## Chapter 06

## Internal Analysis

**Multiple Choice Questions**

1.*(p. 148)* The tendency to accept the status quo and disregard signals that change is needed is called:   
**A.** Management myopia  
B. Environmental awareness  
C. Management long-sightedness  
D. Subjective management

*Difficulty: Medium  
Learning Objective: 1*

2.*(p. 149)* SWOT analysis's value and continued use is found in its:   
A. Complexity  
B. Difficulty  
**C.** Simplicity  
D. Short-sighted nature

*Difficulty: Medium  
Learning Objective: 1*

3.*(p. 149)* What have strategists sought in frameworks besides SWOT for conducting internal analysis?   
A. They have sought to get less detail from other frameworks  
**B.** They have sought that the frameworks be more comprehensive  
C. They have sought a less generic framework  
D. They have sought to better account for internal factors in light of external factors

*Difficulty: Difficult  
Learning Objective: 1*

4.*(p. 149)* A good fit maximizes a firm’s \_\_\_\_\_\_\_\_\_ and minimizes its \_\_\_\_\_\_\_\_.  
A. strengths and weaknesses; opportunities and threats  
**B.** strengths and opportunities; weaknesses and threats  
C. strengths and threats; weaknesses and opportunities  
D. strengths and opportunities; opportunities and threats

*Difficulty: Difficult  
Learning Objective: 1*

5.*(p. 149)* SWOT analysis is based on the assumption that an effective strategy derives from a sound “fit” between a firm’s \_\_\_\_\_\_\_\_\_ and its \_\_\_\_\_\_\_\_.  
A. strengths and opportunities; weaknesses and threats  
**B.** strengths and weaknesses; opportunities and threats  
C. strengths and threats; weaknesses and opportunities  
D. strengths and opportunities; opportunities and threats

*Difficulty: Difficult  
Learning Objective: 1*

6.*(p. 155)* \_\_\_\_\_\_\_ views a firm as a sequential process of value-creating activities.   
A. Resource-based analysis  
**B.** Value chain analysis  
C. SWOT analysis  
D. Primary internal analysis

*Difficulty: Easy  
Learning Objective: 2*

7.*(p. 149)* Common to all the approaches to internal analysis is:   
**A.** The use of meaningful standards for comparison in internal analysis  
B. The use of external factors of analysis  
C. The process point of view  
D. Management market myopia

*Difficulty: Difficult  
Learning Objective: 2*

8.*(p. 149)* \_\_\_\_\_\_\_\_ is a historically popular technique through which managers create a quick overview of a company's strategic situation—it is based on achieving a sound fit between internal resources and the external situation.   
A. Internal analysis  
B. External analysis  
C. Value chain analysis  
**D.** SWOT analysis

*Difficulty: Medium  
Learning Objective: 1*

9.*(p. 150)* A(n) \_\_\_\_\_\_\_\_ is a major favorable situation in a firm's environment.   
A. Value chain  
B. Strength  
**C.** Opportunity  
D. Capability

*Difficulty: Easy  
Learning Objective: 1*

10.*(p. 151)* A(n) \_\_\_\_\_\_ is a major unfavorable situation in a firm's environment.   
A. Weakness  
B. Core strength  
C. Competitive disadvantage  
**D.** Threat

*Difficulty: Easy  
Learning Objective: 1*

11.*(p. 150)* Which of the following is NOT an example of an opportunity for the firm?   
A. Identification of a previously overlooked market segment  
B. Improved buyer or supplier relationships  
C. Positive changes in regulatory circumstances  
**D.** Strong reputation and image with a key demographic

*Difficulty: Medium  
Learning Objective: 1*

12.*(p. 151)* A(n) \_\_\_\_\_\_ is a resource or capability controlled by or available to a firm that gives it an advantage relative to its competitors in meeting the needs of the customers it serves.   
A. Competence  
**B.** Strength  
C. Opportunity  
D. Competitive advantage

*Difficulty: Easy  
Learning Objective: 1*

13.*(p. 151)* A(n) \_\_\_\_\_\_\_ is a limitation or deficiency in one or more of a firm's resources or capabilities relative to its competitors that creates a disadvantage in effectively meeting customer needs.   
**A.** Weakness  
B. Threat  
C. Competitive limit  
D. Marginal resource

*Difficulty: Easy  
Learning Objective: 1*

14.*(p. 151)* Consider e-Pixels, a company that produces miniature digital video cameras that feature easy downloads and uplinks to computers. Which of the following represents a potential strength for the firm?   
**A.** Brand name  
B. Digitalization of most types of media  
C. Growing global computer companies with similar technology  
D. Limited experience with video technology

*Difficulty: Medium  
Learning Objective: 1*

15.*(p. 153)* According to a SWOT analysis diagram, what strategy does Cell 1 support?   
**A.** Aggressive  
B. Turnaround  
C. Defensive  
D. Diversification

*Difficulty: Difficult  
Learning Objective: 1*

16.*(p. 153)* The cells on the left side of the SWOT diagram are both characterized by:   
A. Substantial internal strengths  
B. Numerous environmental opportunities  
**C.** Critical internal weaknesses  
D. Major environmental threats

*Difficulty: Difficult  
Learning Objective: 1*

17.*(p. 153)* Which cell in the SWOT analysis diagram is the most favorable situation?   
**A.** Cell 1  
B. Cell 2  
C. Cell 3  
D. Cell 4

*Difficulty: Medium  
Learning Objective: 1*

18.*(p. 153)* \_\_\_\_\_\_\_\_ represents the least favorable situation, with the firm facing major environmental threats from a weak resource position.   
A. Cell 1  
B. Cell 2  
C. Cell 3  
**D.** Cell 4

*Difficulty: Medium  
Learning Objective: 1*

19.*(p. 153)* Which cell supports a turnaround-oriented strategy?   
A. Cell 2  
**B.** Cell 3  
C. Cell 4  
D. Cell 1

*Difficulty: Difficult  
Learning Objective: 1*

20.*(p. 153)* Which of the following describes the situation for a firm in Cell 2?   
A. The firm faces several environmental opportunities and has numerous strengths that encourage pursuit of those opportunities  
B. The firm faces major environmental threats from a weak resource position  
**C.** The firm has identified several key strengths, but faces an unfavorable environment  
D. The firm faces impressive market opportunity, but is constrained by weak internal resources

*Difficulty: Difficult  
Learning Objective: 1*

21.*(p. 153)* In the SWOT analysis diagram, which cell presents the least favorable situation?  
A. Cell 2  
B. Cell 1  
**C.** Cell 4  
D. Cell 3

*Difficulty: Difficult  
Learning Objective: 1*

22.*(p. 154)* What makes SWOT analysis susceptible to key limitations?   
A. Its narrow focus on external factors  
**B.** Its broad conceptual approach  
C. Its vastly limited applicability  
D. Its portrayal of the essence of sound strategy formulation

*Difficulty: Easy  
Learning Objective: 1*

23.*(p. 154)* One of the limitations of the SWOT analysis is that it can \_\_\_\_\_\_ internal strengths and \_\_\_\_\_\_ external threats.  
**A.** overemphasize; downplay  
B. underemphasize; downplay  
C. overemphasize; enhance  
D. underemphasize; enhance

*Difficulty: Medium  
Learning Objective: 1*

24.*(p. 154)* One of the limitations of the SWOT analysis is that it can be \_\_\_\_\_\_\_.  
**A.** static  
B. dynamic  
C. simple  
D. complex

*Difficulty: Medium  
Learning Objective: 1*

25.*(p. 154)* Critics of \_\_\_\_\_\_ warn that it is a one-time view of a changing, or moving, situation.  
**A.** SWOT analysis  
B. Core competency analysis  
C. Distinctive competency analysis  
D. Strategic analysis

*Difficulty: Medium  
Learning Objective: 1*

26.*(p. 154)* One of the limitations of the SWOT analysis is that it can \_\_\_\_\_\_ internal strengths and \_\_\_\_\_\_ external threats.  
**A.** overemphasize; downplay  
B. underemphasize; downplay  
C. overemphasize; enhance  
D. underemphasize; enhance

*Difficulty: Medium  
Learning Objective: 1*

27.*(p. 154)* A strength is \_\_\_\_\_\_\_ a source of competitive advantage.   
**A.** not necessarily  
B. always  
C. never  
D. seldom

*Difficulty: Medium  
Learning Objective: 1*

28.*(p. 155)* Which of the following statements is true?

**A.** Astrength is not always a source of competitive advantage  
B. Strengths are synonymous with competitive advantage  
C. Every company resource or capability is a strength and leads to competitive advantage  
D. Strengths are always inimitable

*Difficulty: Easy  
Learning Objective: 1*

29.*(p. 155)* A perspective in which business is seen as a chain of activities that transforms inputs into outputs that customers value is called:   
**A.** Value chain  
B. Value chain analysis  
C. Resource-base  
D. Process division

*Difficulty: Medium  
Learning Objective: 2*

30.*(p. 155)* Which of the following is NOT an example of a basic source from which customer value is derived?   
A. Activities that differentiate the product  
B. Activities that lower its cost  
**C.** Activities that add to product complexity  
D. Activities that meet the customer's need more quickly

*Difficulty: Easy  
Learning Objective: 2*

31.*(p. 155)* Value chain analysis takes a:   
**A.** Process point of view  
B. Functional point of view  
C. Horizontal point of view  
D. Corporate point of view

*Difficulty: Medium  
Learning Objective: 2*

32.*(p. 155)* Which method of internal analysis disaggregates the business into sets of activities that occur within the business, starting with inputs and finishing with the firm's products and after-service sales?   
A. Resource-based view  
**B.** Value chain analysis  
C. SWOT analysis  
D. Porter's generic strategies

*Difficulty: Easy  
Learning Objective: 2*

33.*(p. 155)* VCA disaggregates the business into a set of activities that occur  
A. outside the business  
**B.** within the business  
C. within the industry  
D. outside the industry

*Difficulty: Easy  
Learning Objective: 2*

34.*(p. 155)* In the value chain framework, there are \_\_\_\_ primary and \_\_\_\_ support activities.  
A. 4, 5  
**B.** 5, 4  
C. 5, 3  
D. 3, 5

*Difficulty: Easy  
Learning Objective: 2*

35.*(p. 156)* Which of the following is an example of a primary activity in the typical firm?   
A. Human resources management  
B. Research, technology and systems development  
C. General administration  
**D.** Logistics

*Difficulty: Medium  
Learning Objective: 2*

36.*(p. 156)* Which of the following is an example of support activities in the typical firm?   
A. Operations  
**B.** Procurement  
C. Marketing and sales  
D. Service

*Difficulty: Medium  
Learning Objective: 2*

37.*(p. 156)* Those activities in a firm that are involved in the physical creation of the product, marketing and transfer to the buyer and after-sales support are called:   
A. Operational activities  
B. Support activities  
C. Secondary activities  
**D.** Primary activities

*Difficulty: Easy  
Learning Objective: 2*

38.*(p. 157)* The initial step in value chain analysis is to:   
A. Allocate costs to different activities within the value chain  
B. Identify the firm's strengths and weaknesses  
**C.** Divide a company's operations into specific activities or processes  
D. Identify the firm's key resources and capabilities

*Difficulty: Easy  
Learning Objective: 2*

39.*(p. 158)* In VCA, which method of cost accounting is preferred?   
**A.** Activity-based cost accounting  
B. Value-based cost accounting  
C. Traditional cost accounting  
D. Financial cost accounting

*Difficulty: Medium  
Learning Objective: 2*

40.*(p. 159)* Which of the following is usually true about a firm's value chain?   
**A.** Scrutinizing a firm's value chain may bring attention to several sources of differentiation advantage relative to competitors  
B. Scrutinizing a firm's value chain does not usually reveal cost advantages or disadvantages  
C. Scrutinizing the firm's value chain can minimize the activities that are critical to buyer satisfaction  
D. Analysis of the firm's value chain can lead a firm to limit its market success

*Difficulty: Medium  
Learning Objective: 2*

41.*(p. 161)* Which of the following considerations is critical at the examination stage of the value chain analysis?   
A. All primary activities differentiate the firm  
B. The managers' choice of activities to be examined influences the mission statement of the firm  
C. The nature of value chains and the relative importance of the activities within them are standard across industries  
**D.** The relative importance of value activities can vary by a company's position in a broader value system that includes the value chains of its upstream suppliers and downstream customers or partners

*Difficulty: Medium  
Learning Objective: 2*

42.*(p. 161)* It is especially important that managers take into account their level of \_\_\_\_\_\_\_\_ when comparing their cost structure for activities on their value chain with those of key competitors.   
A. Competition  
B. Horizontal integration  
**C.** Vertical integration  
D. Concentric diversification

*Difficulty: Difficult  
Learning Objective: 2*

43.*(p. 155)* \_\_\_\_\_ is an internal analysis technique wherein strategists examine customers’ needs, company offerings, and competitors’ offerings to more clearly articulate what their company’s competitive advantage is and how it differs from those of competitors.  
A. Resource-based view  
**B.** Three-circles analysis  
C. SWOT analysis  
D. Value chain analysis

*Difficulty: Easy  
Learning Objective: 2*

44.*(p. 163)* The \_\_\_\_\_\_\_ underlying premise is that firms differ in fundamental ways because each firm possesses a unique “bundle” of resources.  
**A.** Resource-based view’s  
B. Value chain view’s  
C. Corporate view’s  
D. Functional view’s

*Difficulty: Easy  
Learning Objective: 3*

45.*(p. 163)* The \_\_\_\_\_\_\_ is a new perspective on understanding a firm's success based on how well the firm uses its internal resources.   
**A.** Resource-based view  
B. Value chain view  
C. Corporate view  
D. Functional view

*Difficulty: Easy  
Learning Objective: 3*

46.*(p. 163)* What is the underlying premise of the resource-based view?   
A. Firms generally have very similar capabilities stemming from almost identical resources  
B. Imitation of resources is the best way to achieve competitive advantages  
**C.** Firms differ in fundamental ways because each firm possesses a unique bundle of resources  
D. Firms' intangible resources can be very difficult to imitate

*Difficulty: Difficult  
Learning Objective: 3*

47.*(p. 164)* Which of the following is NOT a basic resource for any firm?   
A. Tangible assets  
**B.** Core outputs  
C. Intangible assets  
D. Organizational capabilities

*Difficulty: Medium  
Learning Objective: 3*

48.*(p. 164)* A capability or skill that a firm emphasizes and excels in doing while in pursuit of its overall mission is called a    
A. Intangible asset  
**B.** core competence  
C. Capability  
D. Distinctive Competence

*Difficulty: Easy  
Learning Objective: 3*

49.*(p. 164)* Core competencies that differ from those found in competing firms would be considered   
A. Intangible assets  
**B.** Distinctive competencies  
C. Capabilities  
D. Competencies

*Difficulty: Easy  
Learning Objective: 3*

50.*(p. 164)* \_\_\_\_\_\_\_ become the basis for a lasting competitive advantage.  
A. Intangible opportunities  
**B.** Distinctive competencies  
C. All capabilities  
D. All competencies

*Difficulty: Easy  
Learning Objective: 3*

51.*(p. 164)* The most easily identified assets, often found on a firm's balance sheet, are called:   
A. Intangible assets  
**B.** Tangible assets  
C. Capabilities  
D. Competencies

*Difficulty: Easy  
Learning Objective: 3*

52.*(p. 164)* Patents and trademarks are examples of   
A. Tangible assets  
**B.** Intangible assets  
C. Capabilities  
D. Competencies

*Difficulty: Easy  
Learning Objective: 3*

53.*(p. 164)* Which of the following is NOT an example of an intangible asset?   
**A.** Financial resources  
B. Brand names  
C. Company reputation  
D. Organizational morale

*Difficulty: Medium  
Learning Objective: 3*

54.*(p. 164)* Company reputation is an example of a   
**A.** Intangible asset  
B. Tangible asset  
C. Organizational capability  
D. Organizational function

*Difficulty: Medium  
Learning Objective: 3*

55.*(p. 164)* Company reputation is an example of a   
**A.** Intangible asset  
B. Tangible asset  
C. Organizational capability  
D. Organizational function

*Difficulty: Medium  
Learning Objective: 3*

56.*(p. 166)* Which of the following is NOT one of the RBV guidelines?   
A. Resources are more valuable when they are critical to being able to meet a customer's need better than other alternatives  
**B.** Resources are more valuable when they are non-durable  
C. Resources are most valuable when they are scarce  
D. Resources are most valuable when they drive a key portion of overall profits

*Difficulty: Medium  
Learning Objective: 3*

57.*(p. 166)* Consider Company A, a financial services company specializing in small business issues, whose location is in a shopping mall in the suburbs and Company B, a similar business, whose location is downtown between a successful law firm and a courthouse. Company A's comparative success can be best attributed to which RBV guideline?   
A. Resource are more valuable when they are scarce  
B. Resources are more valuable when they are durable  
C. Resources are more valuable when they are scarce  
**D.** Resources are more valuable when they are critical to being able to meet a customer's need better than other alternatives

*Difficulty: Difficult  
Learning Objective: 3*

58.*(p. 166)* The availability of substitutes affects which of the RBV guidelines?   
**A.** Resources are more valuable when they are scarce  
B. Resources are more valuable when they are durable  
C. Resource are more valuable when they are scarce  
D. Resources are more valuable when they are critical to being able to meet a customer's need better than other alternatives

*Difficulty: Difficult  
Learning Objective: 3*

59.*(p. 167)* \_\_\_\_\_\_\_ help the firm create resource scarcity by making resources hard to imitate.   
A. Resource bundles  
B. Capabilities  
**C.** Isolating mechanisms  
D. Tangible resources

*Difficulty: Medium  
Learning Objective: 3*

60.*(p. 167)* Which of the following is NOT an example of an isolating mechanism?   
A. Physically unique resources  
**B.** Capital ambiguity  
C. Path-dependent resources  
D. Economic deterrence

*Difficulty: Medium  
Learning Objective: 3*

61.*(p. 167)* \_\_\_\_\_\_\_\_ are very difficult to imitate because of the difficult, sometimes complicated path another firm must follow to create the resource.   
**A.** Path-dependent resources  
B. Physically unique resources  
C. Economic resources  
D. Ambiguous resources

*Difficulty: Easy  
Learning Objective: 3*

62.*(p. 168)* Which of the following involves large capital investments in capacity to provide products or services in a given market that are scale sensitive?   
A. Path-dependence  
B. Casual ambiguity  
C. Physical uniqueness  
**D.** Economic deterrence

*Difficulty: Easy  
Learning Objective: 3*

63.*(p. 168)* Brand loyalty, employee satisfaction and a reputation for fairness are items that:   
A. Are easy to imitate  
B. Can be imitated, but may not be  
C. Cannot be imitated  
**D.** Are difficult to imitate

*Difficulty: Medium  
Learning Objective: 3*

64.*(p. 169)* Which of the following statements is true?   
A. The faster a resource depreciates, the more valuable it is  
**B.** The slower a resource depreciates, the more valuable it is  
C. The larger a resource or asset, the more slowly it depreciates  
D. Intangible assets can have their depletion measures easily

*Difficulty: Medium  
Learning Objective: 3*

65.*(p. 169)* In the increasingly hypercompetitive global economy today, distinctive competencies and competitive advantages:   
A. Are commonplace  
B. Are a prerequisite to being in business for the short-term  
C. Are particularly durable  
**D.** Can fade quickly

*Difficulty: Difficult  
Learning Objective: 3*

66.*(p. 169)* Which of the following illustrates what it means to utilize a functional perspective?   
**A.** Looking at different functional areas of the firm, disaggregating tangible and intangible assets as well as organizational capabilities that are present, can begin to uncover important value-building resources that deserve further analysis  
B. Dividing categories by function into more specific competencies can allow a more measurable assessment  
C. Taking a creative look at what competencies the firm possesses (or has the potential to possess) can help identify sources of competitive advantage  
D. The value chain approach can uncover organizational capabilities, activities and processes that are potential sources of competitive advantage

*Difficulty: Difficult  
Learning Objective: 4*

67.*(p. 169)* Which of the following combinations provides the best sources of competitive advantage?   
A. Resources/capabilities that are scarce, durable and sustainable  
B. Resources/capabilities that are central to meeting a customer need better than other alternatives and are inimitable  
C. Resources/capabilities that are durable, scarce and appropriable to the firm  
**D.** Resources/capabilities that are directly appropriable to the firm, inimitable, durable and meet customer needs better than other alternatives

*Difficulty: Medium  
Learning Objective: 3*

68.*(p. 172)* When a strategist uses the firm's historical experience as a basis for evaluating internal factors, he or she is performing a:   
A. Comparison with key competitors  
B. Comparison with success factors in the industry  
**C.** Comparison with past performance  
D. Comparison with industry benchmarks

*Difficulty: Easy  
Learning Objective: 4*

69.*(p. 172)* A manager's assessment of whether a certain internal factor--like financial capacity--is a strength or weakness will be most strongly influenced by:   
A. The relative strength of other factors  
B. The factor's flexibility within the organization  
**C.** The manager's experience in connection with that factor  
D. The manger's perception of that factor in other firms

*Difficulty: Medium  
Learning Objective: 4*

70.*(p. 172)* Using historical experience as a basis for identifying strengths and weaknesses can be likened to:   
A. Market myopia  
**B.** Tunnel vision  
C. Management myopia  
D. Benchmarking

*Difficulty: Medium  
Learning Objective: 4*

71.*(p. 172)* The differences in internal resources among companies in the same industry:   
**A.** Can become relative strengths or weaknesses depending on the strategy a firm chooses  
B. Almost always result in competitive advantages based on relative strengths or weaknesses  
C. Arise from benchmarking  
D. Are easily observed and relative strengths are easily imitated

*Difficulty: Medium  
Learning Objective: 4*

72.*(p. 174)* \_\_\_\_\_\_\_ is a method of comparing the way a company performs a specific activity with a competitor, potential competitor or company doing the same thing.   
**A.** Benchmarking  
B. Imitating  
C. Value chain analysis  
D. Vertical integration

*Difficulty: Easy  
Learning Objective: 4*

73.*(p. 174)* Company X's principal strength is its inbound and outbound logistics system; its relative weakness, however is after-sales service. Its competitor, Company Y, however is often plagued with lagging shipments and an inflexible distribution setup. Company Y remains successful because it maintains a fully staffed service department and as a result the company is known for its dependable service. \_\_\_\_\_\_\_ allows them to identify ways to build on relative strengths and avoid dependence on capabilities at which the other firm excels.   
A. Industry comparison  
**B.** Benchmarking  
C. Past performance comparison  
D. Disaggregating

*Difficulty: Medium  
Learning Objective: 4*

74.*(p. 174)* \_\_\_\_\_\_\_ involve(s) identifying the factors associate with successful participation in a given industry.   
A. The resource-based view  
B. Value chain analysis  
**C.** Industry analysis  
D. Porter's generic strategies

*Difficulty: Easy  
Learning Objective: 4*

75.*(p. 175)* Which of the following is a useful framework against which to examine a firm's potential strengths and weaknesses in a given industry?   
A. Isolating mechanisms  
B. The value chain  
C. Organizational capabilities  
**D.** Porter's five forces

*Difficulty: Medium  
Learning Objective: 4*

76.*(p. 176)* A company producing toilet paper, tissues and other consumer paper goods can work to establish the right product lines, with reasonable sales volumes, profit margins and growth potential in order to generate:   
**A.** Supplier power to face massive buyer power in retail customers  
B. Buyer power for the end-consumers  
C. Supplier power for the retail chains  
D. Regional advantages over buyers

*Difficulty: Hard  
Learning Objective: 4*

77.*(p. 176)* \_\_\_\_\_\_\_\_ is one way to identify success factors against which executives can evaluate their firm's competencies relative to its key product or products.   
A. Corporate strategy  
**B.** Product life cycle  
C. Diversification  
D. Agglomeration

*Difficulty: Easy  
Learning Objective: 4*

**Essay Questions**

78. Describe the elements of SWOT analysis.

Please refer to the discussion titled "SWOT Analysis: A Traditional Approach to Internal Analysis," on pages 149-151.

*Learning Objective: 1*

79. How is SWOT analysis used in strategic analysis?

Please refer to the discussion titled “Using SWOT Analysis in Strategic Analysis” on pages 152-154, particularly Exhibit 6.2 on page 153.

*Learning Objective: 1*

80. What are the limitations of SWOT analysis?

Please refer to the discussion titled “Limitations of SWOT Analysis” on pages 154-155.

*Learning Objective: 1*

81. Explain the difference between primary activities and support activities and give examples of both.

Please refer to the discussion titled "Value Chain Analysis" on pages 155-157 and particularly the table in Exhibit 6.3, "The Value Chain," on page 156.

*Learning Objective: 2*

82. Describe the steps in conducting a value chain analysis.

Please refer to the discussion titled “Conducting a Value Chain Analysis” on pages 157-158.

*Learning Objective: 2*

83. What are the problems created by using activity-based cost accounting?

Please refer to the discussion titled "Recognizing the Difficulty in Activity-Based Cost Accounting," on pages 159-161.

*Learning Objective: 2*

84. Explain the premise for the resource-based view of the firm. How is this different from other perspectives?

Please refer to the discussion titled "Resource-Based View of the Firm," on pages 163-164.

*Learning Objective: 3*

85. Describe the elements of the resource-based view. Give examples of each type.

Please refer to the discussion titled "Three Basic Resources: Tangible Assets, Intangible Assets and Organizational Capabilities," on page 164.

*Learning Objective: 3*

86. What are core competencies? How are they different from distinctive competencies? How do distinctive competencies lead to competitive advantage?

Please refer to the discussion titled “Core Competencies” on page 164.

*Learning Objective: 3*

87. Cite the guidelines to the resource-based view and briefly describe their meaning.

Please refer to the discussion titled "What Makes a Resource Valuable?" on pages 166-169.

*Learning Objective: 3*

88. When using the RBV, what four steps can help a firm gauge which resources truly have strategic value?

Please refer to the discussion titled "What Makes a Resource Valuable," on pages 166-169.

*Learning Objective: 3*

89. What are isolating mechanisms? What role do they play in the resource-based view?

Please refer to the discussion in the section “Imitation” on pages 167-168.

*Learning Objective: 3*

90. How can the resource-based view be used in internal analysis?

Please refer to the discussion titled “Using the Resource-Based View in Internal Analysis” on pages 169-172.

*Learning Objective: 3*

91. What is three circles analysis?

Please refer to the discussion “Competitive Advantage Via Customer Value: Three Circles Analysis” on pages 161-163.

*Learning Objective: 3*

92. If a firm wants to chart its progress internally, what method of comparison is appropriate? Describe how this works.

Please refer to the discussion titled "Comparison with Past Performance," on page 172.

*Learning Objective: 4*

93. What is the purpose of benchmarking? How else can a firm evaluate itself against its industry?

Please refer to the discussions titled "Benchmarking: Comparison with Competitors" and "Comparison with Success Factors in the Industry," on pages 172-176.

*Learning Objective: 4*

94. How can a firm compare itself with success factors in the industry?

Please refer to the discussion in the section titled “Comparison With Success Factors in the Industry” on pages 174-176.

*Learning Objective: 4*

95. What is the product life cycle? What are its different stages?

Please refer to the discussion titled “Product Life Cycle” on pages 176-177.

*Learning Objective: 4*

96. Describe what liquidity ratios measure? What are the important liquidity ratios?

Please refer to the discussion “Liquidity Ratios” on page 181.

*Learning Objective: 5*

97. What does the term “leverage” mean? What are the important leverage ratios?

Please refer to the discussion “Leverage Ratios” on pages 181-184.

*Learning Objective: 5*

98. What do activity ratios measure? What are the key activity ratios?

Please refer to the discussion “Activity Ratios” on page 184.

*Learning Objective: 5*

99. Describe the principal profitability ratios and indicate what each measures.

Please refer to the discussion “Profitability Ratios” on pages 184-186.

*Learning Objective: 5*

100. What does an analysis of the sources and uses of funds do? How is this analysis done?

Please refer to the discussion titled “Analysis of the Sources and Uses of Funds” on pages 186-187.

*Learning Objective: 5*