

1. Sectors of the environment which have direct impact on the organization are called the:
  - ☒ a. task environment.
  - b. general environment.
  - c. organizational buffers.
  - d. environmental boundary-spanners.
2. The task environment is:
  - a. all elements that exist outside the organizational boundary.
  - ☒ b. sectors with which the organization interacts directly.
  - c. domain.
  - d. all jobs and positions inherent within the organizational activity.
3. An organization's environment includes all *except*:
  - a. labor market.
  - b. city, state, and federal laws.
  - c. Competitors.
  - ☒ d. production processes.
4. The \_\_\_\_\_ includes those sectors that might not have a direct impact on the daily operations of a firm but will indirectly influence it.
  - ☒ a. general environment
  - b. international context
  - c. task environment
  - d. buffering roles
5. Which of the following is a proper dimension of the framework for assessing environmental uncertainty?
  - a. Dispersion-contiguity
  - ☒ b. Simple-complex
  - c. Certain-uncertain
  - d. Internal-external
6. Which of the following means that decision makers do not have sufficient information about environmental factors and they have a difficult time predicting external change?
  - a. Cooptation
  - b. Differentiation
  - ☒ c. Uncertainty
  - d. Integration
7. Which of the following is a proper dimension of the framework for assessing environmental uncertainty?
  - ☒ a. Stable-unstable
  - b. Loose-tight
  - c. Known-unknown
  - d. High competitiveness-low competitiveness
8. Organizations in which of the following types of industries would face the greatest amount of environmental uncertainty?
  - a. Beer distributors because of simplicity
  - b. Universities because of complexity
  - ☒ c. Airlines because of instability
  - d. Appliance manufacturers because of complexity
9. Boundary-spanning roles:
  - a. primarily link data to information
  - b. buffer the manufacturing department from outside intrusion that would interfere with efficiency.
  - ☒ c. bring into the organization information about environmental changes.
  - d. move the firm to internationalism.

10. Bobby Barista is a researcher in the R&D department at 3M. Part of her job is to read technical and scientific journals, and to attend conferences to find out what new developments are occurring. When she is doing this part of her job she is carrying out a \_\_\_\_\_ role.
- buffering
  - maintenance
  - ☒ boundary spanning
  - managerial
11. The differences in cognitive and emotional orientations among managers in different functional departments, and the difference in formal structure among these departments is referred to as
- integration.
  - resource dependence.
  - cooptation.
  - ☒ differentiation.
12. In organizations characterized by very \_\_\_\_\_ and \_\_\_\_\_ environments, almost no managers are assigned to integration roles.
- ☒ simple, stable
  - simple, unstable
  - complex, stable
  - complex, unstable
13. \_\_\_\_\_ is the quality of collaboration among departments.
- Differentiation
  - ☒ Integration
  - Uncertainty
  - Cooptation
14. Organizations in rapidly changing environments tend to have \_\_\_\_\_ management processes.
- differentiated
  - mechanistic
  - ☒ organic
  - dependent
15. Which of the following is not a characteristic of the mechanistic process?
- Knowledge and control of tasks are centralized at the top of the organization
  - Tasks are rigidly defined
  - There is a strict hierarchy of authority and control
  - ☒ Communication is horizontal
16. Which of the following characteristics most accurately describes mechanistic organizations?
- Authoritarian, unfriendly leadership
  - Communication is horizontal
  - It is a service organization with individualized customer demands
  - ☒ Tasks are broken down into specialized parts
17. \_\_\_\_\_ means that organizations depend on the environment but strive to acquire control over resources to minimize their dependence.
- Integration
  - ☒ Resource dependence
  - Organic process
  - Cooptation

18. A(n) \_\_\_\_\_ involves the purchase of one organization by another so that the buyer assumes control.
- ☒ a. acquisition
  - b. merger
  - c. joint venture
  - d. domain
19. An organization can change its domain most directly by:
- a. hiring a new CEO.
  - b. changing the nature of the labor - management agreements.
  - ☒ c. Divesting a division of the organization.
  - d. moving to a more favorable structure.
20. \_\_\_\_\_ can be used to erect regulatory barriers against new competitors or to squash unfavorable legislation.
- a. Cooptation
  - b. Contracts
  - c. Joint venture
  - ☒ d. Political strategy
21. Which of the following is not a primary factor that motivates companies to expand internationally?
- a. Cheaper production factors
  - ☒ b. Smaller number of distribution channels
  - c. Economies of scale
  - d. Economies of scope
22. \_\_\_\_\_ refers to the number and variety of products and services a company offers, as well as the number and variety of regions, countries, and markets it serves.
- a. Economies of scale
  - b. Market potential
  - ☒ c. Scope
  - d. Development stage
23. In the \_\_\_\_\_ stage, an international division has replaced the export department, and specialists are hired to handle sales, service, and warehousing abroad.
- a. domestic
  - ☒ b. international
  - c. global
  - d. multinational
24. \_\_\_\_\_ strategy would encourage production design, assembly, and marketing tailored to the specific needs of each country.
- a. focused
  - ☒ b. multidomestic
  - c. globalization
  - d. joint venture
25. When a company such as Coca-Cola decides to use the same product design and advertising strategy throughout the world, it is following the \_\_\_\_\_ strategy.
- a. multidomestic
  - b. consortia
  - c. focused
  - ☒ d. globalization



26. The global product structure works best when a division handles products that:
- a. are technologically dissimilar.
  - ~~b.~~ can be standardized for marketing worldwide.
  - c. obsolete in one country, but not in another.
  - d. cheap and easy to produce.
27. The global matrix structure:
- a. will increase horizontal coordination, but will decrease vertical coordination.
  - ~~b.~~ works best when there is pressure for decision making that balances the interests of both product standardization and geographical localization.
  - c. commonly utilizes matrix bosses as functional and product heads.
  - d. is usually found in firms that have reached the "international stage" of international evolution.

## TRUE / FALSE

- False 1. The general environment includes sectors with which the organization interacts directly and which have a direct and regular impact on the organization's ability to achieve its goals.
- True 2. The environmental conditions of complexity and change create a greater need to gather information and to respond based on that information.
- True 3. When differentiation is high, integration should be high if the level of environmental uncertainty is high.
- False 4. In the organic organization, tasks are broken down into specialized, separate parts.
- True 5. Most e-commerce companies focus on a specific competitive niche and operate in simple but unstable environments as well.
- True 6. Differentiation refers to differences in cognitive and emotional orientations among managers in different functional departments.