for an international company to sell standard consumer products all over the world, however cultural differences are likely to force them to make some adaptations. True or false?

True

False

Answer:

True

6. XYZ Co has four sales teams: London & the South East, Wales & the Midlands, Northern England, and Scotland. What kind of organisational structure is this?

- a. matrix organisation
- b. market organisation
- c. network organisation
- d. product organisation
- e. geographic organisation

Answer:

e. geographic organisation

7. If a marketing department follows the 'top down' planning model, what does it do?

- a. Senior managers call meetings with their staff to develop plans.
- b. Middle management call meetings with their staff to develop plans.
- c. Senior managers set objectives which are passed down to marketing staff.
- d. Sales representatives suggest targets and these are totalled up to form marketing objectives.
- e. Sales teams set their own targets within limits specified by the Board.

Answer:

c. Senior managers set objectives which are passed down to marketing staff.

8. Which of the following is not a typical characteristic of a market-oriented company?

- a. strong internal communication
- b. identifying and balancing stakeholder needs
- c. an effective marketing intelligence system
- d. sensitive to market trends
- e. emphasis on short-term objectives

Answer:

e. emphasis on short-term objectives

9. McKinsey's 7S framework helps analyse organisations and improve their effectiveness. The seven elements to be coordinated are: shared values, structure, systems, style and what?

- a. strategy, service levels and specialisation
- b. strategy, staff and skills
- c. service levels, stock and staff
- d. specialisation, skills and standards
- e. standards, stock and SBUs

Answer:

b. strategy, staff and skills

10. What does SBU stand for?

- a. significant business undertaking
- b. special bureaucratic use
- c. standard business usage
- d. strategic business unit
- e. standard broker's uplift

Answer:

d. strategic business unit

11. SWOT is one of the most commonly used analysis tools in business, but what does it analyse?

- a. the external marketing environment
- b. the internal marketing environment
- c. the competitive environment
- d. the organisation's current situation
- e. the organisation's strategy

Answer:

d. the organisation's current situation

12. Maria is the Marketing Manager for Wholefoods Ltd. She is working on the firm's marketing plan. Her forecasts show that, if they carry on as they have been doing, they are likely to miss their sales revenue targets by £500,000. She needs some new ideas. What kind of analysis has Maria undertaken?

- a. PRESTCOM analysis
- b. SWOT analysis
- c. strategic gap analysis
- d. Ansoff's matrix
- e. ratio analysis

Answer:

c. strategic gap analysis

13. Apart from business growth, there are a number of other good reasons for selling products internationally. Which of the following are valid reasons?

- a. to spread risk
- b. the firm has excess production capacity
- c. to extend the product life cycle
- d. all of the above
- e. none of the above

Answer:

d. all of the above

14. What is the first stage of the marketing planning process?

- a. research and development
- b. evaluation
- c. objective setting
- d. situation analysis
- e. strategy development

Answer:

d. situation analysis

15. Which one of the following is not a component of a good business mission statement?

- a. identification of the company's philosophy, i.e. its approach to business
- b. specification of its product–market domain
- c. communication of key values
- d. close linkage to critical success factors
- e. a statement of financial assets

Answer:

e. a statement of financial assets

16. What are marketing metrics?

- a. ways to measure marketing effectiveness
- b. marketing tactics
- c. the elements of a marketing programme
- d. a sales promotion technique
- e. the value of the marketing budget

Answer:

a. ways to measure marketing effectiveness

17. Robert has recently been appointed Marketing Manager for a fashion company. He needs to know whether or not the company's products have a sustainable advantage in the marketplace. What kind of analysis does he need to do?

- a. environmental analysis
- b. gap analysis
- c. competitor analysis
- d. market share/market growth analysis
- e. brand interrogation

Answer:

c. competitor analysis

18. Porter's five forces is an industry analysis model. The five forces are: inter rivalry of competitors, bargaining power of customers, bargaining power of suppliers, threat of new entrants and what?

- a. barriers to entry
- b. threat of competitors
- c. brand strength
- d. threat of substitutes
- e. bargaining power of consumers

Answer:

d. threat of substitutes

19. According to Ansoff's matrix, a company that tries to increase sales by selling its existing products in a new market is following what kind of strategy?

- a. market development
- b. diversification
- c. focus
- d. market penetration
- e. product development

Answer:

a. market development

20. Which of the following is a well-used marketing evaluation and control method?

- a. PEST
- b. acid test
- c. brand gap analysis
- d. all of the above
- e. none of the above

Answer:

e. none of the above

21. Just like business reports, marketing plans often have an _____ summary at the beginning.

Answer:

executive

22. When developing a corporate mission statement, it is important to think in terms of customer _____, rather than the products the company makes.

Answer:

needs

23. A Marketing information System (MkIS) comprises three main functions: data collection and storage, _____ and reporting.

Answer:

analysis

24. Conferences and trade exhibitions are good places to gather competitive _____ quite openly.

Answer:

intelligence

25. Coca-Cola and Pepsi are two of the most powerful brands in the world and this presents a significant _____ to entry for other companies trying to launch new cola drinks.

Answer:

Barrier

Product life cycle - Marketing aptitude questions

Q1. What does the term PLC stands for?

- (1) Product life cycle
- (2) Production life cycle
- (3) Product long cycle
- (4) Production long cycle
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (1) Product life cycle

Q2. PLC in marketing represents two main challenges. 1st an organization must be good at developing new product to replace old ones and 2nd it must be good at

_____.

- (1) Functioning
- (2) Marketing
- (3) Selling
- (4) Adapting
- (5) Testing

[View Answer / Hide Answer](#)

ANSWER: (4) Adapting

Q3. Which of the following is stage of Product Life Cycle?

- (1) Introduction Stage
- (2) Growth stage
- (3) Decline stage
- (4) Mature stage
- (5) All of the above

[View Answer / Hide Answer](#)

ANSWER: (5) All of the above

Q4. When a new product arrives in the market with higher quality, higher value and new features better than its competitors. Such products are known as

- (1) Superior products
- (2) Develop superior products
- (3) Unique superior products
- (4) New products
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (3) Unique superior products

Q5. Which of the following is not a characteristic of “Market Introduction Stage” in PLC?

- (1) Demands has to be created
- (2) Costs are low
- (3) Makes no money at this stage
- (4) Slow sales volume to start
- (5) There is little or no competition

[View Answer / Hide Answer](#)

ANSWER: (2) Costs are low

Q6. Developing a unique superior product with high quality, new features, and high value in use is _____ in new product development strategy.

- (1) New product development process
- (2) Typical reasons for failure
- (3) Success factors
- (4) Product concept
- (5) Develop superior product

[View Answer / Hide Answer](#)

ANSWER: (3) Success factors

Q7. Which thing will make the project more attractive while evaluating a new development project using net present value analysis?

- (1) Market penetration
- (2) Sequential product development
- (3) Idea generation
- (4) Continuous improvements
- (5) Idea screening

[View Answer / Hide Answer](#)

ANSWER: (4) Continuous improvements

Q8. According to whom “ a product lifecycle is very much similar to human life cycle.”

- (1) Arch Paton
- (2) Stanton
- (3) Neil Borden
- (4) Philip Kotler
- (5) Nielson

[View Answer / Hide Answer](#)

ANSWER: (1) Arch Paton

Q9. Increased competition leads to price decrease, increasing public awareness, sales volume increase significantly are the characteristics of _____ in PLC.

- (1) Mature stage
- (2) Decline stage
- (3) Growth stage
- (4) Market introduction stage
- (5) None of these.

[View Answer / Hide Answer](#)

ANSWER: (3) Growth stage

Q10. _____ includes review of sales, profit projections and cost for a new product, to find out whether it satisfied the company objective or not.

- (1) Product Development
- (2) Business Analysis
- (3) Marketing Strategy
- (4) Test Marketing
- (5) Idea Screening

[View Answer / Hide Answer](#)

ANSWER: (2) Business Analysis

Q11. In _____ all the augmentations and transformations of a product might undergo in the failure.

- (1) Generic Product
- (2) Expected Product
- (3) Augmented Product
- (4) Potential Product
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (4) Potential Product

Q12. Which concept is useful for a family of products who shares similar technology?

- (1) Product Platform
- (2) Pricing Platform
- (3) Process Platform
- (4) Distribution Platform
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (1) Product Platform

Q13. Color and size of the product, brand and packaging are considered as

- (1) Chemical features of product
- (2) Physical features of product
- (3) Product designing
- (4) Product manufacture
- (5) Business strategy

[View Answer / Hide Answer](#)

ANSWER: (2) Physical features of product

Q14. A true definition of a product is the detailed version of the product only if it is stated in

- (1) Meaningful marketer view
- (2) Meaningful supplier view
- (3) Meaningful consumer view
- (4) Meaningful Manager view
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (3) Meaningful consumer view

Q15. The most important performance dimension for product development project is

- (1) Time to market
- (2) Time to target

- (3) Time to consumer
- (4) Time to seller
- (5) Time to manager

[View Answer / Hide Answer](#)

ANSWER: (1) Time to market

Q16. A version of products containing only those features which are absolutely necessary for it to function.

- (1) Expected Product
- (2) Augmented Product
- (3) Generic Product
- (4) Potential product
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (3) Generic Product

Q17. _____ uses cross functional integration for concurrent development of a product.

- (1) Value engineering
- (2) Concurrent engineering
- (3) Business analysis

- (4) Value analysis
- (5) Product analysis

[View Answer / Hide Answer](#)

ANSWER: (2) Concurrent engineering

Q18. _____ outline the planned price, marketing budget, distribution and describe the target market, planned product positioning, profit goals, market share, sales for the first few years.

- (1) Product development
- (2) Business analysis
- (3) Marketing strategy
- (4) Test Market
- (5) Sequential product development

[View Answer / Hide Answer](#)

ANSWER: (3) Marketing strategy

Q19. More calls to the same customer, alternate marketing, and surrogate marketing all can be done in case of _____.

- (1) Commercialization
- (2) Market penetration
- (3) Business analysis

- (4) Adapting
- (5) Continuous improvement

[View Answer / Hide Answer](#)

ANSWER: (2) Market penetration

Q20. _____ is one of the challenges presented by the Product Life Cycle for a product.

- (1) Product development
- (2) New product development
- (3) Product testing
- (4) Poor margins
- (5) More products

[View Answer / Hide Answer](#)

ANSWER: (2) New product development

Q21. A detailed specification for the product development and pricing is established in _____ stage of "Product Development Process".

- (1) Launch
- (2) Testing
- (3) Feature specification
- (4) Idea screening

(5) Development

[View Answer / Hide Answer](#)

Q22. What would be the assumed percentage of newly launched product, will sure fail and cannot achieve their potential to survive?

(1) Up to 90%

(2) Up to 80%

(3) Up to 70%

(4) Up to 60%

(5) Up to 50%

[View Answer / Hide Answer](#)

ANSWER: (1) Up to 90%

Q23. Linked with different marketing and technology strategy the overall corporate strategy is considered as

(1) Differentiation strategy

(2) New product strategy

(3) Market strategy

(4) Product development strategy

(5) None of these

[View Answer / Hide Answer](#)

Q24. The cost, potential sale, profit of the offering are calculated at different price levels in _____ stage of "Product Development Process".

- (1) Evaluation
- (2) Testing
- (3) Idea screening
- (4) Idea generation
- (5) Feature specification

[View Answer / Hide Answer](#)

ANSWER: (3) Idea screening

Q25. _____ is the reason for failure in "New Product Development Strategy"

- (1) Poor product design
- (2) Incorrect positioning
- (3) Price too high
- (4) Market size overestimated
- (5) All of the above

[View Answer / Hide Answer](#)

ANSWER: (5) All of the above

Q26. _____ includes small number of representative test cities for marketing campaigns store audits, consumer and distributor surveys.

- (1) Control test markets
- (2) Standard test markets
- (3) Stimulated test markets
- (4) Commercialization
- (5) None of these

[View Answer / Hide Answer](#)

Q27. Encourage all stakeholders like customers, dealers, employees etc to send ideas to the idea manager and formally recognize the program to reward best new ideas is characteristic of which stage in the “New Product Development Process”.

- (1) Idea generation
- (2) Idea screening
- (3) Testing
- (4) Development
- (5) Evaluation

[View Answer / Hide Answer](#)

ANSWER: (1) Idea generation

Q28. In _____ R&D needs to perform prototyping and testing of various alternative implementation ways. The company conducts performance and safety tests possibly with customer groups.

- (1) Test marketing
- (2) Product development
- (3) Business strategy
- (4) Market strategy
- (5) Standard test market

[View Answer / Hide Answer](#)

ANSWER: (2) Product development

Q29. Which is the next stage after “Idea Generation” in “New Product Development Process”?

- (1) Feature specification
- (2) Testing
- (3) Development
- (4) Idea Screening
- (5) Evaluation

[View Answer / Hide Answer](#)

ANSWER: (4) Idea Screening

Q30. When more number of conversions takes place in a particular market, what does it mean in terms of marketing?

- (1) Marketing strategy development
- (2) Decline stage
- (3) Poor margin
- (4) More products
- (5) More customers

[View Answer / Hide Answer](#)

Q31. When market reach to its saturation, the producers begin to leave the market due to_____

- (1) Marketing strategy development
- (2) Decline stage
- (3) Poor margin
- (4) Market penetration
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (3) Poor margin

Q32. In “Product Life Cycle” a stage represents rapid growth of product sale knows as

- (1) Market introduction phase
- (2) Growth phase
- (3) Saturation phase
- (4) Mature phase

(5) All of these

[View Answer / Hide Answer](#)

ANSWER: (2) Growth phase

Q33. The objective of _____ is to achieve better performance at a lower cost.

- (1) Value Analysis/Value Engineering
- (2) Quality Function Development
- (3) Effective production step
- (4) Continuous Improvements
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (1) Value Analysis/Value Engineering

Q34. _____ Stage introduces a new product in the market.

- (1) Evaluation
- (2) Commercialisation
- (3) Feature specification
- (4) Development
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (2) Commercialisation

Q35. "A product has to pass through various stages and different competitive environments from its introduction to decline" was stated by

- (1) Arch Paton
- (2) Philip Kotler
- (3) Nielson
- (4) Stanton
- (5) Neil Borden

[View Answer / Hide Answer](#)

ANSWER: (4) Stanton

Q36. To reach forward for positioning strategy and to come back to core capabilities. Which strategy is important in the case?

- (1) Differentiation strategy
- (2) New product strategy
- (3) Market strategy
- (4) Product development strategy
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (1) Differentiation strategy

Q37. A new-product development approach in which one company department works to complete its stage of the process before passing the new product along to the next department and help to control complex and risky projects. This stage is called

- (1) Simultaneous product development
- (2) Sequential product development
- (3) Product development
- (4) Marketing strategy statement
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (2) Sequential product development

Q38. _____ increases consumption of the current product and reposition the brand to appeal to a larger or faster-growing segment.

- (1) Modifying the market mix
- (2) Modifying the market
- (3) Modifying the product
- (4) Modifying the process
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (2) Modifying the market

Q39. In terms of “Product Life Cycle”, a style is a basic and distinctive mode of

- (1) Perception
- (2) Growth
- (3) Impression
- (4) Expression
- (5) Subculture

[View Answer / Hide Answer](#)

ANSWER: (4) Expression

Q40. A concept for designing an initial marketing strategy for a new product based on product concept is

- (1) Simultaneous product development
- (2) Sequential product development
- (3) Marketing strategy development
- (4) Product development phase
- (5) Quality function deployment

[View Answer / Hide Answer](#)

ANSWER: (3) Marketing strategy development

Q41. A tool that translates customer requirements into concrete operating and engineering goal is called

- (1) Product development phase
- (2) Quality function deployment
- (3) Quantity function deployment
- (4) Marketing strategy development
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (2) Quality function deployment

Q42. Launch better advertising campaign and use aggressive sales promotions like trade-deals, discounts, premiums, contests etc is

- (1) Modifying the market mix
- (2) Modifying the market
- (3) Modifying the product
- (4) Modifying the process
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (1) Modifying the market mix

Q43. The products enters maturity when

- (1) Decrease in profit
- (2) Increase in sale
- (3) Sales stop growing and demand stabilises
- (4) Sales start growing
- (5) Meets consumer needs

[View Answer / Hide Answer](#)

ANSWER: (3) Sales stop growing and demand stabilises

Q44. A weak product may be very costly to the firm, hidden costs may fail product reputation and affect overall company image, shift of consumer taste, technological advances are characteristics of which stage of "Product Life Cycle"?

- (1) Market introduction stage
- (2) Growth stage
- (3) Mature stage
- (4) Decline stage
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (4) Decline stage

Q45. Which characteristic provides potential access to a variety of markets, it increases perceived customer benefit and it is hard for competitors to imitate?

- (1) Continuous improvement
- (2) Company's core competence
- (3) Idea management system
- (4) Market penetration
- (5) Projective technique

[View Answer / Hide Answer](#)

ANSWER: (2) Company's core competence

Q46. Costs are high, demand has to be created, customers have to be prompted to try the product, slow sales volume starts and makes no money at this stage are the characteristics of which stage in PLC.

- (1) Saturation stage
- (2) Decline stage
- (3) Mature stage
- (4) Introduction stage
- (5) Growth stage

[View Answer / Hide Answer](#)

ANSWER: (4) Introduction stage

Q47. Introducing a new product and marketing program to more realistic market settings, allow testing and fine tuning of product and marketing program before costly full introduction carried out at which stage of “New Product Development Process”?

- (1) Marketing strategy
- (2) Product development
- (3) Telemarketing
- (4) Business strategy
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (3) Telemarketing

Q48. Reason of product failure associated with its feature is due to

- (1) Good quality of product
- (2) Poor quality of product
- (3) Good quantity of product
- (4) Poor quantity of product
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (2) Poor quality of product

Q49. Loss in product distinctiveness is one of the limitations of using

- (1) Product Platforms
- (2) Pricing Platforms
- (3) Process Platforms
- (4) Distribution Platforms
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (1) Product Platforms

Q50. Surveying market opinion and looking at the sales history of similar products are tools used at which stage of “New Product Development Process”?

- (1) Marketing strategy
- (2) Product development
- (3) Business analysis
- (4) Tele marketing
- (5) Idea generation

[View Answer / Hide Answer](#)

ANSWER: (3) Business analysis

Q51. If Maruti describes one of the future car with moderate price, subcompact design and family car to be used around the city. Then the company has stated a potential new product in terms of

- (1) Marketing concept
- (2) Product concept
- (3) Selling concept
- (4) Telemarketing
- (5) Business strategy

[View Answer / Hide Answer](#)

ANSWER: (2) Product concept

Q52. Market share plays most important role in context to product development. If in case we want to increase the market share then we have to

- (1) Increase the sale
- (2) Increase the price
- (3) Decrease the sale
- (4) Decrease the price
- (5) Increase the stock

[View Answer / Hide Answer](#)

ANSWER: (1) Increase the sale

Q53. To develop superior products company must understand

- (1) Consumer
- (2) Market
- (3) Competitors
- (4) All of these
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (4) All of these

Q54. In marketing _____ introduces new product so radically that it changes the way people live.

- (1) Marketing strategy
- (2) Quality function deployment
- (3) Discontinuous innovation
- (4) Differentiation strategy
- (5) None of these

[View Answer / Hide Answer](#)

ANSWER: (3) Discontinuous innovation

Q55. By installing _____ the search for new product ideas will be always systematic rather than haphazard.

- (1) Idea generation
- (2) Idea management system
- (3) Idea screening
- (4) Innovating ideas
- (5) None of these

[View Answer](#) / [Hide Answer](#)

ANSWER: (2) Idea management system

Q. Harley Davidson Motorcycles stresses the quality of their machines and the image Harley's create in the minds of their target market. This demonstrates a marketing focus on

Product

2. Packaging is an example of which of the following marketing strategies?

Product

3. Which of the following best describes a target market?

The individuals at whom a business's marketing strategies are aimed

HIDE ANSWER

4. Marketing managers are concerned with consumer behavior because

the way consumers behave is always unpredictable

5. Which phase of the Product life cycle is a downward turn in sales leading to the demise of a product.

Decline

6). Why does a company need to know what stage of the product life cycle its products are in? To adapt its marketing strategies

HIDE ANSWER

Why might profits sometimes decline for a company that first introduced a product during the growth stage of a product's life cycle?

Because competitors have entered the market

Which of the following is a way that a business can extend the life cycle of an established product?

finding new uses for the product

Five years after a new product has been introduced, sales begin to level off because customers are purchasing the competitor's brand. What strategy would be most appropriate to use in this situation?

modify or update the product to renew customer interest

10. 1. "Snap, Crackle, Pop"

2. "Have It Your Way"

3. "Just Do It"

These are all examples of

Slogans

11) Questions such as

-What is the value of the product to the buyer?

-What discounts should be offered to your customers?

Price

12) All are marketing activities except...

Communicating

13) If a company is particularly in tune with what consumers need and want, their marketing style would be called

Customer-oriented

14) Businesses that sell to other businesses are called

Wholesalers

15) Motor oil, computers and tables are examples of

both of the answers

16) A product is usually unsought because the customer

Does not have a strong need for the product

17) In the middle to late 1900s, businesses became more focused on widespread distribution and promotion due to increased competition. Historically, this became known as what?

Sales-oriented marketing

18) The product life cycle stage in which there is only one brand of a product available for consumers to purchase is the

Introduction

19) Products that customers insist on having and are willing to search for until they find them are called

specialty goods

20) What percentage of all people employed in the United States work in a marketing job or a marketing business?
about 33%

Whether a product is an industrial good or a consumer good is based on
Who uses the product

A company will use market research to identify markets
Before the products are developed

Sorting grapefruit by size and appearance and determining an appropriate price is an example of which marketing activity?
Grading and valuing

Candy, milk, soft drinks and light bulbs are examples of
Convenience goods

. Preston Tucker ended up going to jail for fraud and insider trading.
False

1. In the literature of product life cycle management, the term technological risk refers to
d. losses related to research and development costs.

2. In the literature of product life cycle management, the term market risk refers to
c. losses related to declining market share for companies that are not technological leaders.

3. Forward pricing refers to pricing products based on the expected product costs during the which stage of the product life cycle?
c. maturity.

4. Which of the following is more closely related to the learning curve?
b. dynamic economies of scale.

5. Approximately what percentage of a product's life cycle costs are established in the conception, design and development stages?
d. over 80.

6. The portfolio concept related to investment management and product life cycle management

e. a., b. and c.

7. Forward pricing refers to

c. Establishing prices on new products below the initial unit cost to discourage competitors from entering the market.

8. Which of the product life cycle production stages are typically evaluated in traditional cost accounting control systems?

d. production.

9. From the marketing life cycle perspective, a company's profits usually peak during the

c. maturity stage.

10. Which of the following is (are) compatible with the life cycle concept?

b. Employee empowerment.

11. Conceptually, whole life product costs end when

d. the externality costs to society & the environment end.

12. The greatest opportunity for product life cycle cost reductions are in the

b. design stage.

13. Which of the following costs are not considered in product life cycle management?

e. none of the above.

14. What is the main objective of product life cycle analysis from the producer's perspective?

b. maximize life cycle profit.

15. What is the main objective of product life cycle analysis from the customer's perspective?

d. cost vs. benefit.

16. What is the main objective of product life cycle analysis from society's perspective?

a. minimize life cycle externalities.

17. What is the producer's strategic objective at the startup and production stage of the product life cycle?

c. sales growth.

18. Target costing is most applicable to which stages in the product life cycle?

a. design and development.

19. In product life cycle management, which costs are emphasized in design and development?

e. a., b. and c.

20. Companies have been reluctant to use product life cycle management concepts for which of the following reasons?

e. a., b. and c.

1.

Incorrect In which stage of the product life cycle is advertising and promotion aimed at retaining existing customers and persuading customers to switch from competitor products?

Your Answer:

Growth

Correct Answer:

Maturity

Answer Feedback: See page 133, the section on 'Maturity'.

2.

Incorrect The production era is best described as which of the following?

Your Answer:

Products are manufactured and promoted to customers

Correct Answer:

Customers are plentiful and easily pleased

Answer Feedback: See page 110, the section on the 'Production era'.

3.

Correct The sales era is best described as which of the following?

Your Answer:

Products are manufactured and promoted to customers
4.

Incorrect According to Jenkins, customer loyalty is achieved by which of the following?

Your Answer:

Extending the range of products available for customers to purchase

Correct Answer:

Altering the marketing mix of products in order to increase sales to existing customers

Answer Feedback: See page 135, Figure 4.7 'The customer growth matrix' and on the same page, the section on 'Customer loyalty'.

5.

Incorrect Price competition starts to occur in which phase of the product life cycle?

Your Answer:

Growth

Correct Answer:

Saturation

Answer Feedback: See page 133, the section on 'Saturation'.

6.

Incorrect The fifth 'P' of marketing is which of the following?

Your Answer:

Placement

Correct Answer:

People

Answer Feedback: See page 130, Figure 4.4 'The extended marketing mix'.

7.

Incorrect The marketing mix consists of which four areas?

Your Answer:

Product, profit, promotion and provision

Correct Answer:

Product, price, place and promotion

Answer Feedback: See page 127, Figure 4.3 'The marketing mix'.

8.

Incorrect Question mark products in the Boston Consulting Group matrix are usually in which stage of their product life cycle?

Your Answer:

Growth

Correct Answer:

Introduction

Answer Feedback: See page 138, the section on 'Question marks'.

9.

Incorrect In the Boston Consulting Group matrix, unsuccessful products move around the matrix in which order?

Your Answer:

Question mark to cash cow

Correct Answer:

Question mark to dog

Answer Feedback: See page 138, Figure 4.8 'The Boston Consulting Group matrix' and on page 139, the section on 'Successful and unsuccessful products'.

10.

Correct In the Boston Consulting Group matrix, stars do which of the following?

Your Answer:

Hold a sizeable portion of a small, but growing market

11.

Incorrect According to Jenkins, customer acquisition is which of the following?

Your Answer:

Extending the range of products available for customers to purchase

Correct Answer:

Expanding the number of customers and markets for existing products

Answer Feedback: See page 135, Figure 4.7 'The customer growth matrix' and on page 136, the section on 'Customer acquisition'.

12.

Incorrect Which of the following is/are product life cycle extension strategies?

Your Answer:

Product development

Correct Answer:

Market development and product development

Answer Feedback: See page 134, Figure 4.6 'Product lifecycle and extension strategies'.

13.

Incorrect Extension of the product life cycle should be considered before the end of which stage?

Your Answer:

Growth

Correct Answer:

Saturation

Answer Feedback: See page 134, Figure 4.6 'Product lifecycle and extension strategies' and on the same page, the section on 'Extending the product lifecycle'.

14.

Incorrect In which of the following stages of the product life cycle do profits peak?

Your Answer:

Growth

Correct Answer:

Maturity

Answer Feedback: See page 132, Figure 4.5 'The product life cycle' and on page 133, the section on 'Maturity'.

15.

Incorrect In which of the following stages of the product life cycle do sales peak?

Your Answer:

Growth

Correct Answer:

Saturation

Answer Feedback: See page 132, Figure 4.5 'The product life cycle' and on page 133, the section on 'Saturation'.

What is the product life cycle?

The entire existence of a product from its origins to its death

Which stage of the product life cycle is represented by a concentrated effort on promotional activities?

You correctly answered 6 questions for a score of 30 percent.

12-1. The product life cycle describes the stages a new product goes through in the _____:

- a. introduction phase
- b. test market
- c. product development
- d. marketplace**
- e. diffusion stage

Your choice of "b" was incorrect. The correct answer is "d".

12-2. During the introduction stage of the PLC sales grow slowly, and:

- a. competition becomes tough
- b. profit is minimal**
- c. more investors are needed
- d. sales people are brought to push the product
- e. the promotion that is finished

You answered correctly!

12-3. The marketing objective for the maturity stage of the PLC is to:

- a. maintain brand loyalty**
- b. stress differentiation
- c. harvest
- d. deletion

e. gain awareness

Your choice of "b" was incorrect. The correct answer is "a".

12-4. The stage of the PLC whose competitors appears is:

- a. introduction
- b. decline
- c. competition is always there
- d. maturity
- e. growth**

Your choice of "b" was incorrect. The correct answer is "e".

12-5. The stage when the cost of gaining new buyers increases:

- a. pre-investment
- b. introduction
- c. maturity stage**
- d. decline
- e. growth

Your choice of "b" was incorrect. The correct answer is "c".

12-6. When a company retains the product but reduces marketing support costs it is in what stage of the PLC?

- a. decline**
- b. maturity
- c. growth
- d. introduction
- e. all stages

Your choice of "b" was incorrect. The correct answer is "a".

12-7. A company will follow one of two strategies to handle a declining product: deletion or:

- a. modification
- b. harvesting**
- c. enhancement

- d. strategic change
- e. market change

You answered correctly!

12-8. How much does it take to go through a PLC?

- a. 1 day to 365 days
- b. 1 year to 5 years
- c. 1 year for consumer products and 5 years for industrial products
- d. almost 2-3 years
- e. No set time**

Your choice of "c" was incorrect. The correct answer is "e".

12-9. A product life cycle that rises and falls several times is an indication of what product type?

- a. fads
- b. fashion goods**
- c. low learning products
- d. high learning products
- e. all are the same cycle

You answered correctly!

12-10. A PLC curve that rises rapidly then falls quickly is indication of a:

- a. fashion product
- b. low learning product
- c. fad**
- d. high learning product
- e. all are the same cycle

Your choice of "b" was incorrect. The correct answer is "c".

12-11. The concept that explains how a product spreads through the population is called the:

- a. acceptance rate
- b. diffusion of innovation**
- c. infusion of sales

- d. entry rate
- e. product acceptance cycle

You answered correctly!

12-12. Product managers are sometimes called _____:

- a. manager of goods
- b. consumer specialist
- c. brand manager**
- d. product pusher
- e. sales rep

Your choice of "b" was incorrect. The correct answer is "c".

12-13. Repositioning the product or product line is an attempt by the company to:

- a. maximize profits
- b. get more promotional support
- c. help the sales of individual retail operations
- d. decrease overall costs
- e. bolster sales**

Your choice of "b" was incorrect. The correct answer is "e".

12-14. Changing the value offered up or down is an example of:

- a. repositioning a product**
- b. changing your mind
- c. decreasing overall costs
- d. defensive marketing
- e. primary demand marketing

Your choice of "b" was incorrect. The correct answer is "a".

12-15. When companies reduce the content of packages without changing package size and then maintain or even increase price they are engaging in:

- a. trading down
- b. trading up

- c. running flat
- d. downsizing**
- e. package enhancement

Your choice of "b" was incorrect. The correct answer is "d".

12-16. An organization using a name, phrase, design, symbols, or combination of these to identify its products is:

- a. repositioning product lives
- b. forming family units
- c. trademarking products
- d. patenting product
- e. branding products**

Your choice of "b" was incorrect. The correct answer is "e".

12-17. Which of the following is a trade name?

- a. Wheatie
- b. Campbell Soup Company**
- c. Diet Dr. Pepper
- d. Wheat-Thins
- e. Golden Grahams

You answered correctly!

12-18. Trademarks, brand names, or trade names are registered with:

- a. Canada Post
- b. Consumer and Corporate Affairs Canada**
- c. Provincial Government
- d. Canadian Patent Office

You answered correctly!

12-19. A good brand name that gives added value to the product is called:

- a. brand equity**
- b. licensing
- c. brand personality
- d. generic branding

e. multi-branding

Your choice of "b" was incorrect. The correct answer is "a".

12-20. Warranties that are written statement of liabilities that are called:

- a. full warranties
- b. implied warranties
- c. express warranties**
- d. limited coverage warranties
- e. strict liability warranties

Your choice of "b" was incorrect. The correct answer is "c".

PEST Analysis

PESTLE Analysis identifies factors that occur within the organisation.**False**

The S in PESTEL Analysis stands for:
Sociallogical

Why is PESTEL Analysis called 'Environmental Scanning'?
Because it scans the environment for potential positive and negative factors

Identified factors may fit into more than one category in a PESTLE Analysis?True

The Es in PESTEL Analysis stand for
Economic and Environment

Organisations would carry out a PESTLE Analysis
Annually as part of the strategic plan

- 1.
Used to describe a framework for the analysis of macroenvironmental factors:
 - A.
 - A. **PEST Analysis**
 - B.
 - B. SWOT Analysis
 - C.
 - C. Case Analysis
 - D.
 - Option 4

- 2.
PEST stands for:

- A.
- A. **Political, Economic, Social, Technological**
- B.
- B. Political, Strength, Economic, Technological
- C.
- C. Political, Strength, Economic, Threat
- D.
- Option 4

•

3.

The following are examples of Economic Factors except:

- A.
- A. Economic growth
- B.
- B. Interest rates
- C.
- C. **Trade restrictions and tariffs**
- D.
- Option 4

•

4.

Which of the following is considered as a Social Factor?

- A.
- A. **Career attitudes**
- B.
- B. R&D activity
- C.
- C. Environmental regulations
- D.
- Option 4

•

5.

These factors include demographic and cultural

aspects of the external macroenvironment and affect customer needs and the size of potential markets.

- A.
- A. Economic Factors
- B.
- B. Political Factors
- C.
- **C. Social Factors**
- D.
- Option 4

•

6.

1. Which of the following is not considered as an internal strength of firms that succeed in cost leadership

- A.
- A. High level of expertise in manufacturing process engineering.
- B.
- B. Efficient distribution channels
- C.
- **C. Access to leading scientific research**
- D.
- Option 4

•

7.

This type of strategy calls for the development of a product or service that offers unique attributes that are valued by customers:

- A.
- A. Cost leadership Strategy
- B.
- **B. Differentiation Strategy**
- C.

- C. Focus Strategy
- D.
- Option 4

•

8.

This strategy concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation.

- A.
- A. Cost leadership Strategy
- B.
- B. Differentiation Strategy
- C.
- **C. Focus Strategy**
- D.
- Option 4

•

9.

True or False: A smaller number of firms increase rivalry because fewer firms must compete for the same customers and resources.

- A.
- A. True
- B.
- **B. False**
- C.
- Option 3
- D.
- Option 4

•

10.

This indicates the percent of market share held by the four largest firms

- A.
- **A. Concentration Ratio**

- B.
- B. Market Ratio
- C.
- C. Competition Ratio
- D.
- Option 4

•

11.

A high concentration ratio indicates that a high concentration of market share is held by the largest firms. This means:

- A.
- A. **The industry is concentrated**
- B.
- B. The industry is characterized by many rivals
- C.
- C. The industry is close to a monopoly
- D.
- Option 4

•

12.

True or False: Low switching costs increases rivalry. When a customer can freely switch from one product to another, there is a greater struggle to capture customers.

- A.
- A. **True**
- B.
- B. False
- C.
- Option 3
- D.
- Option 4

•

13.

This term refers to a market in which there are many suppliers and one buyer.

- ☐ A.
- ☐ A. Monopoly
- ☐ B.
- ☐ **B. Monopsony**
- ☐ C.
- ☐ C. Monomarket
- ☐ D.
- ☐ Option 4

•

14.

Barriers to entry arise from the following sources except:

- ☐ A.
- ☐ A. Government
- ☐ B.
- ☐ B. Patents and Propriety knowledge
- ☐ C.
- ☐ C. Asset specificity
- ☐ D.
- ☐ **D. None of the above**

•

15.

1. It's NOT easy to enter an industry if there is:

- ☐ A.
- ☐ A. Patented of propriety know-how
- ☐ B.
- ☐ B. Difficulty in brand switching
- ☐ C.
- ☐ C. Restricted distribution channels
- ☐ D.
- ☐ **D. All of the above**

•

16.

An industry is difficult to enter if there is:

- A.
- A. Patented of propriety know-how
- B.
- B. Difficulty in brand switching
- C.
- C. Restricted distribution channels
- D.
- **D. All of the above**

•

17.

According to Schumpeter and Porter, dynamism of markets is driven by:

- A.
- A. Price
- B.
- **B. Innovation**
- C.
- C. Technology
- D.
- Option 4

•

18.

1. It's the primary context of industry rivalry.

- A.
- **A. Business unit level**
- B.
- B. Market level
- C.
- C. Competitor's level
- D.
- Option 4

•

19.

This statement describes the company's business vision, including the unchanging values and purpose of the firm and forward-looking visionary goals that guide the pursuit of future opportunities.

- A.
- A. **Mission statement**
- B.
- B. Vision statement
- C.
- C. Objective statement
- D.
- Option 4

•

20.

This is related to the firm's business position, and may include measures such as market share and reputation.

- A.
- A. Financial objective
- B.
- B. **Strategic objective**
- C.
- C. Business objective
- D.
- Option 4

1.

INCORRECT

A learning curve describes

Your Answer:

the increase in production time as the total number of units produced increases.

Correct Answer:

the amount of production time per unit as the total number of units produced increases.

INCORRECT. Learning curves display time, not increments of time.

2.

CORRECT

Limitations of the learning-curve approach include

Your Answer:

learning curves must be redeveloped whenever the product or production process is modified.

CORRECT.

3.

INCORRECT

Another name for the learning curve is a(n)

Your Answer:

exponential curve.

Correct Answer:

experience curve.

INCORRECT. This is a mathematical curve, not necessarily related to production.

4.

INCORRECT

Which of the following statements about learning curve rates is **inaccurate**?

Your Answer:

The rate of learning varies depending on the quality of management.

Correct Answer:

Learning curves show that the time saved in completing each subsequent unit increases.

INCORRECT. The rate of learning does vary depending on the quality of management.

5.

INCORRECT

If the first unit took 75 hours to produce, and you have determined that an 80% learning curve is appropriate, how long will it take to produce the fourth unit?

Your Answer:

60 hours

Correct Answer:

48 hours

INCORRECT. This is the time it should take for the second unit.

6.

INCORRECT

Which of the following is **NOT** an application of learning curves?

Your Answer:
:

Learning curves can be employed in supply chain negotiations.

Correct Answer :

Learning curves allow a manager to predict the time required for new employee orientation on company policies and procedures.

INCORRECT. This is an application.

7.

CORRECT

If the third unit of a series of eight units took 13 hours to produce, how long will it take to produce the fifth unit if an 85% learning curve is in effect?

Your Answer:

11.5 hours

CORRECT.

8.

CORRECT

Worker 1 has an 80% learning curve and assembles his first item in 12 hours. Worker 2 has a 90% learning curve and assembles his first item in 8 hours. If they both continue assembling units and the learning curve is not disrupted, at what number unit will Worker 1 be faster?

Your Answer:

the eleventh unit

CORRECT.

9.

INCORRECT

An industrial engineer uses a stopwatch that is 10% slow to time workers doing a basic assembly task. Based on these times, he determines their learning curve. Which of the following statements best describes this situation?

**Your
Answer:**

The learning rate
he determines
will be 10% too
high.

**Correct
Answer:**

A schedule to
build 25 units
based on these
calculations will
have 10% too
much time built
into it.

INCORRECT. The learning rates would be correct.

10.

INCORRECT

A learning curve usually follows a

**Your
Answer:**

hypergeometri
c distribution.

**Correct
Answer:**

negative
exponential
distribution.

INCORRECT. This does not describe the learning behavior.

11.

INCORRECT

Which of the following statements about calculating learning curve results is best?

Your Answer: Values of C in the learning-curve coefficient approach are the learning curve percentage raised to the unit number in question.

Correct Answer: The logarithmic approach can be used to determine the hours required for any unit produced.

INCORRECT. Values of C are determined using the same formula as N^b in the logarithmic approach.

A 1. Which of the following SWOT elements are internal factors for a business?

A. Strengths and Weaknesses

B. Opportunities and Threats

C. Strengths and Opportunities

D. Weaknesses and Threats

C 2. Which of the following is false regarding why a SWOT Analysis is used?

A. To build on the strengths of a business

B. To minimize the weaknesses of a business

C. To reduce opportunities available to a business

D. To counteract threats to a business

B 3. How often should a SWOT Analysis be performed?

A. Only when specific issues need to be addressed

B. At least once per year

C. Only when the business starts

D. Every 3-5 years

D 4. Which of the following could be a strength?

A. Weather

B. A new international market

C. A price that is too high

D. The location of a business

C 5. Which of the following could be a weakness?

A. A developing market such as the Internet

B. Competitors with access to better channels of distribution

C. Poor quality of goods and services

D. Special marketing expertise

B 6. Which of the following could be an opportunity?

A. Having quality processes and procedures

B. Moving into new market segments that offer improved profits

C. Damaged reputation

D. A new competitor in your home market

A 7. Which of the following could be a threat?

A. Changes in technology

B. A market vacated by an ineffective competitor

C. Location of your business

D. Lack of marketing expertise

Name: KEY

C 8. Which of the following is true about preparing a SWOT Analysis?

A. It should focus on where the organization is today, not where it could be in the future.

B. A SWOT Analysis is objective

C. It should be specific and avoid grey areas

D. It should analyze the organization only and ignore the performance of competitors.

D 9. Who usually conducts a SWOT Analysis for a business?

A. Financial Institutions/Banks

B. Lawyers

C. Employees

D. **Managers**

SWOT stands for?

Strengths Weakness Opportunities Threats

A SWOT analysis looks at?

Both internal and external Factors

SW looks at?The internal factors affecting a business

. If you wanted to look at factors out of control of the business which may affect it you would look at:

Opportunities and Threats

5. Looking at the following sentences can you identify which is a Strength?

Loyal customer base

Looking at the following sentences can you identify which is a Weakness?

Poor quality goods

. Looking at the following sentences can you identify which is an Opportunity?

New market opened up

Looking at the following sentences can you identify which is a threat?

Negative publicity

Why is it important for companies to evaluate managerial decisions using a SWOT Analysis?

It analyzes strengths, weaknesses, opportunities, and threat

**1. Jessica has just conducted a SWOT analysis of her firm.
What should her next steps be?**

- a. **Making sure that weaknesses are offset by the strengths and threats are turned into opportunities.**
- b. Making sure that weaknesses are offset by opportunities and threats are turned into strengths.
- c. Making sure that strengths are offset by weaknesses and opportunities and turned into threats.
- d. Making sure that opportunities are offset by threats and strengths are turned into weaknesses.

The first steps management should consider determining the feasibility of a new project or expansion project is to determine:

- a. External strengths and threats.
- b. External weaknesses and opportunities.
- c. Internal opportunities and threats.
- d. **Internal strengths and weaknesses.**

2. What is SWOT an acronym for?

Solutions Working Organization Topic

Strengths Weaknesses Opportunities Threats

1/1 point

Question Title

3. The two main areas of the SWOTanalysis are external and internal factors

True

False

1/1 point

Question Title

4. When was the SWOT analysis first developed?

1970's

1980's

1990's

2000's

1960's

0/1 point

Question Title

5. What was the name of the predecessor to the SWOT analysis?

SWAG analysis

SWAN analysis

SOFT analysis

SING analysis

0/1 point

1. Environmental scanning is a one-off activity carried out by new companies. True or false?

True

False

Answer:

False

2. Luxembourg is a member of the European Union. True or false?

True

False

Answer:

True

3. Ferry trips and air travel can be substitute products. True or false?

True

False

Answer:

True

4. Niche brands are sold into small, well-defined markets. True or false?

True

False

Answer:

True

5. The marketing function is part of an organisation's internal environment. True or false?

True

False

Answer:

True

6. What does it mean if an organisation has significant economies of scale?

- a. It is on a tight budget.
- b. It is a large company with significant debts.
- c. Because it is a large operation, its costs per product are relatively low.
- d. Because it is a small operation, its product prices are relatively low.
- e. It is a large company with a wide range of products.

Answer:

c. Because it is a large operation, its costs per product are relatively low.

7. How would an asset-led company make decisions on what products to sell?

- a. They would choose products that made best use of their existing resources.
- b. They would choose products that would bring in the best return on investment.
- c. They would choose products that would enhance the company's image.
- d. They would just sell the products they already had.
- e. They would base their decisions on extensive market research.

Answer:

a. They would choose products that made best use of their existing resources.

8. What does the acronym PRESTCOM stand for?

- a. personal, reliable, eco-friendly, sociable, true, comprehensive, open marketing
- b. political, regulatory, environmental, sociological, technological, customer, organisation, markets
- c. political, real, economic, social, technological, competition, organisational, marketing
- d. personal, rational, eco-friendly, social, true, creative, organisations, media
- e. political, regulatory, economic, social, technological, competitive, organisational, market

Answer:

e. political, regulatory, economic, social, technological, competitive, organisational, market

9. What is the PRESTCOM analysis used for?

- a. market research
- b. idea development
- c. product review
- d. developing advertising
- e. environmental analysis

Answer:

e. environmental analysis

10. When analysing the marketing environment, which heading should the company's increased brand equity go under?

- a. political
- b. personal
- c. organisational
- d. environmental
- e. regulatory

Answer:

c. organisational

11. In a PRESTCOM analysis, under which heading would a change in the provisions of the Sale of Goods Act be placed?

- a. political
- b. regulatory
- c. social
- d. customer
- e. marketing

Answer:

b. regulatory

12. What is the correct term for an economy that is growing, in a country with full employment, and with high business confidence in the future despite rising prices?

- a. bomb
- b. bust
- c. upturn
- d. swing
- e. mixed

Answer:

c. upturn

13. Britain has an ageing population. This trend would be identified as part of which PRESTCOM environment?

- a. political
- b. regulatory
- c. social
- d. environmental
- e. market

Answer:

c. social

14. In a SWOT analysis, which two elements are part of the **internal** environment?

- a. strengths and threats
- b. opportunities and threats
- c. strengths and opportunities
- d. weaknesses and strengths
- e. weaknesses and threats

Answer:

d. weaknesses and strengths

15. The first stage of a SWOT analysis is to identify relevant variables and classify them under the SWOT headings. What is the follow-on stage?

- a. ranking the variables in order of importance to the organisation
- b. organising the variables alphabetically
- c. prioritising the variables according to their associated costs
- d. classifying the variables according to PRESTCOM
- e. identifying the easiest variables to deal with

Answer:

a. ranking the variables in order of importance to the organisation

16. Imagine you are conducting a SWOT analysis for a British manufacturer who exports to Thailand. If the Thai currency becomes unstable, which category would you place that in for your analysis?

- a. opportunity
- b. weakness
- c. economic
- d. strength
- e. threat

Answer:

e. threat

17. Identify a **close** competitor for Walker's crisps.

- a. Golden Wonder crisps
- b. Nobby's nuts
- c. mashed potato
- d. Coca-Cola
- e. sunflower oil

Answer:

b. Nobby's nuts

18. What do the three Cs of international marketing environmental analysis stand for?

- a. country, currency and culture
- b. competition, costs and culture
- c. culture, costs and climate
- d. country, climate and competition
- e. currency, climate and costs

Answer:

a. country, currency and culture

19. What is the general term given to any group or individual who can affect, or is affected by, an organisation's activities?

- a. shareholders
- b. pressure groups
- c. unions
- d. stakeholders
- e. board members

Answer:

d. stakeholders

20. Often, the first significant company to move into a market becomes the market leader. What is the term for this?

- a. first come first served
- b. first mover advantage
- c. market first
- d. last in first out
- e. organisational first

Answer:

b. first mover advantage

21. A SWOT analysis is used to analyse an organisation's current _____

Answer:

situation

22. In a SWOT analysis, _____ are external environmental trends that may be advantageous for the organisation in question.

Answer:

opportunities

23. Most other soft drinks are close competitors of Coca-Cola but Pepsi would be classified as a _____ competitor.

Answer:

direct

24. Environmental information is used in two main ways, as an input to the _____ process and as part of ongoing analysis of marketing opportunities and threats.

Answer:

planning

25. Advertising in the UK should be legal, decent, honest and _____

Answer:

truthful

Once the important questions are answered during the SWOT analysis, managers can begin to place the strengths, weaknesses, opportunities, and threats in the appropriate quadrant of the _____.

1. SWOT worksheet
2. SWOT template
3. **SWOT matrix**
4. SWOT form

After conducting the SWOT analysis, managers need to ensure that which of these things occur?

1. **weaknesses are offset by the strengths and threats are turned into opportunities**
2. weaknesses are offset by opportunities and threats are turned into strengths
3. strengths are offset by weaknesses and opportunities and turned into threats
4. strengths are offset by opportunities and threats are turned into weaknesses
5. opportunities are offset by threats and strengths are turned into weaknesses

BCG MATRIX

What is the function of BCG Matrix?

The development cycle of product

In the BCG (Boston Consulting Group) Matrix, a business that has a low market share in a industry characterized by high market growth is termed as Question mark

What are the characteristic of dogs in BCG Matrix? You can choose more than one answer.

Low market share and Low market growth

. Who is using the BCG Matrix chart?

Boston Consulting Group

Which of the Boston Consulting Group Model (BCG Model) categories are being described here: A fast growing market leader.
Star

. Which of the Boston Consulting Group Model (BCG Model) categories are being described here: a business unit that generates more cash than it needs to maintain its market share.

Cash Cow

Which of the Boston Consulting Group Model (BCG Model) categories are being described here: a business unit that has low growth potential and a small market share.
Dog

Identifying internal strengths and weaknesses, and also examining external opportunities and threats
SWOT analysis

1. In the Growth-Share Matrix, market growth rate is plotted along the Y axis?



Your Answer: **True**

Market growth rate measures the growth rate of an SBU (Strategic Business Units) - a high growth rate need not ensure a positive cash flow.

68% of players have answered correctly.

[I see an error - submit correction...](#)

2. In the Growth-Share Matrix, relative market share is plotted against_____?



Your Answer: **y**

The correct answer was **X-Axis**

Other accepted answers: **X axis** **X**

Relative market share refers to the SBU's market share relative to that of its largest competitor in the same segment.

53% of players have answered correctly.

[I see an error - submit correction...](#)

3. Under which cell would SBU's (Strategic Business Units) with high growth rate but low relative market share come under?



Your Answer: **Question Marks**

The term "question mark" is given because the company doesn't know whether the SBU will be successful or not. Neither do they know how much money they should pour in to the SBU.

52% of players have answered correctly.

[I see an error - submit correction...](#)

4. SBU's with high relative market share as well as growth rate come under stars?



Your Answer: **True**

As the name suggests, these SBU's are successful but it need not produce a positive cash flow for the company.

81% of players have answered correctly.

[I see an error - submit correction...](#)

5. Dogs are companies with _____ relative market share?



Your Answer: **low**

They also have a low growth rate - they are products that have outlived its utility or unsuccessful SBU's.

73% of players have answered correctly.

[I see an error - submit correction...](#)

6. SBU's under Cash Cow are SBU's with a high market growth.



Your Answer: **True**

The correct answer was **False**

They have a high relative market share. The Cash Cow SBU's generate maximum revenue.

52% of players have answered correctly.

[I see an error - submit correction...](#)

7. What is the ideal strategy for a Question Mark?



Your Answer: **Vaporise**

The correct answer was **Build**

This strategy must be employed to ensure that Question Marks become stars.

46% of players have answered correctly.

[I see an error - submit correction...](#)

8. What is the best strategy for a strong cash cow?



Your Answer: **Hold**

A strong Cash Cow must be held to ensure they keep yielding a large positive cash flow.

43% of players have answered correctly.

[I see an error - submit correction...](#)

9. _____ should be divested?



Your Answer: **Dogs**

Divest the Dogs means to liquidate or sell the business so that the money can be used in other projects.

64% of players have answered correctly.

[I see an error - submit correction...](#)

10. _____ is a strategy meant to increase short term cash flow irrespective of long term gains?



Your Answer: **Harvest**

This strategy is generally employed to weak Cash Cows or Dogs.

50% of players have answered correctly.

Poor Dogs are business operating with a low market share in a high growth market.

False

True

1

30 sec

Q.In Boston Consulting Group matrix the relative market share axis is located in:

diagonal axis

horizontal axis

center

vertical axis

2

30 sec

Q.In Boston Consulting Group matrix the speed of market growth axis is located in:

vertical axis

diagonal axis

horizontal axis

center

3

30 sec

Q.In BCG matrix this quadrant operates in high growth industries and maintain high market share.

cash cows

question mark

stars

poor dogs

4

30 sec

Q.This quadrant represents the brands that require much closer consideration. They hold low market share in high growing markets

consuming large amount of cash and incurring losses.

stars

cash cows

poor dogs

question mark

5

30 sec

Q.This quadrant in BCG matrix holds low market share compared to competitors and operate in a slowly growing market.

cash cows

question mark

poor dogs

stars

6

30 sec

Q.It is a business tool, which uses relative market share and industry growth rate factors to evaluate the potential of business brand portfolio and Suggest further investment strategies.

relative market share

growth share matrix

market growth rate

industry share matrix

7

45 sec

Q.Business can be classified in five categories using BCG matrix.

False

True

8

30 sec

Q.The first step in BCG matrix is:

Define the market.

Find out market growth rate.

Calculate relative market share.

Choose the unit

9

30 sec

Q.The industry attractiveness of a business unit using BCG matrix can be seen through its industry's competitive position.

False

True

10

30 sec

1. The marketing mix is often known as the 3Ps. True or false?

True

False

Answer:

False

2. Firms rarely compete on the basis of their products' physical features alone. True or false?

True

False

Answer:

True

3. Capital goods are usually classified as consumer products. True or false?

True

False

Answer:

False

4. Most new products are commercial failures. True or false?

True

False

Answer:

True

5. The product life cycle is widely used as it is a precise and reliable sales forecasting tool. True or false?

True

False

Answer:

False

6. What is the general term for products that have a physical form (i.e. you can touch them)?

- a. services
- b. goods
- c. FMCG
- d. components
- e. raw materials

Answer:

- b. goods

7. What is the core product or benefit of a winter coat?

- a. the material it is made of
- b. its cost
- c. the employment its manufacture provides
- d. the warmth it provides
- e. the brand

Answer:

- d. the warmth it provides

8. Where does after-sales service fit into the total product offering?

- a. core product
- b. core benefit
- c. basic product
- d. augmented product
- e. perceived product

Answer:

- d. augmented product

9. Where does brand image fit into the total product offering?

- a. core product
- b. core benefit

- c. basic product
- d. augmented product
- e. perceived product

Answer:

e. perceived product

10. Which of the following could be classed as a durable good?

- a. washing machine
- b. T-shirt
- c. chocolate bar
- d. shampoo
- e. consultancy

Answer:

a. washing machine

11. What is a staple product?

- a. office stationery
- b. a complementary product
- c. something that is essential for another product to work (e.g. a keyboard for a PC)
- d. something people always like to have and so purchase regularly (e.g. soap)
- e. a basic, unsophisticated product (e.g. paper clips)

Answer:

d. something people always like to have and so purchase regularly (e.g. soap)

12. Mary is getting married and she wants everything on the day to be perfect, especially the dress. What kind of product is a wedding dress?

- a. speciality
- b. convenience
- c. white goods
- d. accessory
- e. consumer-durable

Answer:

- a. speciality

13. Coca-Cola has an easily identified logo (its name written in a flowing script) and is usually packaged in a red can or its famously curvy bottle. What do these elements combine to form?

- a. brand image
- b. brand personality
- c. brand identity
- d. brand values
- e. brand equity

Answer:

- c. brand identity

14. A retailer decides to launch its own version of Marmite. What kind of new product is this?

- a. innovative
- b. replacement
- c. variant
- d. me-too
- e. re-launched

Answer:

- d. me-too

15. Teatimes Ltd. are famous for their speciality teas. They are about to introduce two new teas based on their best-selling English Breakfast blend: Welsh Afternoon tea and Scottish Nightcap tea. What kind of new products are these?

- a. innovative
- b. replacement
- c. variant
- d. me-too
- e. re-launched

Answer:

c. variant

16. What is the final stage of the new product development process?

- a. business analysis
- b. test marketing
- c. idea generation
- d. marketing planning
- e. product launch

Answer:

e. product launch

17. Visto is a much loved British drink, widely available in the UK but nowhere else. Lately sales have been falling and the big supermarkets have cut back on their orders. Which of the following is most likely to be a successful *extension strategy* for this well-established drink?

- a. increasing the price
- b. selling it online
- c. exporting it to other countries
- d. offering the supermarkets special deals as incentives to stock it
- e. advertising it on the Internet

Answer:

c. exporting it to other countries

18. What are the axes on the Boston Consulting Group (BCG) matrix labelled?

- a. market share and market size
- b. market price and quantity demanded
- c. market attractiveness and market share
- d. historical market growth and current share
- e. relative market share and market growth rate

Answer:

e. relative market share and market growth rate

19. The market for organic fruit is booming as more and more people try to follow a healthier lifestyle. The Green Apple Company is the UK market leader and able to command high prices for its excellent products, especially locally grown strawberries. Where are the strawberries most likely to be placed on the Boston Consulting Group (BCG) matrix?

- a. star
- b. cash cow
- c. problem child
- d. question mark
- e. dog

Answer:

a. star

20. According to the GE McKinsey matrix, the best strategy for a product in a strong competitive position in a highly attractive market would be to do what?

- a. harvest

- b. divest
- c. invest for growth
- d. re-position
- e. push

Answer:

c. invest for growth

21. The 4Ps are product, promotion, place and _____.

Answer:

price

22. The total package that makes up and surrounds a product including all supporting features such as branding, packaging, servicing and warranties is known as the total _____ offering.

Answer:

product

23. Few companies sell just one product; some sell thousands. Their products are collectively referred to as their product _____.

Answer:

portfolio

24. FMCG stands for _____ consumer goods.

Answer:

fast-moving

25. Truly new products, usually the result of a technological breakthrough such as the invention of laser surgery, are known as _____ products.

Answer:

innovative

The marketing mix refers to which of the following?

Your Answer:

Product, price, place, partners

Correct Answer:

Product, price, place and promotion

2.

Incorrect The customer-driven marketing strategy consists of which of the following?

Your Answer:

Market segmentation, telemarketing, differentiation and positioning

Correct Answer:

Market segmentation, market targeting, differentiation and positioning

3.

Incorrect Which of the following statements is true?

Your Answer:

Threats are unfavorable internal factors or trends that may present challenges to performance

Correct Answer:

Threats are unfavorable external factors or trends that may present challenges to performance

4.

Incorrect Diversification is characterized by which of the following?

Your Answer:

Producing existing products for the existing market

Correct Answer:

Starting up or buying businesses outside of its current products and markets

5.

Correct Many companies have dropped formal matrix methods in favor of more customized approaches that better suit their specific situations.

Your Answer:

True

6.

Incorrect McDonald's made some minor modifications but has largely stayed with the original product range. Growth has been realized through marketing mix improvements - adjustments to its product design, advertising, pricing and distribution efforts.

Your Answer:

False

Correct Answer:

True

7.

Incorrect The "4Cs" refers to which of the following?

Your Answer:

Customer solution, customer cost, customer solution, customer gender classification

Correct Answer:

Customer solution, customer cost, convenience and communication

8.

CorrectWhat does the term SWOT stand for?

Your Answer:

Strengths, weaknesses, opportunities, threats

9.

Incorrect The BCG Growth-Share Matrix consists of the following four major elements?

Your Answer:

Stars, Cash cows, Question marks, Doors

Correct Answer:

Stars, Cash cows, Question marks, Dogs

The origins of Business Policy & Strategic Management can be retraced to

a. 1930

b. 1911

c. 1879

d. 1938

[View Correct Answer](#)

b. 1911

BCG in BCG matrix stands for _____

a. Boston Calmette Group

b. British Consulting Group

c. Boston Corporate Group

d. Boston Consulting Group

[View Correct Answer](#)

d. Boston Consulting Group

Which of the following is not part of the micro environment?

a. Technology

b. Shareholders

c. Competitors

d. Publics

[View Correct Answer](#)

a. Technology

Which of the following is not a part the Macro Environment?

a. Laws & Policies

b. Demographics

c. Suppliers

d. Social Values

[View Correct Answer](#)

c. Suppliers

Cultural values would be part of which of the following factor in macro environment?

a. Demographic

b. Social

c. Ecological

d. Natural

[View Correct Answer](#)

b. Social

What does Dog symbolize in BCG matrix?

a. Introduction

b. Growth

c. Maturity

d. Decline

[View Correct Answer](#)

d. Decline

What does Stars symbolize in BCG matrix?

- a. Introduction
- b. Growth
- c. Maturity
- d. Decline

[View Correct Answer](#)

- b. Growth

What does Question Mark (?) symbolize in BCG matrix?

- a. Remain Diversified
- b. Invest
- c. Stable
- d. Liquidate

[View Correct Answer](#)

a. Remain Diversified

What do Cash Cows symbolize in BCG matrix?

a. Remain Diversified

b. Invest

c. Stable

d. Liquidate

[View Correct Answer](#)

c. Stable

What does Green symbolize in BCG matrix?

a. Invest & Expand

b. Select & Earn

c. Harvest & Divest

d. Both a & b

[View Correct Answer](#)

a. Invest & Expand

What does Yellow symbolize in BCG matrix?

a. Invest & Expand

b. Harvest & Divest

c. Select & Earn

d. Both a & b

[View Correct Answer](#)

c. Select & Earn

What does Red symbolize in BCG matrix?

a. Invest & Expand

b. Harvest and Earn

c. Harvest & Divest

d. Select & Earn

[View Correct Answer](#)

d. Select & Earn

The GE 9 cell model is based on _____

a. Industry attractiveness & Business Strength

b. Industry Growth rate & Business strength

c. Industry Attractiveness & Relative market share

d. Industry Growth & Relative market share

[View Correct Answer](#)

a. Industry attractiveness & Business Strength

The BCG Matrix is based on _____

a. Industry attractiveness & Business Strength

b. Industry Growth rate & Business strength

c. Industry Attractiveness & Relative market share

d. Industry Growth rate & Relative market share

[View Correct Answer](#)

d. Industry Growth rate & Relative market share

In strategic thinking, how long is the long term, approximately?

a. 1 Month to 1 year

b. 2 to 3 years

c. 3 to 5 years

d. More than 5 years

[View Correct Answer](#)

d. More than 5 years

Low cost, Differentiation and Focus are examples of _____

a. Corporate strategies

b. Operational Strategies

c. Business Strategies

d. Functional Strategies

[View Correct Answer](#)

c. Business Strategies

The word tactic is most likely to be associated with _____

a. Business Strategy

b. Corporate strategy

c. Operational Strategy

d. All of the above

[View Correct Answer](#)

c. Operational Strategy

In BCG matrix, _____ is the label of the horizontal axis

a. Relative Market share

b. Business Strength

c. Industry Growth Rate

d. Market Growth Rate

[View Correct Answer](#)

a. Relative Market share

In BCG Matrix, what is the label of the Vertical axis?

a. Relative Market share

b. Business Strength

c. Industry Growth Rate

d. Market Growth Rate

[View Correct Answer](#)

c. Industry Growth Rate

In GE 9 cell matrix, what is the label of the horizontal axis?

- a. Relative Market share
- b. Industry Attractiveness
- c. Industry Growth Rate
- d. Market Growth Rate

[View Correct Answer](#)

- b. Industry Attractiveness

Another name for GE 9 cell model is _____

- a. Three colour matrix
- b. Stop light matrix
- c. Strategic Portfolio Matrix
- d. Colour light matrix

[View Correct Answer](#)

b. Stop light matrix

This is all about strategic management MCQ. Hope these multiple choice questions on strategic management will help the aspirants to get a good score in the examination.

Let us know if you like the quiz.

Was this helpful?

YES

NO

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The origins of Business Policy & Strategic Management can be retraced to

a. 1930

b. 1911

c. 1879

d. 1938

[View Correct Answer](#)

b. 1911

BCG in BCG matrix stands for _____

a. Boston Calmette Group

b. British Consulting Group

c. Boston Corporate Group

d. Boston Consulting Group

[View Correct Answer](#)

d. Boston Consulting Group

Which of the following is not part of the micro environment?

a. Technology

b. Shareholders

c. Competitors

d. Publics

[View Correct Answer](#)

a. Technology

Which of the following is not a part the Macro Environment?

a. Laws & Policies

b. Demographics

c. Suppliers

d. Social Values

[View Correct Answer](#)

c. Suppliers

Cultural values would be part of which of the following factor in macro environment?

a. Demographic

b. Social

c. Ecological

d. Natural

[View Correct Answer](#)

b. Social

What does Dog symbolize in BCG matrix?

a. Introduction

b. Growth

c. Maturity

d. Decline

[View Correct Answer](#)

d. Decline

What does Stars symbolize in BCG matrix?

a. Introduction

b. Growth

c. Maturity

d. Decline

[View Correct Answer](#)

b. Growth

What does Question Mark (?) symbolize in BCG matrix?

a. Remain Diversified

b. Invest

c. Stable

d. Liquidate

[View Correct Answer](#)

a. Remain Diversified

What do Cash Cows symbolize in BCG matrix?

a. Remain Diversified

b. Invest

c. Stable

d. Liquidate

[View Correct Answer](#)

c. Stable

What does Green symbolize in BCG matrix?

a. Invest & Expand

b. Select & Earn

c. Harvest & Divest

d. Both a & b

[View Correct Answer](#)

a. Invest & Expand

What does Yellow symbolize in BCG matrix?

a. Invest & Expand

b. Harvest & Divest

c. Select & Earn

d. Both a & b

[View Correct Answer](#)

c. Select & Earn

What does Red symbolize in BCG matrix?

- a. Invest & Expand
- b. Harvest and Earn
- c. Harvest & Divest
- d. Select & Earn

[View Correct Answer](#)

- d. Select & Earn

The GE 9 cell model is based on _____

- a. Industry attractiveness & Business Strength
- b. Industry Growth rate & Business strength
- c. Industry Attractiveness & Relative market share
- d. Industry Growth & Relative market share

[View Correct Answer](#)

a. Industry attractiveness & Business Strength

The BCG Matrix is based on _____

a. Industry attractiveness & Business Strength

b. Industry Growth rate & Business strength

c. Industry Attractiveness & Relative market share

d. Industry Growth rate & Relative market share

View Correct Answer

d. Industry Growth rate & Relative market share

In strategic thinking, how long is the long term, approximately?

a. 1 Month to 1 year

b. 2 to 3 years

c. 3 to 5 years

d. More than 5 years

[View Correct Answer](#)

d. More than 5 years

Low cost, Differentiation and Focus are examples of _____

a. Corporate strategies

b. Operational Strategies

c. Business Strategies

d. Functional Strategies

[View Correct Answer](#)

c. Business Strategies

The word tactic is most likely to be associated with _____

a. Business Strategy

b. Corporate strategy

c. Operational Strategy

d. All of the above

[View Correct Answer](#)

c. Operational Strategy

In BCG matrix, _____ is the label of the horizontal axis

a. Relative Market share

b. Business Strength

c. Industry Growth Rate

d. Market Growth Rate

[View Correct Answer](#)

a. Relative Market share

In BCG Matrix, what is the label of the Vertical axis?

a. Relative Market share

b. Business Strength

c. Industry Growth Rate

d. Market Growth Rate

[View Correct Answer](#)

c. Industry Growth Rate

In GE 9 cell matrix, what is the label of the horizontal axis?

a. Relative Market share

b. Industry Attractiveness

c. Industry Growth Rate

d. Market Growth Rate

[View Correct Answer](#)

b. Industry Attractiveness

Another name for GE 9 cell model is _____

a. Three colour matrix

b. Stop light matrix

c. Strategic Portfolio Matrix

d. Colour light matrix

[View Correct Answer](#)

b. Stop light matrix

1. It is generally agreed that the role of strategy is to:

Achieve competitive advantage.

Competitive advantage is achieved by fulfilling customer needs better than competitors.

Page reference: 5

Make best use of resources. incorrect

Achieve competitive advantage. correct

Make profits for the organization. incorrect

Make the best products and services. incorrect

2. According to Porter (1996) in his article 'What is strategy?', strategy is about being: Different

Porter stated that to be different an organization must deliberately choose 'a different set of activities to deliver a unique mix of value'.

Page reference: 6

Different correct

Better incorrect

Bigger incorrect

Open minded incorrect

3. According to Markides (1999), a strategic position represents a company's answers to three questions - who should the company target, what products/services should be offered, and:

Markides (1999) argues that the essence of strategy is to select one strategic position that it can claim as its own.

Page reference: 6

How the company can communicate its position to customers. incorrect

How the company can do this at the lowest cost. incorrect

How the company can achieve the biggest market share. incorrect

**How the company can do this efficiently.
correct**

4. Kay (1993) sees the strategy of an organization as matching internal capabilities with:

External relationships are the different stakeholders that the organization has dealings with such as employees, customers, shareholders, and suppliers.

Page reference: 6

The external environment. incorrect

Its external relationships. correct

Its customer needs. incorrect

The industry life cycle. incorrect

5. An organization's external environment consists of the general or macro environment and:

The competitive environment deals with the industry in which the company competes. The general environment could affect all industries and has a less direct effect.

Page reference: 8

The internal environment. incorrect

The competitive environment. correct

The specific environment. incorrect

The micro-environment. incorrect

6. Strategy has its antecedents in:

Military conflicts.

Although its use in management is fairly recent, the use of strategy has existed for many centuries borne out of military conflicts.

Page reference: 4

Military conflicts. correct

Industrial economics. incorrect

Sociology. incorrect

Politics, economics and philosophy. incorrect

7. The key activities in the strategic management process are:

Strategic management is the process of bringing about the strategy.

Page reference: 8

Analysis, formulation, review. incorrect

Analysis, implementation, review. incorrect

Analysis, formulation, implementation. correct

**Formulation, analysis, implementation.
incorrect**

8. Strategy analysis is also referred to as:

Strategy analysis involves evaluating the position of the organization in relation to its environment.

Page reference: 9

SWOT analysis. incorrect

Strategy diagnosis. incorrect

Rational analysis. incorrect

Situation analysis. correct

9. Strategy formulation takes place at two levels. These are:

Corporate strategy involves deciding which industries to be in, business level strategy involves deciding how to compete in those industries.

Page reference: 9

Conscious and sub-conscious. incorrect

Implicit and explicit. incorrect

Corporate and business. correct

Business and operational. incorrect

10. The goals of an organization derive from its:

Strategies are shaped by the purpose of the organization i.e. the raison d'etre of the

organization. The purpose is shaped by the organization's stakeholders.

Page reference: 10

Strategy. incorrect

Purpose. correct

Objectives. incorrect

Mission. incorrect

11. The statement of an organization's aspirations can be found in the organization's: The mission statement is how the organization communicates what business it is in. The vision statement communicates the future aspirations of the organization. What the organization actually does in practice (actions) or what it intends to do (strategic objectives) might not reflect its aspirations or its mission statement.

Page reference: 10

Mission statement. incorrect

Strategic objectives. incorrect

Actions. incorrect

Vision statement. correct

12. Drucker refers to an organization's assumptions about its environment and its internal strengths and weaknesses as its: Theory of business.

The 'theory of business' affects an organization's behaviour.

Page reference: 14

Theory of business. correct

Organizational recipe. incorrect

Values and beliefs. incorrect

Core ideology. incorrect

13. Decisions regarding which industries to compete in are the concern of:

Corporate level decisions concern the broader issues of a corporation that consists of a number of SBUs. For example, which industries to be in and the degree of relatedness between the SBUs.

Page reference: 16

Business level strategy. incorrect

Corporate level strategy. correct

Mergers and acquisitions. incorrect

Functional level strategy. incorrect

14. Competitive strategy is also known as:

Competitive strategy concerns how a business will compete in its industry. The decision as to which industry to be in is the concern of corporate strategy.

Page reference: 6

Competitive positioning. incorrect

Corporate level strategy. incorrect

Industry strategy. incorrect

Business level strategy. correct

15. The perspective on strategy formulation that is associated with frameworks such as the SWOT analysis is known as:

The rationalist or design school views strategy as rational, deliberate and analytical.

Alternative schools of thought argue that the design school does not reflect how strategies actually come about in reality.

Page reference: 18

The Learning School. incorrect

The Deliberate School. incorrect

The Design School. correct

The Emergent School. Incorrect

Real options exist when managers have the opportunity,after a project has been implemented,to make operating changes in response to changed conditions that modify the project's cash flows.

True False

True

Real options are options to buy real assets,like stocks,rather than interest-bearing assets,like bonds.

True False

False

The option to abandon a project is a real option,but a call option on a stock is not a real option.

True False

True

Rules of three and Four

. Kenichi Ohmae's three strategic C's are which of the following?

Your Answer:

Customers, corporation and competitors.

Well done, your answer is correct.

2.

Incorrect According to Thompson, the term EVR stands for which of the following?

Your Answer:

Economy, vision and reliability.

Correct Answer:

Environment, values and resources.

Unfortunately you have selected the wrong answer; the right answer is 'Environment, values and resources'. Please see Understanding Strategic Management, Chapter 1.

3.

Correct An organisation's strategy can be examined at which three levels?

Your Answer:

Corporate, competitive and functional.

Well done, your answer is correct.

4.

Incorrect According to Johnson and Scholes strategy is concerned with which of the following?

Your Answer:

Position, plans and perspective.

Correct Answer:

Position, choice and action.

Unfortunately you have selected the wrong answer; the right answer is 'Position, choice and action'. Please see Understanding Strategic Management, Chapter 1.

5.

Incorrect According to Lynch which of the following is one of the five key elements of strategic decisions?

Your Answer:

(blank)

6.

Incorrect According to Mckinskey which of the following are part of the 7S Framework?

Your Answer:

Sales.

Correct Answer:

Skills

Unfortunately you have selected the wrong answer; the right answer is 'Skills'. Please see Understanding Strategic Management, Chapter 1.

7.

Correct According to Mintzberg which of the following is one of the 5Ps of strategy?

Your Answer:

Product.

Well done, your answer is correct.

8.

Incorrect Mintzberg's deliberate strategy constitutes which of the following?

Your Answer:

Precise intent and emergent strategy.

Correct Answer:

Precise intent and objectives.

Unfortunately you have selected the wrong answer; the right answer is 'Precise intent and objectives'. Please see Understanding Strategic Management, Chapter 1.

9.

Incorrect Mintzberg's intended strategy constitutes which of the following?

Your Answer:

Precise intent and emergent strategy.

Correct Answer:

Deliberate and unrealised strategy.

Unfortunately you have selected the wrong answer; the right answer is 'Deliberate and unrealised strategy'. Please see Understanding Strategic Management, Chapter 1.

In strategic thinking, how long is the long term, approximately?

Your Answer:

1 to 12 months

Correct Answer:

Any of these

The long term can only be defined in relation to the rate of change of an organisation in its environment. It could, therefore, be any time.

2.

Incorrect 

What are stages 2, 3 and 4 of the outline strategy process?

Your Answer:

Deliberate strategy; emergent strategy; realised strategy.

Correct Answer:

Strategy selection; strategy implementation; strategic control

3.

Which terms refer to which strategic questions?

Option

Your Answer:

3.1

Correct How do we succeed in this business? A. Business strategy

3.2

Correct What business should we be in? B. Corporate strategy

3.3

Correct How does this unit contribute? C. Functional strategy

4.

Incorrect Which four parameters appear in the Ashridge Mission Model?

Your Answer:

Strengths; weaknesses; opportunities; threats

Correct Answer:

Environment; resources; beliefs; ethical standards

The elements are set out in Figure 8.3.

5.

Name the types of response to environmental uncertainty set out by Miles and Snow.

Option

Your Answer:

Correct Answer:

5.1

Correct Limited product range in narrowly defined market. B. Defender B.
Defender

5.2

Correct Develops new products and searches for new markets. A.
Prospector A. Prospector

5.3

Incorrect Seeks efficiency and copies best of competitors. C. Reactor E.
Analyser

5.4

Correct Changes only when environmental pressure is strong. C.
Reactor C. Reactor

5.5

Incorrect Operates entrepreneurially, without explicit strategy. E. Analyser D.
Not in Miles and Snow typology

6.

Incorrect Withdrawal, consolidation and building are examples of what?

Your Answer:

Strategy alternatives

Correct Answer:

Grand strategies

7.

ch8_fig8-8.gif

Name cells 1,2 and 3 in Ansoff's product-market matrix.

Option

Your Answer:

Correct Answer:

7.1

Incorrect 1 A. Diversification C. Product development

7.2

Correct 2 B. Market development B. Market development

7.3

Incorrect 3 C. Product development A. Diversification

7.4

Correct None of these D. Decentralisation D. Decentralisation

8.

Incorrect The marketing strategy emphasises price as the key to good value; operations runs with tight cost control; development focuses on cost reduction. Which of Porter's competitive strategies is illustrated here?

Your Answer:

Differentiation focus

Correct Answer:

Cost leadership

It's not a focused strategy as this would include choice of a market niche.

9.

Incorrect ch8_fig8-9.gif

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

Your Answer:

Market growth rate

Correct Answer:

Market share

You ought to be able to sketch the BCG model fully.

10.

Incorrect ch8_fig8-9.gif

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

Your Answer:

Business strength

Correct Answer:

Industry growth rate

You ought to be able to sketch the BCG model fully.

11.

ch8_fig8-10.gif

Name the strategies, identified by Mintzberg, whose sequence is shown in the figure.

Option

Your Answer:

Correct Answer:

11.1

Correct 1 A. Intended A. Intended

11.2

Incorrect 2 B. Emergent E. Realised

11.3

Incorrect 3 C. Deliberate B. Emergent
11.4

Incorrect 4 D. Unrealised C. Deliberate
11.5

Incorrect 5 E. Realised D. Unrealised

5 forces

What is the main purpose of Porter's Five Forces Model?

Decide which products to launch

Analyse competition in a market

Manage product portfolios

Inform investment appraisal decisions

According to Porter, which of the following is most important to achieving a competitive advantage?

Focusing on becoming the most competitive business within the sector/market

Operating at lower cost, commanding a premium price, or both

Outsourcing activities which enhance/refine your competitive advantage

Serving all customers equally, rather than targeting the most profitable

Can you identify which of the following forces does not form part of Porter's Competitive Position Analysis?

Supplier power

Risk of losses

Threat of new entry

Buyer power

Competitive rivalry

Question 4 of 6

What is likely to happen if many new businesses enter a market?

Competitive rivalry will intensify

Industry profits will increase

Barriers to entry will rise

Industry capacity will fall

A market will usually be more difficult to enter if there is:

Wide access to distribution channels

Common technology

Low brand loyalty

Patented or proprietary know-how

Which of these situations is likely to cause high bargaining power of suppliers?

A few large suppliers dominate the market supply

Many customers with low brand loyalty

Resource inputs are not essential to product quality

Many alternative sources of supply

1. Porter's Five Forces framework is based on the principle of:

The fundamental principle that Porter implicitly believes in is that the structure of an industry determines how organizations must conduct themselves and this determines the profits that are possible in that industry. This view has been vigorously opposed by many theorists some of whom represent the resource-based view of the firm.

Page reference: 59

Resource-based view. incorrect

Conduct - structure - performance. incorrect

Structure - conduct - performance. correct

Econometrics. incorrect

2. In Porter's Five Forces, the 'threat of new entrants' relates to:

Barriers to entry.

This force can be seen from two points of view - from the outsider's view (barriers to entry) and from those already in the industry (threat of new entrants).

Page reference: 60

Barriers to entry. correct

Substitutes. incorrect

Switching costs. incorrect

Buyer power. incorrect

3. Brandenburg and Nalebuff added a sixth force to Porter's Five Forces. It is known as:

Brandenburg and Nalebuff's contention is that some industries rely on other industries for survival such as the personal computer industry requiring adequate software to go inside. Also televisions require the existence of acceptable programmes. Cinemas require the existence of films. Complementors shouldn't be confused with substitutes.

Page reference: 69

Substitutes. incorrect

Complementors. correct

Seller power. incorrect

Government regulation. incorrect

4. 'Co-opetition' as suggested by Brandenburger and Nalebuff (1997) can be defined as:

Competitive behaviour that combines competition and cooperation.

The theory is that companies can create a more valuable market overall if they cooperate with each other rather than engage in competitive behaviour. They can then compete with each other for a share of this more valuable market.

Page reference: 69

Competitive behaviour that combines competition and cooperation. correct

Competitive behaviour that is good for society. incorrect

Collaboration. incorrect

The acquisition of rivals. incorrect

5. The 'positioning' approach to strategy holds the view that:

Strategy is about how a firm positions itself in relation to the industry structure.

The positioning approach was popular in the 1980s but has now declined in popularity due to the emergence of the resource-based view of the firm.

Page reference: 58

**Strategy is about how a firm positions itself in relation to the industry structure.
correct**

Strategy is about how firms respond to macro-environmental changes. incorrect

Strategy is about how firms deal with their stakeholders. incorrect

Strategy is about how firms position themselves in relation to competitors. incorrect

6. Barriers to entry into an industry are likely to be high if:

If economies of scale are required to make a reasonable profit-margin it will be difficult to enter the industry.

Page reference: 61

Switching costs are low. incorrect

Differentiation is low. incorrect

Requirement for economies of scale is high. correct

Access to distribution channels is high. incorrect

7. Buyer power is high if:

Differentiation is low.

If the product is standard or undifferentiated, buyers are more likely to exert pressure on price because they can get the same product from alternative suppliers.

Page reference: 63

Differentiation is low. correct

Switching costs are low. incorrect

They have little information. incorrect

The buyer requires a high quality product for their own production. incorrect

8. Supplier power will be high if:

When suppliers are able to acquire firms in the buyer's industry, it will reduce the profitability of the buyer's industry.

Page reference: 63

The supplier's product is easy to understand. incorrect

There are many suppliers to choose from. incorrect

There is a threat of forward integration. correct

The supplier's product is undifferentiated. incorrect

9. A substitute product or service is:

Firms need to consider whether other ways of meeting the same need are likely to be more attractive to the customer. The substitute could come from an entirely different industry.

Page reference: 64

A competitor's product or service. incorrect

An alternative way of meeting the same need. correct

A new entrant into the industry. incorrect

A less attractive way of meeting the same need. incorrect

10. Competitive rivalry will be high if:

If there are a few strong players in an industry it will be difficult for a firm to make a move that goes unnoticed.

Page reference: 64

The industry is fragmented. incorrect

There are a few strong players in the industry. correct

There is a high degree of differentiation. incorrect

The industry is in its infancy. incorrect

11. Porter's Five Forces assumes a 'zero-sum game'. A 'zero-sum game' means:

Firm A wins at the expense of Firm B.

It is becoming increasingly common for firms within an industry to cooperate with each other thus creating a 'win-win' situation.

Page reference: 65

Firm A wins at the expense of Firm B. correct

Firm A and Firm B both win. incorrect

No firm wins. incorrect

Some industries will win at the expense of other industries. incorrect

12. An industry characterized by irregular patterns of stability, rapid technological change, high uncertainty and global competition can be described as:

Hypercompetitive.

Hypercompetition is a term coined by d'Aveni. In these conditions, deliberate strategies are perhaps unrealistic because the environment is moving too fast. Strategy is more likely to be developed in an opportunistic fashion.

Page reference: 66

Hypercompetitive. correct

Hyperactive. incorrect

Atypical. incorrect

Co-opetitive. incorrect

13. The 'value-net' as developed by Brandenburger and Nalebuff (1996) can be defined as:

The 'value-net' uses the idea of the complementor to extend the usual rules of business. It uses concepts from game theory.

Page reference: 66

The way in which an organization is linked to its supply chain. incorrect

The way in which the different activities of the organization are linked together to add value. incorrect

The relationship between organizations interacting in the same game. correct

The way in which the organization produces value for the customer. incorrect

14. A strategic group can be defined as:

It should be assumed that a firm within one strategic group cannot move into another strategic group. It depends on the mobility barriers between the groups.

Page reference: 73

A group of key resources and competences that are necessary to achieve competitive advantage. incorrect

A group of customers that have similar characteristics. incorrect

An industry recipe. incorrect

A group of firms in an industry following the same or a similar strategy. correct

15. Strategic group analysis involves mapping organizations using:

Two variables appropriate to the industry.

One of the problems with strategic group analysis is that judgment is involved when selecting the two variables on which to map the firms. If inappropriate variables are chosen, it can give a false picture. The mapping can also change according to the variables chosen.

Page reference: 73

Two variables appropriate to the industry. correct

Three variables appropriate to the industry. incorrect

Two variables which stay the same regardless of the industry. incorrect

Three variables which stay the same regardless of the industry. Incorrect

When buyers are able to join together to put pressure on a supplier, this is which of Porter's Five Forces?

Competitive rivalry

Threat of new entrants

Bargaining power of customers

Threat of substitute products

1. Of Porter's Five Forces, which force has the greatest influence on whether an industry would be profitable?

a. Competitive rivalry

b. Threat of new entrants

c. Bargaining power of customers

d. Threat of substitute products

When suppliers are limited or inputs are scarce, which of Porter's Five Forces are at play?

- a. Competitive rivalry
- b. Threat of new entrants
- c. Bargaining power of suppliers
- d. Threat of substitute products

Once a firm decides to enter an industry and chooses a market in which to compete, it must gain an understanding of its competitive environment. This challenge can be undertaken by completing a(n) _____ analysis.

C) competitor

Each quarter, Craig Anderson, who owns a chain of auto repair shops, does a detailed analysis of his firm's competitors. This analysis is called _____ analysis.

A) competitor

Industries that sell products to seniors, such as the eyeglass industry and the hearing aid industry, are benefiting from the aging of the population, which is an important _____ trend.

A) environmental

Many firms benefit from an increasing ability to outsource manufacturing or service functions to lower-cost foreign countries. This trend is referred to in the textbook as a(n) _____ trend.

A) business

According to the textbook, the five competitive forces included in the Five Forces model determine the average _____.

rate of return for the firms in an industry

According to the textbook, how do well-managed firms respond to the five forces that determine industry profitability?

They try to position their firms in a way that avoids or diminishes the forces.

HIDE ANSWER

In general, industries are more attractive when the _____.

threat of each of the five forces is low

Generally, industries are more attractive when the threat of substitutes is _____.

) low

The price of prescription medicine is high, partly because when someone is sick there is no real alternative to buying medicine if they want to get better. Which of Porter's five forces explains how this aspect of the prescription medicine industry helps keep profitability high?

) Threat of Substitutes

Which of Porter's five forces is most closely associated with the concept "barrier to entry"?

Threat of New Entrants

Which of Porter's five forces is most directly influenced by the number and balance of competitors, degree of difference between products, growth rate of an industry, and level of fixed costs?

B) Rivalry Among Existing Firms

Supplier concentration, switching costs, attractiveness of substitutes, and threat of forward integration are factors that have a direct impact on _____.

) bargaining power of suppliers

15) A(n) _____ industry is one that is characterized by a large number of firms of approximately equal size.

A) fragmented

. The process of determining whether an entrepreneur's idea is a viable foundation for creating a successful business is known as a _____.

feasibility analysis

More women entering the workforce is an example of a _____ change.

Sociocultural

. Porter's five forces model assesses industry attractiveness by surveying these five factors _____.

potential entrants, suppliers, buyers, substitutes, and rivalry among existing firms

Economies of scale relate to which of Porter's 5-forces?

Threat of new entrants

conducting _____ research involves collecting data firsthand and analyzing it while _____ research involves gathering data that has already been compiled and is available.

primary; secondary

A good advice to follow in customer surveys is _____.

"Keep them short"

20. Industry databases are a good source of _____ research.

secondary

The process in which entrepreneurs test their business models on a small scale before committing serious resources to launch a business that might not work is known as _____.

business prototyping

The dynamics of organisational environments can be classified according to which pair of factors listed below?

Your Answer:

Proactive and reactive outcomes

Correct Answer:

Changeability and predictability

No. Though this is a useful distinction noted on page 105 of the book. It refers to the outcomes of environmental analysis the organisation can actively manage (proactive) and those it has no control over (reactive). See section 3.2 of the book.

2.

Incorrect From the list below, identify which factor does not form one of the six key areas of a PESTEL analysis.

Your Answer:

Technological changes

Correct Answer:

Ecological changes

This is one of the four key areas and an increasingly important one as rates of innovation and the application of technology increasingly pervade daily life. See Exhibit 3.1 in the book.

3.

Incorrect Which of the following statements best defines a 'scenario' that may be generated by scenario analysis?

Your Answer:

A scenario is a strategic option facing the organisation. It is a set of actions that it might pursue generated as a result of managers asking 'what if' questions

Correct Answer:

A scenario is a picture of a possible future environment for the organisation, whose strategic implications can then be investigated. It is less concerned with prediction and more concerned with developing different perspectives on the future

Not really. Scenario planning and the scenarios it generates are meant to depict situations that possible strategies must deal with; it is not a technique for generating strategy options. See section 3.3.2 of the book.

4.

Incorrect Why is the concept of the industry life-cycle relevant to corporate strategy?

Your Answer:

Because it reminds managers that all industries (and/or market segments) eventually decline

Correct Answer:

Because the key strategic issues and hence strategies that should be pursued change with each phase in the life cycle

The empirical evidence does not support this view. Many examples of products that never seem to reach the decline phase can be found, e.g. Mars Bars (around since the 1930s). See section 3.4 of the book.

5.

Incorrect What is meant by the term 'key factors for success' (KFS)?

Your Answer:

KFS are the criteria used to determine which organisations are successful and which not

Correct Answer:

KFS are those resources, skills and attributes of the organisations in the industry that are essential to deliver success in the marketplace

No. Performance criteria such as profitability, growth rates, market share, etc. are outcomes of achieving or exceeding KFS, not the factors themselves.

6.

Correct Barriers to entry affect the ability of firms outside an industry to enter and take advantage of profit opportunities. Which of the following is not an example of such a barrier?

Your Answer:

The relative size of existing firms in the industry

Correct. Relative size of existing players affects the rivalry between firms already in the industry and thus relates to another of the forces.

7.

Incorrect In Porter's five forces model, what is meant by the term 'substitute'?

Your Answer:

A substitute is a rival firm offering the same products

Correct Answer:

A substitute is an alternative product or service that performs the same function for the consumer

No. A substitute for British Airways is not Virgin Atlantic but car travel, railways, etc. Refer to section 3.6.4 of the book.

8.

Incorrect Which of the following items is not a criticism of the five forces model?

i) The analysis is essentially static, whereas industries constantly change.

ii) No force is deemed more important than the others.

iii) In viewing all the forces as threats it does not allow for co-operation.

iv) It stresses the environment to the exclusion of internal influences on strategy.

v) The model was developed in the 1970s and is now obsolete.

Your Answer:

ii), iii) and iv)

Correct Answer:

v)

No. See section 3.6.7 of the book.

9.

Incorrect What four types of relationships are captured in the four links model?

Your Answer:

Supplier, customers, competitors and internal relationships

Correct Answer:

Government links, informal co-operative links, formal co-operative links and complementors

No. These are groups with which the organisation has different types of relationship -- it is the types not the groups we are after. See section 3.7 of the book.

10.

Incorrect What are the main areas to include in producing a profile of a competitor organisation?

Your Answer:

The organisation's turnover, profits, costs and gearing

Correct Answer:

The organisation's objectives, resources, market strength and current strategies

No. These factors form only a tiny part of the analysis. See section 3.8 of the book.

11.

Incorrect Which of the following statements best defines market segmentation?

Your Answer:

Market segmentation is the division of a geographical area into specific sales territories

Correct Answer:

Market segmentation is the identification of specific parts of a market and the development of different market offerings that will be attractive to those segments

No. Sales territories are a completely different issue relating to sales management not segmentation. See section 3.9.2 of the book.

12.

Correct Which of the following is not a reason why market segmentation is important to strategy development?

Your Answer:

Knowing your segments makes it easier to know which customers competitors are targeting

Correct. Competitor behaviour is nothing to do with another firm's chosen segmentation. See section 3.9.2 of the book.

13.

Correct Not all aspects of the environmental analysis are equally important. So, what should be the order of priority?

Your Answer:

Customers, immediate competitors, then the broader environment

Correct. This is the suggested priority in section 3.10 of the book.

14.

Correct In many respects, the real danger in analysing the environment is to limit the process to examining past events and ways of thinking. It is absolutely essential to break out of the current mould and examine alternative routes and ideas.

Your Answer:

True

Correct. This is a quote from section 3.10 of the book.

15.

Correct What two types of market segments did Michael Porter use in developing his generic strategies model?

Your Answer:

Broad target and narrow target

Correct. These refer to the context in which the organisation pursues cost or differentiation based strategies according to Porter.

16.

Incorrect What can an environmental analysis be used to provide an organisation with?

Your Answer:

Market growth or market share

Correct Answer:

A proactive strategy outcome or a reactive strategic situation

No. These are basic areas that need clarification before an environmental analysis can take place.

17.

Correct Which of the following is not a criticism of the industry life cycle?

Your Answer:

Assumes organisation's own interests come first

Correct. This is actually a criticism of the five forces model.

18.

Incorrect Which of the following is not a key factor for success?

Your Answer:

The skills and attributes of an organisation

Correct Answer:

Identification of specific parts of a market and the development of different market offerings that will be attractive to those segments

No. The efficient functioning of the organisation is vital to the success it achieves.

19.

Incorrect Which of the following is not one of the three main difficulties in studying the environment?

Your Answer:

Deciding the use to which the analysis will be put

Correct Answer:

New products, adoption of new technologies, R&D expenditure etc.

No. This is a big issue for many organisations and a reason why some organisations limit the amount of analysis conducted.

20.

Correct Which of the following is a reason for why customer service and quality are important?

Your Answer:

They may deliver competitive advantage

Correct. If the quality and service of the organisation are superior to that of the competitors, then competitive advantage will be achieved. This is very important to firms.

Porter stated that a firm wishing to obtain a competitive advantage over its rivals can do so by either through differentiation or cost leadership. Cost leadership may be achieved by all the following except which one?

- effectiveness in output

Porter stated that a firm wishing to obtain a competitive advantage over its rivals can do so by either through differentiation or cost leadership. Which of the following is a technique of differentiation?

improving customer service

Porter's five forces model identifies external factors that determine the potential profitability and therefore attractiveness of a particular industry. Which of the following is one of these forces?

bargaining power of buyers

A focus strategy concentrates on a narrow segment and within that segment seeks to achieve either a cost advantage or which one of the following?

Differentiation

Which of the following is one of Porter's five forces?\

barriers to entry

Which of the following is not a Generic Strategy as described by Michael Porter:

Diversification

The bargaining power of customers in an industry will be greater in which of the following circumstances?

Switching costs are low

In cost leadership strategy, the objective is to become the lowest-cost producer in the industry.

True

In a differentiation strategy, a firm looks for ways to be unique along some dimensions that are widely valued by buyers.

differentiation

1. The fundamental purpose for the existence of any organization is described by its

a. policies

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b. mission

c. procedures

d. strategy

Ans. b

ADVERTISEMENTS:

2. The fundamental purpose of an organization's mission statement is to

a. create a good human relations climate in the organization

b. define the organization's purpose in society

c. define the operational structure of the organization

ADVERTISEMENTS:

d. generate good public relations for the organization

Ans. b

3. The acronym SWOT stands for

a. Special Weapons for Operations Timeliness

ADVERTISEMENTS:

b. Services, Worldwide Optimization, and Transport

c. Strengths Worldwide Overcome Threats

d. Strengths, Weaknesses, Opportunities, and Threats

Ans. d

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4. 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.

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- d. It concerns the present direction of the organization.

Ans. d

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

- a. What business(es) are we in?

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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?

Ans. c

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

a. Formulating strategy

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b. Implementing strategy

c. Evaluating strategy

c. Assigning administrative tasks

Ans. d

7. Competitive advantage can best be described as:

a. increased efficiency.

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b. what sets an organization apart.

c. a strength of the organization.

d. intangible resources.

Ans. a

8. _____ is the foundation of blue ocean strategy.

a. Innovation

ADVERTISEMENTS:

b. Value creation

c. Value innovation

d. value cost trade-off

Ans. c

9. The various organizational routines and processes that determine how efficiently and effectively the organization transforms its inputs into outputs are called:

a. strengths.

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b. core competencies.

c. capabilities.

d. customer value.

Ans. b

10. When defining strategic management the most important thing to remember is that it is:

a. Not as easy as you think

ADVERTISEMENTS:

b. Mainly the province of senior managers

c. A living evolving process

d. More conceptual than practical

e. A way of determining responsibilities

Ans. c

11. An organisation's strategy:

a. remains set in place longer than the mission and objectives

b. generally forms over a period of time as events unfold

c. tends to be formed at the same time the mission is developed and objectives are formulated

d. is usually conceived at a single time when managers sit down and work out a comprehensive strategic plan for the next 3-5 years

Ans. b

12. The primary focus of strategic management is:

- a. strategic analysis
- b. the total organisation
- c. strategy formulation
- d. strategy implementation.

Ans. b

13. Which of the following is not an advantage of strategic management?

- a. It provides organisations with a clearer sense of direction and purpose
- b. It helps improve the political, economic, social and technological environment of the organisation
- c. It helps orientate management decisions to relevant environmental conditions
- d. It helps organisations be proactive rather than reactive

Ans. b

14. Which of the following defines what business or businesses the firm is in or should be in?

- a. Business strategy
- b. Corporate strategy
- c. Functional strategy
- d. National strategy

Ans. b

15. Which of the following defines how each individual business unit will attempt to achieve its mission?

- a. Business strategy
- b. Corporate strategy

c. Functional strategy

d. National strategy

Ans. a

16. Which of the following focuses on supporting the corporate and business strategies?

a. Competitive strategy

b. Corporate strategy

c. Operational strategy

d. National strategy

e. Mission strategy

Ans. c

17. Which one of the following is not a primary task of strategic managers?

- a. Establishing strategic objectives
- b. Developing the steps to follow in implementing operational level plans
- c. Defining the business and developing a mission
- d. Developing a strategy
- e. Implementing and evaluating the chosen strategy

Ans. b

18. The task of strategy choice involves:

- a. developing plans and activities which will improve the organisation's performance and competitive position
- b. determining how the organisation can be more market and efficiency oriented
- c. monitoring whether the organisation is achieving good financial performance

d. keeping the organisation free of debt

Ans. a

19. Which one of the following is at the core of strategic management?

a. Choosing which organisational objectives to focus on

b. Being alert for opportunities to change work responsibilities

c. Adapting the organisation to a changing external environment

d. Choosing whether to make decisions autocratically or on the basis of participation

Ans. c

20. 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

Ans. c

21. 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

Ans. a

22. Which of the following is an example of competing on quick response?

- a. a firm produces its product with less raw material waste than its competitors
- b. a firm offers more reliable products than its competitors
- c. a firm's products are introduced into the market faster than its competitors'
- d. a firm's research and development department generates many ideas for new products

Ans. c

23. Which one of the following is NOT included in the Porter's Five Forces model:

- a. Potential development of substitute products
- b. Bargaining power of suppliers
- c. Rivalry among stockholders

d. Rivalry among competing firms

Ans. c

24. What is meant by the term 'Stakeholder'?

a. A person who is not related with a business.

b. A person who is related with a business.

c. A person who owns a business.

d. A person who purchases the shares of a business.

Ans. b

25. Of the following, which one would NOT be considered one of the components of a mission statement?

a. The target market for XYZ is oil and gas producers as well as producers of chemicals.

- b. XYZ shall hire only those individuals who have with sufficient educational levels so as to be of benefit to our customers
- c. The customers of XYZ shall include global and local consumers of gas and oil products and domestic users of nontoxic chemicals
- d. The technologies utilized by XYZ shall focus upon development of alternative sources of gas and oil so as to remain competitive within the industry

Ans. b

26. The strategic management process is

- a. a set of activities that will assure a temporary advantage and average returns for the firm.
- b. a decision-making activity concerned with a firm's internal resources, capabilities, and competencies, independent of the conditions in its external environment.
- c. a process directed by top-management with input from other stakeholders that seeks to achieve above-average returns for investors through effective use of the organization's resources.

d. the full set of commitments, decisions, and actions required for the firm to achieve above-average returns and strategic competitiveness..

Ans. d

27. The goal of the organization's_____ is to capture the hearts and minds of employees, challenge them, and evoke their emotions and dreams.

a. vision

b. mission

c. culture

d. strategy

Ans. a

28. A firm's mission

a. is a statement of a firm's business in which it intends to compete and the customers which it intends to serve.

b. is an internally-focused affirmation of the organization's financial, social, and ethical goals.

c. is mainly intended to emotionally inspire employees and other stakeholders.

d. is developed by a firm before the firm develops its vision.

Ans. a

29. The environmental segments that comprise the general environment typically will NOT include

a. demographic factors.

b. sociocultural factors.

c. substitute products or services.

d. technological factors.

Ans. c

30. An analysis of the economic segment of the external environment would include all of the following EXCEPT

- a. interest rates.
- b. international trade.
- c. the strength of the U.S. dollar.
- d. the move toward a contingent workforce.

Ans. d

31. Product differentiation refers to the:

- a. ability of the buyers of a product to negotiate a lower price.
- b. response of incumbent firms to new entrants.
- c. belief by customers that a product is unique.

d. fact that as more of a product is produced the cheaper it becomes per unit.

Ans. c

32. Which of the following is NOT an entry barrier to an industry?

a. expected competitor retaliation

b. economies of scale

c. customer product loyalty

d. bargaining power of suppliers

Ans. d

33. Switching costs refer to the:

a. cost to a producer to exchange equipment in a facility when new technologies emerge.

b. cost of changing the firm's strategic group.

c. one-time costs suppliers incur when selling to a different customer.

d. one-time costs customers incur when buying from a different supplier.

Ans. d

34. New entrants to an industry are more likely when (i.e., entry barriers are low when...)

a. it is difficult to gain access to distribution channels.

b. economies of scale in the industry are high.

c. product differentiation in the industry is low.

d. capital requirements in the industry are high.

Ans. c

35. Suppliers are powerful when:

- a. satisfactory substitutes are available.
- b. they sell a commodity product.
- c. they offer a credible threat of forward integration.
- d. they are in a highly fragmented industry.

Ans. c

36. The highest amount a firm can charge for its products is most directly affected by

- a. expected retaliation from competitors.
- b. the cost of substitute products.
- c. variable costs of production.
- d. customers' high switching costs.

Ans. b

37. All of the following are forces that create high rivalry within an industry EXCEPT

- a. numerous or equally balanced competitors.
- b. high fixed costs.
- c. fast industry growth.
- d. high storage costs.

Ans. c

38. According to the five factors model, an attractive industry would have all of the following characteristics EXCEPT:

- a. low barriers to entry.
- b. suppliers with low bargaining power.
- c. a moderate degree of rivalry among competitors.

d. few good product substitutes.

Ans. a

39. Internal analysis enables a firm to determine what the firm

a. can do.

b. should do.

c. will do.

d. might do.

Ans. a

40. An external analysis enables a firm to determine what the firm

a. can do.

b. should do.

c. will do.

d. might do.

Ans. d

41. _____ is/are the source of a firm's _____, which is/are the source of the firm's _____.

a. Resources, capabilities, core competencies

b. Capabilities, resources, core competencies

c. Capabilities, resources, above average returns

d. Core competencies, resources, competitive advantage

Ans. a

42. In the airline industry, frequent-flyer programs, ticket kiosks, and e-ticketing are all examples of capabilities that are

a. rare.

b. causally ambiguous.

c. socially complex.

d. valuable.

Ans. d

43. Firms with few competitive resources are more likely

a. to not respond to competitive actions.

b. respond quickly to competitive actions.

c. delay responding to competitive actions.

d. respond to strategic actions, but not to tactical actions.

Ans. c

44. Competitors are more likely to respond to competitive actions that are taken by

- a. differentiators.
- b. larger companies.
- c. first movers.
- d. market leaders.

Ans. d

45. What can be defined as the art and science of formulating, implementing and evaluating cross-functional decisions that enable an organization to achieve its objectives?

- a. Strategy formulation
- b. Strategy evaluation
- c. Strategy implementation

d. Strategic management

e. Strategic leading

Ans. d

46. Which of the following is not a cultural product?

a. Rites

b. Emotions

c. Rituals

d. Sagas

e. Symbols

Ans. b

47. Which individuals are most responsible for the success and failure of an organization?

- a. Strategists
- b. Financial planners
- c. Personnel directors
- d. Stakeholders
- e. Human resource managers

Ans. a

48. Which of the following is an element of a firm's remote external environment?

- a. Competition
- b. Political agencies
- c. Suppliers

d. Trade union

Ans. b

49. Long-term objectives should be all of the following except:

a. measurable.

b. continually changing.

c. reasonable.

d. challenging.

e. consistent.

Ans. b

50. What are guides to decision making?

a. laws

b. rules

c. policies

d. procedures

e. goals

Ans. c

51. According to Greenley, strategic management offers all of these benefits except that

a. it provides an objective view of management problems.

b. it creates a framework for internal communication among personnel.

c. it encourages a favorable attitude toward change.

d. it maximizes the effects of adverse conditions and changes.

e. it gives a degree of discipline and formality to the management of a business.

Ans. d

52. The vision and mission statement can often be found

- a. in the SEC report.
- b. in annual reports.
- c. on customer receipts.
- d. on supplier invoices.
- e. on community news bulletins

Ans. b

53. Which group would be classified as a stakeholder?

- a. Communities
- b. Banks

c. Suppliers

d. Employees

e. All of these

Ans. e

54. The process of performing an external audit needs to include:

a. only top level managers, as it's a planning function.

b. as many managers and employees as possible.

c. primarily front-line supervisors

d. between 15 to 20 managers for it to be valid

e. stockholders and external government agencies

Ans. b

55. Which of the following is not a stage of strategy formulation techniques?

- a. Formulation Framework
- b. Matching stage
- c. External factor evaluation
- d. Decision stage

Ans. b

56. ST Strategies is an important strategy to

- a. Match weakness with opportunities of the firm
- b. Overcome external threats
- c. Obtain benefit from its resources

d. Overcome its weakness and reducing threats

Ans. b

57. The immediate external environment includes:

a. Divisions

b. S. B. U. s

c. Competitors

d. Management

Ans. c

58. The_____ comprises economic and social conditions, political priorities and technological developments, all of which must be anticipated, monitored, assessed and incorporated into the executive's decision making.

a. Internal environment

b. Task environment

c. Operating environment

d. Societal environment

Ans. d

59. Strategic management involves the_____, directing, _____ and controlling of a company's strategy-related decisions and actions.

a. Financing; marketing

b. Planning; financing

c. Planning; organizing

d. Marketing; planning

Ans. c

60. A strategy is a company's

- a. Value statement
- b. Pricing policy
- c. Game Plan to outsmart competitor
- d. Long-term objective

Ans. c

61. Strategy-formulation concepts and tools

- a. Do not differ greatly for different size and type of organizations
- b. Differ greatly for different size and type of organizations
- c. Do not differ greatly for profit or nonprofit organizations but differ in small and large organizations
- d. None of the mentioned options

Ans. a

62. Annual objectives

- a. Are not critical to success
- b. Serve as guidelines for action, directing and channeling efforts and activities of organization members
- c. Are not important for employee motivation and identification
- d. Do not provide a basis for organizational design

Ans. b

63. Annual objectives

- a. Need not to be consistent
- b. Should be easily achievable
- c. Should be measurable

d. Should be confidential and not to be communicated throughout the organization

Ans. c

64. Which of the following resources is used by all organizations to achieve desired objectives?

a. Financial resources,

b. Physical resources,

c. Human resources

d. All of the mentioned options

Ans. d

65. Strategic management is

a. A pure science.

b. Based mainly on intuition.

c. Needed mainly when organizational performance falls.

d. Based on the use of quantitative and qualitative information.

Ans. d

66. Large-scale, future-oriented plans, for interacting with the competitive environment to achieve company objectives refers to its

a. Strategy

b. Goals

c. Competitive analysis

d. Dynamic policies

Ans. a

67. Strategic issues require which level of management decisions?

a. Operative

b. Top

c. Front-line

d. Middle

Ans. b

68. Which of these basic questions should a vision statement answer?

a. What is our business?

b. Who are our employees?

c. Why do we exist?

d. What do we want to become?

Ans. d

69._____ is not part of an external audit.

- a. Analyzing competitors
- b. Analyzing financial ratios
- c. Analyzing available technologies
- d. Studying the political environment

Ans. b

70. Strategic management process activate in the sequence of_____

- a. Environmental scanning, Strategy formulation, Implementation, control and evaluation
- b. Strategy formulation, Environmental scanning, Implementation, control and evaluation
- c. Environmental scanning, Strategy Implementation, formulation, control and evaluation

d. Strategy formulation, Implementation, control, evaluation,
Environmental scanning

Ans. a

71. KAPKAL Power's interested to achieve a 10 percent return on equity (ROE) in their core electric utility, 14 percent ROE on water resource operations, and 15 percent ROE on support businesses. It is

a. Mission

b. Strategy

c. Objective

d. Policy

Ans. c

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

- a. Mission
- b. Vision
- c. Strategy implementation
- d. None of above

Ans. b

73. Strategic decisions are based on what managers_____,
rather than on what they_____.

- a. Know; forecast
- b. React to; anticipate
- c. Forecast; know
- d. Compromise with; analyze

Ans. c

74. "To improve economic strength of society and function as a good corporate citizen on a local, state, and national basis in all countries in which we do business". This is a mission statement that contains:

- a. Self-concept
- b. Economic concern
- c. Products or Services
- d. Concern for Public Image

Ans. d

75. Strategic-management audit is known as:

- a. Environmental scanning
- b. Strategy formulation
- c. Strategy control

d. Strategy evaluation

Ans. a

76. Forecasting tools can be broadly categorized into two groups.
Those are:

a. Qualitative, Operational

b. Quantitative, Operational

c. Qualitative, Quantitative

d. Regression and time series analysis

Ans. c

77. _____ identifies a firm's major competitors and their particular strengths and weaknesses in relation to a sample firm's strategic position.

a. Competitive Profile Matrix

b. External Factor Evaluation matrix

c. Internal Factor Evaluation Matrix

d. Boston consulting group matrix

Ans. a

78. Organizing means an identifiable group of people contributing their efforts towards the attainment of same goal. It is important at the time of:

a. Environmental scanning

b. Strategy formulation

c. Strategy Implementation

d. Strategy evaluation

Ans. c

79. In a turbulent and competitive free enterprise environment, a firm will succeed only if it takes a(n) _____ stance towards change.

- a. Reactive
- b. Proactive
- c. Anti-regulatory or anti-government
- d. Vision and not mission

Ans. b

80. Which statement best describes intuition?

- a. It represents the marginal factor in decision-making.
- b. It represents a minor factor in decision-making integrated with analysis.
- c. It should be coupled with analysis in decision-making.

d. It is better than analysis in decision-making.

e. It is management by ignorance.

Ans. c

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

a. Strategies.

b. Strengths.

c. Weaknesses.

d. Policies.

e. Opportunities.

Ans. a

82. Which of these basic questions should a vision statement answer?

- a. What is our business?
- b. Who are our employees?
- c. Why do we exist?
- d. What do we want to become?
- e. Who are our competitors?

Ans. d

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

- a. economic
- b. political
- c. technological

d. competitive

e. Multinational

Ans. b

84. _____ is not part of an external audit.

a. Analyzing competitors

b. Analyzing financial ratios

q. Analyzing available technologies

d. Studying the political environment

e. Analyzing social, cultural, demographic and geographic forces

Ans. b

85. Which individuals are most responsible for the success and failure of an organization?

- a. Strategists
- b. Financial planners
- c. Personnel directors
- d. Stakeholders
- e. Human resource managers

Ans. a

86. Long-term objectives should be all of the following except:

- a. Measurable.
- b. Continually changing.
- c. Reasonable.
- d. Challenging.

e. Consistent.

Ans. b

87. What are guides to decision making?

a. laws

b. rules

c. policies

d. procedures

e. goals

Ans. c

88. Which group would be classified as a stakeholder?

a. Communities

b. Banks

c. Suppliers

d. Employees

e. All of the given options

Ans. e

89. Typically how many strategic decision levels are in the corporate decision-making hierarchy?

a. 3

b. 4

c. could be more than 5

d. 2

Ans. a

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

a. Social

b. Economic

c. Cultural

d. Technological

Ans. b

91. External assessment is performed in which of the strategic management phase?

a. Strategy formulation stage

b. Strategy implementation stage

c. Strategy evaluation stage

d. All of the given options

Ans. a

92. Political variables have a significant effect on

a. Strategy formulation and implementation

b. Strategy formulation and evaluation

c. Strategy implementation and evaluation

d. Strategy formulation, implementation and evaluation

Ans. a

93. Strategic decisions ostensibly commit the firm for

a. 1 -2 years

b. The short term

c. one years

d. A long time, typically five years

Ans. d

94. Social responsibility is a critical consideration for a company's strategic decision makers since

a. Stockholders demand it

b. The mission statement must express how the company intends to contribute to the societies that sustain it

c. It increases a company's profits

d. It helps make decisions

Ans. b

95. "The perfect search engine would understand exactly what you mean and give back exactly what you want", this statement is included

in the mission statement of an online firm and is showing which one of the following components?

- a. Self-concept
- b. Concern for public image
- c. A declaration of attitude
- d. Philosophy

Ans. b

96. Which of the following are signs of weakness in a company's competitive position?

- a. A return-on-equity is below 25% and earnings per share of less than Rs. 2.00
- b. A price set by the firm higher than its rivals
- c. A declining market share, poor product quality and few sales in market

d. Lower revenues and profit margin and narrow product line than the market leader

Ans. c

97. It directs at developing new products before competitors do at improving product quality or at improving manufacturing processes to reduce costs.

a. Marketing

b. Opportunity analysis

c. Research and development

d. Management

Ans. c

98. "Identifying and evaluating key social, political, economic, technological and competitive trends and events". Which of the followings best describes this statement?

- a. Developing an effective mission statement
- b. Conducting an internal audit
- c. Performing an external audit
- d. Formulating strategy

Ans. c

99. What is the central purpose of strategic evaluation?

- a. Evaluate effectiveness of strategy to achieve organisational objectives.
- b. Evaluate effectiveness of control system to measure achievements.
- c. Evaluate effectiveness of strategies to be implemented efficiently.
- d. Evaluate effectiveness of the strategy implementation process.

Ans. a

100. Strategy evaluation at the_____ level involves using specific performance measures-qualitative and quantitative-for each functional area.

a. organizational

b. operational

c. functional

d. production

Ans. c

Which one of the following is the best description of strategic planning?

Engage in an internal and external analysis of your organization in order to develop a long-term vision and strategy that lays the foundation for implementation and assessment of a strategic plan

Which of the following is incorrect?

a. planning is the part of the management process that attempts to define the organization's future.

b. the approach to planning can differ greatly from manager to manager.

c. planning is a one time event.

d. planning is thinking out in advance the sequence of actions to accomplish a proposed course of action.

Your choice of "a" was incorrect. The correct answer is "c".

4-2. A system in which responsibility for planning lies with the highest level is called:

a. centralized planning.

b. decentralized planning.

c. strategic planning.

d. flexible planning.

Your choice of "c" was incorrect. The correct answer is "a".

4-3. A system in which the responsibility for planning lies with employees at several levels of the organization is called:

a. centralized planning.

b. decentralized planning.

c. strategic planning.

d. flexible planning.

You answered correctly!

4-4. Which of the following is not a benefit of planning?

a. coordination of effort.

b. preparation for change.

c. development of standards.

d. none of the above (all are benefits).

Your choice of "b" was incorrect. The correct answer is "d".

4-5. The first step in defining the competencies required for each job is to define the mission for each job. The next step is to:

- a. define performance standards for each major outcome.
- b. design and deliver appropriate training.
- c. describe the major outcomes required to achieve the mission.**
- d. identify known barriers to achieving the performance standards.

Your choice of "b" was incorrect. The correct answer is "c".

4-6. Comprehensive, long range planning, focusing on broad enduring issues is called:

- a. operational planning.
- b. strategic planning.**
- c. niche planning.
- d. none of the above.

You answered correctly!

4-7. The strategy of setting low prices to rapidly create a mass market is called:

- a. strategic planning.
- b. price penetration strategy.**
- c. prestige strategy.
- d. skimming strategy.

You answered correctly!

4-8. The strategy of setting high prices relative to the competition on the basis of high quality or an attractive image on the market is called:

- a. skimming strategy.
- b. price penetration strategy.
- c. prestige strategy.**
- d. niche strategy.

Your choice of "b" was incorrect. The correct answer is "c".

4-9. The first step in the planning process is to:

- a. determine goals and objectives.
- b. allocate resources.
- c. establish an action plan.
- d. assess current conditions.**

Your choice of "b" was incorrect. The correct answer is "d".

4-10. Canada Trust's statement "To be the best Personal Financial Company" is an example of a:

- a. goal.
- b. objective.
- c. mission statement.**
- d. all of the above.

Your choice of "a" was incorrect. The correct answer is "c".

4-11. Which of the following is not a characteristic of a good mission statement?

- a. achievable.

- b. motivating at all levels.
- c. strategies that are general.**
- d. long term.

Your choice of "b" was incorrect. The correct answer is "c".

4-12. Strategic objectives are set by:

- a. middle management.
- b. top management.**
- c. line management.
- d. all of the above.

You answered correctly!

4-13. Which of the following objectives would be most difficult to measure?

- a. social responsibility.**
- b. profitability objectives.
- c. financial objectives.
- d. quality objectives.

You answered correctly!

4-14. A planning process that introduced the concept of planning as a cycle that forms the basis for continuous improvement is called:

- a. time based planning.
- b. plan, do, check, act.**
- c. planning for continuous improvement.
- d. none of the above.

Your choice of "a" was incorrect. The correct answer is "b".

4-15. Which of the following was not noted by Joseph M. Juran as a negative outcome resulting from a lack of attention to quality in the planning process?

- a. threats to society.
- b. costs of poor quality.
- c. loss of sales due to competition in quality.
- d. loss of sales due to inferior service.**

Your choice of "a" was incorrect. The correct answer is "d".

The five elements of the strategy diamond are technologies, vehicles, differentiators, staging, and economic logic.

False

is the process by which a firm manages the formulation and implementation of its strategy.

Strategic Management

A disadvantage of international operations is:

Language, culture, and value systems differ among countries, causing communication barriers and problems managing people.

The two most critical questions that _____ strategy must address are how a company will achieve its objectives today, when other firms may be competing to satisfy the same customer's needs and how the firm plans to compete in the future.

Operational

All of these are pitfalls an organization should avoid in strategic planning except:

Using strategic planning to gain control over decisions and resources.

_____ are the individuals who are most responsible for the success or failure of an organization.

Strategists

All of the following are elements of the strategy diamond *except*

Advantages

Which of the following statements regarding strategy formulation and strategy implementation is the most accurate?

Neither strategy formulation, nor strategy implementation can succeed without the other.

Anything that a firm does especially well compared to rival firms is referred to as:

Competitive advantage.

Which is not a part of international strategy lifecycle?

Diversification Strategy

The action stage of strategic management is called strategy formulation.

False

The process of conducting research and gathering and assimilating external information is called:

Industry analysis

Within the strategy diamond _____ refer(s) to decisions about the areas in which a firm will be active including its products, services, distribution channels, market segments, geographic areas, technologies, and even stages of the valuecreation process

Economic logic

Which one is not a part of strategy formulation?

Corporate governance

The term _____ is used to refer to strategy formulation, implementation, and evaluation, with _____referring only to strategy formulation.

Strategic management; strategic planning

Which of these requires a firm to establish annual objectives, devise policies, and allocate resources?

Strategy formulation

The term strategic planning refers only to strategy formulation.

True

Which of the following is not one of the three fundamental questions addressed by corporate strategy?

How can we best position our operations to compete against present and future rivals within a particular business?

Which is not a part of strategy implementation?

International Strategy

The problem of limited resources within a firm makes _____ particularly important as the firm decides how to allocate its resources.

Strategy formulation

A division is a unit that:

- A) Has its own set of managers.***
- B) Has its own functions or departments.***
- C) Competes in a distinct industry.***
- D) Is all of these.***



Corporate-level strategy typically utilizes what time frame for planning?

- I. Short-term**
- II. Intermediate-term**
- III. Long-term**



A) II and III

B) I and III

C) I only

D) I and II

This strategy utilizes short-term or intermediate-term planning, but not usually long-term planning, to achieve its goals:

A) Divisional-level

B) Corporate-level



C) Functional-level

D) Business-level

A good plan does not do which of these:

- A) *Builds commitment for the goals*
- B) *Gives direction and purpose*
- ✓ C) *Eliminates the different functions and divisions of an organization*
- D) *Makes managers accountable for their goals*

All of the following are typical qualities of effective plans EXCEPT:

- A) *continuity.*
- ✓ B) *certainty.*
- C) *unity.*
- D) *flexibility.*

Scenario planning is also known as _____ planning.

- A) *Time*
- ✓ B) *Contingency*

- C) *Strategic*
- D) *Diversification*

Which of the following largely determines the success of a crisis management effort?

- A) *the amount of time before a response*
- B) *who the main spokesperson is*
- C) *the amount of media exposure*
- ✓ D) *the degree of transparency in the communication*

All of the following are basic steps in the planning process EXCEPT:

- A) *choosing strategies to try to accomplish mission and goals.*
- B) *determining the organization's mission and goals*
- C) *deciding how to organize resources to implement strategies.*
- ✓ D) *All of these are steps in the planning process.*

Which is a false statement concerning a mission statement?

- A) It is a very specific declaration of the organization's purpose***
- B) It identifies the organization's products***
- C) It identifies the organization's customers***
- D) It distinguishes the organization from its competitors***

In the determination of an organization's mission, the first step managers should take is _____.

- A) Identify customers***
- B) Establish major goals***
- C) Define the business***
- D) Forecast the future***

Setting goals is an important part of a manager's job. The best goals are _____.

- A) Ambitious, ambiguous, and time limited***
- B) Ambiguous, realistic, and time limited***
- C) Realistic, time limited, and objective***
- D) Ambitious, realistic, time limited***

Which one of Michael Porter's forces deals with companies lowering their prices in order to attract their competitors' customers?

- A) Potential for entry into an industry***
- B) Level of rivalry among organizations***
- C) Power of suppliers***
- D) Power of customers***

Which one of Michael Porter's forces deals with the idea that plastic can be used instead of steel in some applications?

- A) *Power of customers*
- B) *Power of suppliers*
- C) *Level of rivalry among organizations*
- ✓ D) *Threat of substitute products*

Which one of Michael Porter's forces would be most affected by your customers' loyalty to your products?

- A) *The level of rivalry among organizations in an industry*
- ✓ B) *The potential for entry into an industry*
- C) *The power of suppliers*
- D) *Substitute products*

When PepsiCo purchased Frito Lay Snackfood, this was an example of:

- A) *diversification.*
- B) *concentration on a single business.*
- C) *vertical integration.*
- D) *international expansion.*

When Coca-Cola spends huge amounts on advertising in an attempt to create a positive image for its Classic Coke, this is an example of:

- A) *a stuck-in-the-middle strategy.*
- B) *a low-cost strategy.*
- C) *a focused low-cost strategy.*
- D) *a differentiation strategy.*

When Matsushita decided to open company owned stores to sell its own products, this was an example of:

- A) *Backward vertical integration*



B) Forward vertical integration

C) Related diversification

D) Unrelated diversification

.

Which of the following is not included in strategy implementation?

A) Allocating appropriate resources

B) Allocating responsibility for implementation

C) Holding specific individuals responsible for goal attainment



D) Analyzing the current situation and setting major goals.

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C) *I only*

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B) *Corporate-level*




C) *Functional-level*

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.

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- B) Gives direction and purpose*
-  *C) Eliminates the different functions and divisions of an organization*
- D) Makes managers accountable for their goals*

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- A) *Allocating appropriate resources*
- B) *Allocating responsibility for implementation*
- C) *Holding specific individuals responsible for goal attainment*
- ✓ D) *Analyzing the current situation and setting major goals.*

The emphasis of strategic management is on

A) long-term performance.

B) first line managers.

C) the short-run performance of the corporation.

D) an examination of the organization's internal environment.

E) an investigation of competitor actions.

Multiple Choice

A

Research suggests that strategic management evolves through four sequential phases in corporations. The first phase is

A) externally oriented planning.

B) basic financial planning.

C) internally oriented planning.

D) forecast-based planning.

E) strategic management.

Multiple Choice

B

The time horizon involved with regard to basic financial planning is usually

A) one year.

B) one quarter.

C) three to five years.

D) less than one month.

E) five to ten years.

Multiple Choice

A

Which of the following is NOT a credit bureau?FICO

Information from your credit report can come from all of the following places except...

Your employer

Using debit cards can improve your credit score

False

"How reliable is your income?" is an example of a question that relates to your credit...Capacity

"Do you have a savings account?" is an example of a question that relates to your credit...Collateral

"Do you pay your bills on time?" is an example of a question that relates to your credit...

Character

The higher the credit score the less likely a person is to be delinquent on a loan payment.

True

Everyone is entitled to a free credit report each year as long as they have credit.

TRUE

John has a credit score of 560. He will probably qualify for LOW interest rates when taking out a loan.FALSE

Which of the following factors influences credit scores?

Number of credit inquiries

Which factor influences credit scores the MOST?

Payment history

Low income + high credit score = higher credit limit

TRUE

Credit cards are considered revolving lines of credit.

TRUE

The price of credit is called

Interest rate

Truth in Lending Law requires that all lenders can state their finance charge and interest rates in different ways.FALSE

This is the rate you pay in a single year on the money borrowed.APR

The finance charge of a loan depends on all of the following exceptCredit report

With a higher APR and a longer the period of the loan, the finance charge will be...

Larger

Credit cards can offer benefits that include all of the following EXCEPT...

Tax breaks

Which method of calculating interest is more favorable to the card holder?

Previous balance method

To shop for a loan a borrower must decide on all of the following EXCEPT

Their favorite bank

A common mistake when shopping for a loan is not asking for both the APR and finance charge.

TRUE

What is the recommended down payment amount when purchasing a car?15%

When purchasing a car, it is more important to have a lower interest rate than a lower monthly payment. True

Insurance costs between a new and used car will be the same over the course of time.FALSE

New cars lose most of their value within _____ year(s).

5

It is possible to negotiate with the dealer on the base price and documentation fee, but NOT on the registration and sales tax paid for the car.

TRUE

. For the first 5 years of ownership, used cars will save more money than a new car in all of the following categories except...

Maintenance and repairs

The McKinsey 7-S Framework highlights the _____ of the seven hard and soft elements.

intermittence

interconnectedness

independence

Interchangeability

The "soft" elements of the 7-S framework include all of the following EXCEPT which?

- a. *Style*
- b. *Shared values*
- c. *Skills*
- d. ***Systems***

What is meant by the element of "style" in the 7-S framework?

- a. The way the business is decorated.
- b. Whether a business is online or offline.
- c. **How the company's managers lead.**
- d. Why customers should shop with them.
- e. The daily activities that staff members engage in to get the job done

INCORRECT

nxfgg

THE ANSWER

Systems

- f. The style of leadership adopted

INCORRECT

xzjjxjj

THE ANSWER

Style

2 Matching questions

- 1. Staff

INCORRECT

A. The way the organization is structured and who reports to whom

THE ANSWER

B. The employees and their general capabilities

- 2. Structure

INCORRECT

B. The employees and their general capabilities

THE ANSWER

A. The way the organization is structured and who reports to whom

- The way the organization is structured and who reports to whom
- The employees and their general capabilities

2 Multiple choice questions

1. The actual skills and competencies of the employees working for the company

Style

Systems

Skills

Shared Values

2. Called "superordinate goals" when the model was first developed, these are the core values of the company that are evidenced in the corporate culture and the general work ethic.

Style

Shared Values

Systems

Skills

1 True/False question

1. The plan devised to maintain and build competitive advantage over the competition → Systems

INCORRECT

True

THE ANSWER

False

It should be → Strategy

The task of crafting corporate strategy for a diversified company encompasses

A) picking the new industries to enter and deciding on the means of entry.

B) initiating actions to boost the combined performance of the businesses the firm has entered.

C) pursuing opportunities to leverage cross-business value chain relationships and strategic fits into competitive advantage.

D) establishing investment priorities and steering corporate resources into the most attractive business units.

E) All of these

Which one of the following is not one of the elements of crafting corporate strategy for a diversified company?

A) Picking new industries to enter and deciding on the means of entry

B) Choosing the appropriate value chain for each business the company has entered

C) Pursuing opportunities to leverage cross-business value chain relationships and strategic fits into competitive advantage

D) Establishing investment priorities and steering corporate resources into the most attractive business units

E) Initiating actions to boost the combined performance of the businesses the firm has entered

Diversification merits strong consideration whenever a single-business company

A) has integrated backward and forward as far as it can.

B) is faced with diminishing market opportunities and stagnating sales in its principal business.

C) has achieved industry leadership in its main line of business.

D) encounters declining profits in its mainstay business.

E) faces strong competition and is struggling to earn a good profit.

Under which of the following circumstances is the firm most likely to consider a price cutting strategy?

Your Answer:

Perfectly inelastic demand

Correct Answer:

Relatively elastic demand

2.

Incorrect Brand extension strategies are often used to delay the onset of the:

Your Answer:

maturity phase of the product life cycle

Correct Answer:

decline phase of the product life cycle

3.

Incorrect The Boston Matrix essentially supports:

Your Answer:

process specialisation

Correct Answer:

a balanced portfolio of products.

4.

Incorrect In Porter's 'Five Forces' analysis, if a few large producers in the industry form a price-fixing agreement, we would say that the:

Your Answer:

threat of substitutes is significant

Correct Answer:

degree of competitive rivalry in the industry is low.

5.

Incorrect In Porter's 'Five Forces' analysis, if there are now fewer public houses 'tied' to particular brewers, we would say that the:

Your Answer:

threat of potential entrants increases

Correct Answer:

degree of competitive rivalry in the industry has risen

6.

Incorrect Which one of the following international strategies involves an MNE in responding to high cost pressures and high local responsiveness pressures in a way which often involves a more geographical dispersed value chain.

Your Answer:

Multidomestic

Correct Answer:

Transnational

7.

Incorrect Which one of the following international strategies involves an MNE in responding to high cost pressures and low local responsiveness pressures so that core competencies remain centralised and a standardised product is sold worldwide.

Your Answer:

International.

Correct Answer:

Global

8.

Incorrect Outsourcing a labour-intensive process in the value chain to a firm in another country is more likely if:

Your Answer:

contracts are frequently challenged and overruled in the overseas country.

Correct Answer:

relative labour costs are low and relative labour productivity is high in the overseas country

9.

Incorrect Which two of the following refer to using a low-price strategy?

Your Answer:

Parallel pricing

Loss-leader pricing.

Penetration pricing

Cartel pricing

Price skimming

Correct Answers:

Loss-leader pricing.

Penetration pricing

10.

Incorrect Which of the following refers to a situation where a product generates high profits which can then be invested in developing new products?

Your Answer:

Dogs

Correct Answer:

Cash cows

11.

Correct In Ansoff's matrix, a diversification strategy may involve new products and new markets.

Your Answer:

True

12.

Correct The threat of potential entrants may cause existing (incumbent) firms to keep prices low, even if the current market situation would permit higher prices.

Your Answer:

True

13.

Correct Cash Cows can help generate the profit needed to finance investment in the question marks which may become the Stars and Cash Cows of the future.

Your Answer:

True

14.

Incorrect A 'price war' is more likely to break out where price elasticity of demand is highly inelastic.

Your Answer:

True

Correct Answer:

False

15.

Incorrect In the decline stage of the product life cycle it may be worth cutting price to attract many new customers.

Your Answer:

True

Correct Answer:

False

16.

Correct A multidomestic strategy is a response to high local responsiveness pressures and involves relatively independent subsidiaries being established in other countries with most of the value chain elements present in those subsidiaries. Cost pressures will often be low in this case.

Your Answer:

True

17.

Incorrect Corporate strategy refers to devising strategies at the level of a particular business unit within the enterprise.

Your Answer:

True

Correct Answer:

False

18.

Correct In the Boston matrix, 'Question Marks' tend to have relatively high growth rates for sales revenue but relatively low market share.

Your Answer:

True

19.

Correct Focus strategy is one of Porter's three 'generic strategies' and refers to strategies targeted to particular segments of market activity.

Your Answer:

True

20.

Incorrect The threat of substitutes is not one of the 'five forces' identified by Porter.

Your Answer:

True

Correct Answer:

False

Which of the following is the best explanation of a niche market?

Small

. Which one of the following is the BEST example of niche marketing?

aqua

Which of the following is not a problem with marketing to the general consumer population?

potential of consumers

A differentiation based competitive strategy may add value in which of the following areas?

Your Answer:

After sales service.

Correct Answer:

All of the above.

Unfortunately you have selected the wrong answer; the right answer is 'All of the above' - quality of inputs, packaging and labeling, image and after sales service. Please see Understanding Strategic Management, Chapter 7.

2.

Incorrect The strategy of differentiation focus is used to compete in which type of market?

Your Answer:

Growing market.

Correct Answer:

Niche market.

Unfortunately you have selected the wrong answer; the right answer is 'Niche market'. Please see Understanding Strategic Management, Chapter 7.

3.

Incorrect The strategy of cost focus is used to compete in which type of market?

Your Answer:

Saturated market.

Correct Answer:

Niche market.

Unfortunately you have selected the wrong answer; the right answer is 'I Niche market'. Please see Understanding Strategic Management, Chapter 7.

4.

Incorrect According to strategy clock which of the following are strategies for failure?

Your Answer:

Offering standard products and higher prices.

Correct Answer:

Answers a & c.

Unfortunately you have selected the wrong answer; the right answer is 'Answers a & c' - offering standard products & higher prices and offering no-frills products & standard prices. Please see Understanding Strategic Management, Chapter 7.

5.

Incorrect The management objectives for Press's investor philosophy is/are which of the following?

Your Answer:

To improve efficiency of resource use.

Correct Answer:

To maximise shareholders wealth.

Unfortunately you have selected the wrong answer; the right answer is 'To maximise shareholders wealth'. Please see Understanding Strategic Management, Chapter 7.

6.

Incorrect The management objectives for Press's seller philosophy is/are which of the following?

Your Answer:

To improve efficiency of resource use.

Correct Answer:

To be market leader.

Unfortunately you have selected the wrong answer; the right answer is 'To be market leader'. Please see Understanding Strategic Management, Chapter 7.

7.

Incorrect When considering diversification Press's producer philosophy seeks to do which of the following?

Your Answer:

Consider the synergy achievable from the resulting internal activities.

Correct Answer:

Match organisational cultures.

Unfortunately you have selected the wrong answer; the right answer is 'Match organisational cultures'. Please see Understanding Strategic Management, Chapter 7.

8.

Correct When considering diversification Press's organiser philosophy seeks to do which of the following?

Your Answer:

Consider the synergy achievable from the resulting internal activities.

Well done, your answer is correct.

9.

Incorrect Market development is which of the following?

Your Answer:

(blank)

10.

Incorrect Which of the following are behavioural characteristics used for market segmentation?

Your Answer:

Customer loyalty.

Correct Answer:

All of the above.

Unfortunately you have selected the wrong answer; the right answer is 'All of the above - customer loyalty, purchase occasion, benefit segmentation and product usage'. Please see Understanding Strategic Management, Chapter 7.

11.

Incorrect Which of the following are customer characteristics used for market segmentation?

Your Answer:

Benefit segmentation.

Correct Answer:

Lifestyle.

Unfortunately you have selected the wrong answer; the right answer is 'Lifestyle'. Please see Understanding Strategic Management, Chapter 7.

12.

Incorrect In the introduction phase of the product lifecycle companies do which of the following?

Your Answer:

Make a small profit.

Correct Answer:

Seek new adopters.

Unfortunately you have selected the wrong answer; the right answer is 'Seek new adopters'. Please see Understanding Strategic Management, Chapter 7.

13.

Correct In the maturity phase of the product lifecycle companies do which of the following?

Your Answer:

Face increasing price competition.

Well done, your answer is correct.

14.

Correct A differentiated marketing strategy targets which of the following?

Your Answer:

A number of market segments.

Well done, your answer is correct.

15.

Incorrect A customised marketing strategy targets which of the following?

Your Answer:

A number of market segments.

Correct Answer:

Each customer separately.

Unfortunately you have selected the wrong answer; the right answer is 'Each customer separately'. Please see Understanding Strategic Management, Chapter 7.

1. Markets are product groupings. True or false?

True

False

Answer:

False

2. 'Customer' and 'consumer' mean the same thing. True or false?

True

False

3. If they are homogeneous, it means that customers are likely to respond in similar ways to marketing mix elements. True or false?

True

False

Answer:

True

4. 'Benefits sought' can be used to segment both consumer and business markets. True or false?

True

False

Answer:

True

5. 'Adopter type' can be classed as a demographic variable. True or false?

True

False

Answer:

False

6. What is the term for the process of dividing a total market into subgroups so that each group consists of buyers and users who share similar characteristics, but who are different from those in the other groups?

market subdivision

market targeting

market positioning

market segmentation

niche marketing

Answer:

d. market segmentation

7. What is undifferentiated marketing?

classless marketing

niche marketing

target marketing

mass marketing

custom marketing

Answer:

d. mass marketing

8. Lifestyle is an example of which type of segmentation variable?

psychographics

demographics

usage

geo-demographics

behavioural

Answer:

a. psychographics

9. Loyalty status is an example of which type of segmentation variable?

psychographics

demographics

usage

geo-demographics

behavioural

Answer:

e. behavioural

10. What are the criteria for designing workable marketing segments?

specific, measurable, achievable, relevant and timed

measurable, heterogeneous, homogeneous, substantial, operational and accessible

measurable, heterogeneous, homogeneous, specific and organisational

substantial, marketable, accessible, realistic and targetable

heterogeneous, achievable, substantial, measured, targeted and timed

Answer:

b. measurable, heterogeneous, homogeneous, substantial, operational and accessible

11. Festive Flowers have a number of shops, each of which serves a specific area. What type of market segmentation base are they using?

demographics

mediagraphics

geodemographics

geographic

aerial

Answer:

d. geographic

12. What is the term for segmentation systems such as ACORN and MOSAIC that have analysed the UK population by postcode?

geographic

mediagraphics

geodemographics

marketing information databases

population census

Answer:

c. geodemographics

13. Which of the following is an example of a behavioural segmentation base?

gender

user status

income

socio-economic class

personality

Answer:

b. user status

14. What does SIC stand for?

socio-income class

special individual category

social inequality cause

seller's insurance class

standard industry classification`

