

Tests & Quizzes

Exam 1, Ch 1-4

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Part 1 of 1 - / 100.0 Points

Question 1 of 50

2.0 Points

Which of the following questions is addressed by the organizational perspective of management?

- ✓ A. How should a business compete?
- ✓ B. How will performance be measured?
- ✓ C. What strategy will allow a firm to adapt as the context evolves?
- ✓ D. How do managers use power and influence?

Answer Key: B

Question 2 of 50

2.0 Points

Z-Gadget organizations often face opposition when they go into a community to open a new Z-Gadget store. One reason for this is that the management of Z-Gadget has been accused of unethical acts such as discriminating against women and minorities. The top manager's poor treatment of women and minority employees might be considered a failure with respect to what area of management?

- ✓ A. Strategic positioning
- ✓ B. Organizational design
- ✓ C. Individual leadership
- ✓ D. Shareholder value

Answer Key: C

Question 3 of 50

2.0 Points

Which of the following is the most important skill of a middle manager?

- ✓ A. Technical skills to earn credibility of his/her team
- ✓ B. Interpersonal skills such as motivating and developing teams

- ✓ C. Setting vision and objectives for the organization
- ✓ D. Conceptual skills for developing organization's strategy

Answer Key: B

Question 4 of 50

2.0 Points

John is a top executive in an organization. He is involved in developing and improving the organization's strategy by working along with other senior executives. From this scenario, it can be inferred that John uses ____ of management.

- ✓ A. technical skills
- ✓ B. conceptual skills
- ✓ C. interpersonal skills
- ✓ D. behavioral skills

Answer Key: B

Question 5 of 50

2.0 Points

Harry, a top manager of an organization, clearly differentiated the tasks and responsibilities of his employees. Moreover, he emphasized that top level executives should do the planning and the lower level executives should execute those plans. Identify the management technique used by Harry.

- ✓ A. Bureaucratic organization structure
- ✓ B. Human relations movement
- ✓ C. Scientific management
- ✓ D. Contingent view

Answer Key: A

Question 6 of 50

2.0 Points

The factor that distinguishes human relations movement from scientific management is that human relations movement:

- ✓ A. focuses on how jobs could be designed to improve productivity.
- ✓ B. emphasized the importance of informal social relations at work.

- ✓ C. views the firm as a machine and the manager as a machine operator.
- ✓ D. shifted emphasis from the social side of the firm to the output of the firm.

Answer Key: B

Question 7 of 50

2.0 Points

According to the ____ view of the firm, the job of top managers was to produce the highest possible stock market valuation of the firm's assets.

- ✓ A. managerial
- ✓ B. stakeholder
- ✓ C. contingent
- ✓ D. shareholder

Answer Key: D

Question 8 of 50

2.0 Points

____ is a business framework that attempts to organize and analyze multiple groups that interact with the firm.

- ✓ A. Stakeholder view
- ✓ B. Contingent view
- ✓ C. Shareholder view
- ✓ D. Managerial view

Answer Key: A

Question 9 of 50

2.0 Points

The first step of stakeholder mapping process involves:

- ✓ A. identifying specific subgroups within each stakeholder.
- ✓ B. mapping all of the stakeholder relationships with the firm.
- ✓ C. determining stakes for each stakeholder.
- ✓ D. mapping connections between various stakeholders.

Answer Key: B

Question 10 of 50

2.0 Points

Which of the following refers to the systematic assessment of the external environment to prepare for a possible range of alternative futures for the organization?

- ✓ A. Scenario building
- ✓ B. Trend analysis
- ✓ C. Contingency planning
- ✓ D. Environmental scanning

Answer Key: C

Question 11 of 50

2.0 Points

Fine Electronics, a manufacturing company, plans to secure new suppliers in Rhodia. There-fore, the manager of the company and his executives visit Rhodia to better understand its culture and explore opportunities. This shows that the manager of Fine Electronics is using ____ to make strategic changes.

- ✓ A. technical skills
- ✓ B. contingency approach
- ✓ C. contextual intelligence
- ✓ D. scientific management

Answer Key: C

Question 12 of 50

2.0 Points

Which of the following is a significant factor in building contextual intelligence?

- ✓ A. Developing appreciation and awareness of history
- ✓ B. Emphasizing the importance of informal social relations at work
- ✓ C. Converting raw materials into products to sell to customers
- ✓ D. Developing standardized rules and procedures

Answer Key: A

Question 13 of 50

2.0 Points

To remain competitive, companies:

- ✓ A. shouldn't be proactive to its changing environment.
- ✓ B. should not try to influence the global business environment.
- ✓ C. can no longer sell exclusively in their domestic markets.
- ✓ D. should not make any attempts to expand globally.

Answer Key: C

Question 14 of 50

2.0 Points

Identify the country that is represented by NAFTA.

- ✓ A. United Kingdom
- ✓ B. Zimbabwe
- ✓ C. Costa Rica
- ✓ D. Mexico

Answer Key: D

Question 15 of 50

2.0 Points

Which of the following trade agreements does Costa Rica belong to?

- ✓ A. North American Free Trade Agreement
- ✓ B. Gulf Cooperation Council
- ✓ C. European Union
- ✓ D. Central American Common Market

Answer Key: D

Question 16 of 50

2.0 Points

The fourth largest regional trading group, MERCOSUR, comprises the countries of:

- ✓ A. Argentina, Brazil, Paraguay, Uruguay, and Venezuela.
- ✓ B. Bahrain, Kuwait, Oman, and Qatar.
- ✓ C. Canada, Mexico, and United States.
- ✓ D. Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.

Answer Key: A

Question 17 of 50

2.0 Points

Of the three main principles of GATT, the most favored nation principle meant that:

- ✓ A. a tariff rate granted to one member of GATT would be extended to all members.
- ✓ B. foreign firms would be subject to the same rules and regulations as a country's domestic firms.
- ✓ C. trade disputes would be settled by the unanimous agreement of all parties to the dispute.
- ✓ D. countries should specialize in producing goods for which they have the lowest opportunity cost of production.

Answer Key: A

Question 18 of 50

2.0 Points

Identify the trade agreement that created a single market by a system of laws that apply in all member states, guaranteeing the freedom of movement of people, goods, services, and capital.

- ✓ A. North American Free Trade Agreement
- ✓ B. Economic Community of West African States
- ✓ C. European Union
- ✓ D. Central American Common Market

Answer Key: C

Question 19 of 50

2.0 Points

A firm's task environment includes:

- ✓ A. owners and the board of directors.
- ✓ B. competitors, suppliers, and customers.

- ✓ C. employees and culture.
- ✓ D. economic and socio-cultural factors.

Answer Key: B

Question 20 of 50

2.0 Points

Sam, the top manager of TechPark, decides to expand his business globally and creates a new market in Erbia, a neighboring country. Eventually, the company faces issues related to unskilled labor and poor resource positions such as unreliable highway systems and improper communication networks. From this scenario it can be inferred that Sam failed to focus on the ____ dimension of the external environment affecting business.

- ✓ A. socio-cultural
- ✓ B. political
- ✓ C. legal
- ✓ D. economic

Answer Key: D

Question 21 of 50

2.0 Points

The members of a particular society in Rhodia often find it hard to adapt themselves to the changing situations. Therefore, they prefer to follow standard rules and procedures in an attempt to reduce the occurrences of any anxiety causing situations. Which of the following Hofstede's social dimensions is described in the above example?

- ✓ A. Uncertainty avoidance
- ✓ B. Long- versus short-term orientation
- ✓ C. Small versus large power distance
- ✓ D. Individualism versus collectivism

Answer Key: A

Question 22 of 50

2.0 Points

The factor that distinguishes an internal environment of an organization from an external environment is that:

- ✓ A. the internal environment consists of the general environment and the task environment.
- ✓ B. the internal environment includes owners, the board of directors, employees, and culture.
- ✓ C. the internal environment includes entities that directly affect a firm on a continuous basis.
- ✓ D. the internal environment consists of the technological, economic, and socio-cultural factors.

Answer Key: B

Question 23 of 50

2.0 Points

The responsibility of James and Henry in an organization is to direct and oversee managers to ensure that the jobs are properly done. Both were elected by the shareholders of the organization to serve as an intermediate group. From this scenario it can be inferred that James and Henry are the ____ of the organization.

- ✓ A. employees
- ✓ B. board of directors
- ✓ C. institutional shareholders
- ✓ D. owners

Answer Key: B

Question 24 of 50

2.0 Points

The factor that distinguishes owners from the board of directors is that:

- ✓ A. the owners serve as an intermediate group for shareholders.
- ✓ B. the owners maintain legal control of the organization.
- ✓ C. the owners are charged with overseeing the general direction of the firm.
- ✓ D. the owners are elected by the shareholders.

Answer Key: B

Question 25 of 50

2.0 Points

Which of the following is a direct benefit derived from CSR?

- ✓ A. CSR enables a company to build its brand value.
- ✓ B. CSR is responsible for bringing foreign direct investment.
- ✓ C. CSR brings better productivity from the work force.
- ✓ D. CSR has a direct impact on debenture interest rate.

Answer Key: A

Question 26 of 50

2.0 Points

According to Kazuo Inamori, an employee in the first level of performance:

- ✓ A. would neglect morality to gain economic benefits.
- ✓ B. would achieve results with a positive attitude.
- ✓ C. would fail to achieve any sustainable results.
- ✓ D. would enjoy successful results without positive efforts.

Answer Key: B

Question 27 of 50

2.0 Points

Someone who has been entrusted to make decisions on behalf of another party is called a ____.

- ✓ A. mentor
- ✓ B. principal
- ✓ C. fiduciary
- ✓ D. subordinate

Answer Key: C

Question 28 of 50

2.0 Points

____ is a subset of justice that claims that rules should be clearly stated, consistently obeyed, and impartially enforced.

- ✓ A. Distributive justice
- ✓ B. Procedural justice
- ✓ C. Retributive justice

- ✓ D. Conditional justice

Answer Key: B

Question 29 of 50

2.0 Points

____ justice helps countries set up rules through political legislation and enforce the rules fairly through court systems.

- ✓ A. Restorative
- ✓ B. Economic
- ✓ C. Distributive
- ✓ D. Procedural

Answer Key: D

Question 30 of 50

2.0 Points

When employees or managers engage in activities on behalf of the company and they have a personal concern in the outcome of those activities, they are:

- ✓ A. preventing distributive justice.
- ✓ B. engaging in a conflict of interest.
- ✓ C. engaging in fraudulent misrepresentation.
- ✓ D. confronting fiduciary behavior.

Answer Key: B

Question 31 of 50

2.0 Points

Which of the following is true of an organization's trade secrets?

- ✓ A. An organization cannot retrieve trade secrets stolen by foreign companies.
- ✓ B. An organization must rely on external forces to protect its intellectual property.
- ✓ C. An organization can protect itself using international intellectual property laws.
- ✓ D. An employee cannot reveal trade secrets even with the permission of the organization.

Answer Key: C

Question 32 of 50

2.0 Points

Which of the following best defines whistle-blowing?

- ☒ A. It is the attempt to influence a bidding process by providing monetary or non-monetary benefits to officials engaged in the process.
- ☒ B. It is the attempt to gain an unfair advantage by providing monetary benefits to governmental officials.
- ☐ C. It is the release of trade secrets by a member of an organization to a rival organization engaged in the same business or trade.
- ☒ D. It is the release of information by a member of an organization that is evidence of illegal or immoral conduct to executives in a company.

Answer Key: D

Question 33 of 50

2.0 Points

Jake, a corporate accountant, works for a manufacturing firm. During an annual accounts review, he noticed that there were certain discrepancies in the accounts. He knew that the top management was involved in manipulation of accounts and reported this to the federal authorities. In this scenario, Jake is ____.

- ☒ A. engaged in bribery
- ☒ B. revealing trade secrets
- ☒ C. engaged in whistle-blowing
- ☒ D. engaged in bid-rigging

Answer Key: C

Question 34 of 50

2.0 Points

____ responsibilities refer to a business's duty to make a profit and increase share-holder value.

- ☒ A. Ethical
- ☒ B. Judicial
- ☒ C. Economic
- ☒ D. Social

Answer Key: C

Question 35 of 50

2.0 Points

A firm's ethical responsibilities are:

- ✗ A. behaviors enforced on the firm.
- ✓ B. implemented to meet financial obligations.
- ✓ C. behaviors the general population expects.
- ✓ D. defined by the federal government.

Answer Key: C

Question 36 of 50

2.0 Points

Which of the following is most likely to be a reason why CSR improves a firm's profit margins?

- ✓ A. CSR reduces negativity within an organization and improves employee productivity.
- ✓ B. Investment in CSR leads to an increase in stock prices due to increased liquidity.
- ✓ C. Investment in CSR is viewed positively by customers and they make purchases based on this.
- ✓ D. CSR increases the investment that a society is likely to make in an organization.

Answer Key: C

Question 37 of 50

2.0 Points

Corporate social responsibility activities that are directly related to business activities so that they can combine social welfare with financial welfare are known as ____.

- ✓ A. accountable CSR
- ✓ B. strategic CSR
- ✓ C. inventive CSR
- ✓ D. ethical CSR

Answer Key: B

Question 38 of 50

2.0 Points

The Sarbanes-Oxley Act of 2002 was passed in order to:

- ✓ A. control pollution and protect the environment in the long-term.
- ✓ B. increase taxation levels for companies doing business abroad.
- ✓ C. eliminate the practice of bribery.
- ✓ D. control the manipulation of accounts by the top management in firms.

Answer Key: D

Question 39 of 50

2.0 Points

Research supporting Milton Friedman's view on CSR suggests that CSR is detrimental to an organization. Which of the following arguments is most likely to support this theory?

- ✓ A. CSR is viewed negatively in many societies and this leads to reduction in sales.
- ✓ B. CSR reduces the brand value of an organization that leads to erosion of profits.
- ✓ C. CSR involves extensive legal expenses that are detrimental to profits.
- ✓ D. CSR leads to a substantial reduction in profits due rising investment in the long-run.

Answer Key: D

Question 40 of 50

2.0 Points

The first step to create competitive advantage through a strategy is to:

- ✓ A. generate better information than the rivals.
- ✓ B. make choices based on the available information.
- ✓ C. convert strategic choices into decisive actions.
- ✓ D. analyze the information that is available.

Answer Key: A

Question 41 of 50

2.0 Points

According to the Roman military strategists, strategy was considered as:

- ✓ A. the manager's "game plan" to attain personal gain.
- ✓ B. represented by the specific moves or actions their armies performed.
- ✓ C. a plan of action designed to achieve a specific goal.
- ✓ D. a plan not usually aimed at creating a military advantage.

Answer Key: C

Question 42 of 50

2.0 Points

According to Milton Friedman, the primary goal of a business is to ____.

- ✓ A. satisfy customers
- ✓ B. expand globally
- ✓ C. make profits
- ✓ D. provide employment

Answer Key: C

Question 43 of 50

2.0 Points

Which of the following statements best describes the vision of an organization?

- ✓ A. The activities a firm performs for its customers
- ✓ B. An illustration of how a firm can align its resources to get a position in the marketplace
- ✓ C. A concept that defines a firm's reason for existence
- ✓ D. A concept of what a firm wants to achieve and how it plans to accomplish that

Answer Key: D

Question 44 of 50

2.0 Points

The process of identifying how a firm can best align its resources to carve out a defensible position in the marketplace is known as ____.

- ✓ A. scenario building
- ✓ B. strategy formulation
- ✓ C. contingency planning

- ✓ D. stakeholder mapping

Answer Key: B

Question 45 of 50

2.0 Points

Which of the following statements is true about strategy formulation?

- ✓ A. The strategy development process typically flows in a linear fashion.
- ✓ B. Managers should engage in environmental scanning on an ongoing basis.
- ✓ C. All aspects of a firm's strategy are more susceptible to frequent changes.
- ✓ D. The formulation of strategy is the last step toward achieving profitability.

Answer Key: B

Question 46 of 50

2.0 Points

Foodies, a food manufacturing company, made plans to either open a new outlet in Berylia, a country where the majority are low-income families, or Erbia, a country where the majority of the people belong to high-income families. They finally decide to open a new outlet in Berylia, by offering products with reduced cost as the demand for their product is greater in Berylia. This scenario is an example of ____ in defining a strategy.

- ✓ A. making trade-offs
- ✓ B. creating fit among activities
- ✓ C. choosing a set of activities
- ✓ D. developing objectives

Answer Key: A

Question 47 of 50

2.0 Points

When a manager determines whether a firm's strategy leverages its key resources, which of the following criteria for evaluating the quality of a firm's strategy is the manager assessing?

- ✓ A. External fit
- ✓ B. Internal fit

- ✓ C. Differentiation
- ✓ D. Implementable

Answer Key: B

Question 48 of 50

2.0 Points

Which of the following statements best describes a business-level strategy?

- ✓ A. The determination of how a company will compete in a given business and position itself among its competitors
- ✓ B. The way a company seeks to create value through the configuration and coordination of multimarket business activities
- ✓ C. The process of identifying how a firm can best align its resources in a business to carve out a defensible position in the marketplace
- ✓ D. The way a strategy is formed with a focus on developing global efficiency instead of catering to local tastes.

Answer Key: A

Question 49 of 50

2.0 Points

Which of the following statements best describes multinational strategies?

- ✓ A. They focus on developing overall scale economies and global efficiency instead of catering to local tastes.
- ✓ B. They focus on efficiency, local responsiveness, and organizational learning.
- ✓ C. They are used by firms to compete in a given business and position themselves among their competitors.
- ✓ D. They are used by firms when it is important to be responsive and sensitive to local needs and tastes.

Answer Key: D

Question 50 of 50

2.0 Points

Strategies that combine elements of multinational and global strategies by using foreign subsidiaries to produce and distribute products are known as ____.

- ✓ A. business-level strategies

- ✓ B. international strategies
- ✓ C. corporate-level strategies
- ✓ D. transnational strategies

Answer Key: B

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