



Review Test Submission: Chapter 8 Homework

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Course	2018SP STRATEGIC MGT POLICY (MGT-4315-71)
Test	Chapter 8 Homework
Started	3/25/18 3:52 PM
Submitted	3/25/18 3:56 PM
Due Date	3/25/18 11:59 PM
Status	Completed
Attempt Score	6 out of 8 points
Time Elapsed	4 minutes
Results Displayed	Submitted Answers, Correct Answers

Question 1

1 out of 1 points

It is unusual for a diversified firm to change its transfer-pricing mechanisms every few years in an attempt to find the "right" transfer-pricing mechanism.

Selected Answer: False

Correct Answer: False

Question 2

1 out of 1 points

In a diversified firm, market prices are set by a firm's corporate management to accomplish corporate objectives while transfer prices are determined by the market forces of supply and demand.

Selected Answer: False

Correct Answer: False

Question 3

0 out of 1 points

Transfer pricing should equal

Selected Answer: selling price.

Correct Answer: opportunity cost.

← OK

Question 4

SpandoCorp is a diversified firm that makes industrial, military and consumer products from Spandex. SpandoCorp manages each of the businesses that it operates in as a separate division and treats each as a true profit-and-loss center. In this organization, Grace McKenna is responsible for deciding which set of businesses SpandoCorp will operate in and for encouraging behavior that is consistent with this strategy, Wells Tucker provides information to McKenna about the internal and external environments that she uses in her decision making, and Kelly Rae is one of the individuals who is responsible for evaluating the firm's decision making to ensure that it is consistent with the interests of equity holders.

If SpandoCorp decides to use the method of allocating capital where each project receives funding on its merit and not because it received funding the previous year, it is using

Selected Answer:  zero-based budgeting.

Correct Answer:  zero-based budgeting.

Question 5

1 out of 1 points

The _____ is a subcommittee of the board of directors that maintains the relationship between the firm and external capital markets.

Selected Answer:  finance committee

Correct Answer:  finance committee

Question 6

0 out of 1 points

The M-form structure is designed to create checks and balances for managers that increase the probability that a diversified firm will be managed in ways consistent with the interests of its equity holders.

Selected Answer:  [None Given]

Correct Answer:  True

Question 7

1 out of 1 points

Divisions in an M-form organization should be large enough to represent identifiable business entities but small enough so that a division general manager can manage each one effectively.

Selected Answer:  True

Correct Answer:  True

Question 8

1 out of 1 points

When compared to the strategy implementation responsibilities of senior executives in U-form organizations, when implementing strategy, division general managers in M-form organizations

Selected

Answer:



must cooperate with other divisions to exploit corporate economies of scope.

Correct Answer:



must cooperate with other divisions to exploit corporate economies of scope.

Sunday, March 25, 2018 3:57:08 PM CDT