



COMM 219 MCQs 1,2,6,7,8,9

Innovation Management (Concordia University)



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Chapter 1: Introduction

1. **What does technological innovation refer to?**
 - A) The development of new marketing strategies
 - B) The development and application of new technologies and products
 - C) The decline of industries due to new technologies
 - D) A company's branding strategy
 - **Answer: B**
2. **How does technological innovation drive economic growth?**
 - A) By reducing productivity
 - B) By introducing more competition
 - C) By increasing productivity and economic output
 - D) By lowering consumer demand
 - **Answer: C**
3. **Which of the following is NOT affected by technological innovation?**
 - A) Economic growth
 - B) Standard of living
 - C) Employment opportunities
 - D) Government elections
 - **Answer: D**
4. **Which industries typically experience fast innovation cycles?**
 - A) Steel manufacturing
 - B) Pharmaceuticals and electronics
 - C) Agriculture
 - D) Textiles
 - **Answer: B**
5. **What is the innovation funnel?**
 - A) A method for generating business ideas
 - B) A process where many ideas are narrowed down into a few successful innovations
 - C) A strategy for reducing innovation costs
 - D) A tool for increasing competition
 - **Answer: B**
6. **What does 'first-mover advantage' mean?**
 - A) Being the last to enter a market
 - B) Being the first to introduce a new product to the market
 - C) Reducing costs by using older technologies
 - D) Imitating competitors' products
 - **Answer: B**
7. **Why is the timing of entry important for innovation?**
 - A) To delay competition indefinitely
 - B) To maximize the impact of an innovation and capture market share
 - C) To avoid market risks entirely

- D) To minimize the cost of marketing
 - **Answer: B**
 - 8. **Which of the following is NOT a benefit of technological innovation for society?**
 - A) Improved health outcomes
 - B) Increased energy efficiency
 - C) Increased job displacement
 - D) Higher standard of living
 - **Answer: C**
 - 9. **Technological innovation is a key determinant of:**
 - A) Government regulations
 - B) Competitive advantage and organizational success
 - C) Natural resource availability
 - D) Traditional business models
 - **Answer: B**
 - 10. **Which of the following is a challenge of technological innovation?**
 - A) It always results in increased profits
 - B) It can pose challenges for existing firms
 - C) It makes the market less competitive
 - D) It slows down product development cycles
 - **Answer: B**
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Chapter 2: Sources of Innovation

- 11. **Which of the following is NOT a common source of innovation?**
 - A) Individuals
 - B) Firms
 - C) Universities
 - D) Customer complaints
 - **Answer: D**
- 12. **Creativity is:**
 - A) The production of novel and useful ideas
 - B) The application of new technologies in manufacturing
 - C) Limited to organizational efforts
 - D) The same as market research
 - **Answer: A**
- 13. **Which of the following influences individual creativity?**
 - A) Personality
 - B) Knowledge
 - C) Motivation
 - D) All of the above
 - **Answer: D**
- 14. **Organizational creativity can be fostered by:**

- A) Restricting access to research facilities
 - B) Encouraging a culture of experimentation and collaboration
 - C) Limiting the flow of information
 - D) Assigning repetitive tasks
 - **Answer: B**
15. **Which company policy is cited as encouraging innovation at Google?**
- A) Offering employees bonuses
 - B) Providing 20% of work time for personal projects
 - C) Mandatory weekly innovation meetings
 - D) Hiring external consultants for innovation
 - **Answer: B**
16. **Translating creativity into innovation requires:**
- A) Access to external markets
 - B) A supportive culture and resources
 - C) Reliance on existing patents
 - D) Increasing project timelines
 - **Answer: B**
17. **Who are often the key drivers of new innovations?**
- A) Employees in finance departments
 - B) Customers with product complaints
 - C) Inventors with unique vision and persistence
 - D) Board members with financial interests
 - **Answer: C**
18. **Why are users an important source of innovation?**
- A) They create solutions to meet their own needs
 - B) They rely on competitors' products
 - C) They invest heavily in R&D
 - D) They have no involvement in product development
 - **Answer: A**
19. **What role does R&D play in innovation?**
- A) It eliminates the need for collaboration
 - B) It drives the creation of new products and processes
 - C) It limits the scope of innovation
 - D) It prevents competition from entering the market
 - **Answer: B**
20. **Technology clusters are geographic concentrations of:**
- A) Firms and institutions that accelerate the pace of innovation
 - B) Traditional industries
 - C) Government offices
 - D) Natural resources
 - **Answer: A**
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Chapter 6: Types of Innovation

21. What is the primary characteristic of product innovations?

- A) They focus on marketing strategies
- B) They involve the creation of new goods or services
- C) They improve internal business processes
- D) They are not market-driven
- **Answer: B**

22. Process innovations are focused on:

- A) Improving the way an organization conducts its business
- B) Creating new products for consumers
- C) Reducing marketing costs
- D) Increasing product prices
- **Answer: A**

23. Which of the following best describes a radical innovation?

- A) A minor improvement to an existing product
- B) A completely new-to-the-world product
- C) An imitation of a competitor's product
- D) A reduction in production costs
- **Answer: B**

24. Incremental innovations typically:

- A) Introduce groundbreaking changes
- B) Represent minor improvements to existing products
- C) Eliminate the need for research
- D) Require significant financial investment
- **Answer: B**

25. Competence-enhancing innovations:

- A) Render a firm's current knowledge obsolete
- B) Build on the firm's existing capabilities
- C) Disrupt market dynamics
- D) Are not important to innovation strategy
- **Answer: B**

26. A competence-destroying innovation:

- A) Enhances a firm's core capabilities
- B) Forces a firm to develop entirely new knowledge
- C) Improves a firm's existing processes
- D) Reduces competition in the market
- **Answer: B**

27. Which type of innovation focuses on reconfiguring how components link together?

- A) Component innovation
- B) Architectural innovation
- C) Product innovation
- D) Process innovation

- **Answer: B**
 - 28. **S-curves in technological improvement represent:**
 - A) Performance over time relative to investment
 - B) A company's sales trajectory
 - C) The financial impact of new technology
 - D) Market saturation rates
 - **Answer: A**
 - 29. **Technology diffusion refers to:**
 - A) The spread of a technology through a population over time
 - B) The decline of outdated technology
 - C) The financial cost of implementing new technology
 - D) Market competition
 - **Answer: A**
 - 30. **What happens during the 'era of ferment' in innovation cycles?**
 - A) Stability in the market is achieved
 - B) Firms experiment with new designs and configurations
 - C) Standardization takes hold across the industry
 - D) Incremental improvements are introduced
 - **Answer: B**
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Chapter 7: Dominant Designs and Technology Cycles

- 31. **What is a dominant design?**
 - A) The first prototype of a product
 - B) A stable architecture that most firms adopt after a period of experimentation
 - C) An outdated product design
 - D) A design that fails in the market
 - **Answer: B**
- 32. **Creative destruction refers to:**
 - A) Incremental improvements in existing products
 - B) The emergence of a new technological discontinuity that disrupts an industry
 - C) The destruction of outdated processes
 - D) A method for eliminating competitors
 - **Answer: B**
- 33. **What does 'increasing returns to adoption' mean?**
 - A) A technology becomes more valuable the more it is adopted
 - B) A technology loses value as it is widely adopted
 - C) Market saturation reduces a product's value
 - D) Technology costs decrease with adoption
 - **Answer: A**
- 34. **The learning curve refers to:**
 - A) An increase in production costs over time

- B) The efficiency gained through repeated practice
 - C) A reduction in technology's effectiveness over time
 - D) The decline in innovation due to market saturation
 - **Answer: B**
- 35. What is absorptive capacity?**
- A) A firm's ability to absorb external knowledge and apply it for innovation
 - B) The number of patents a firm owns
 - C) The market share a company holds
 - D) A firm's ability to reduce costs
 - **Answer: A**
- 36. Network externalities occur when:**
- A) The benefits of a product increase as more people use it
 - B) A technology becomes obsolete quickly
 - C) A product is only valuable in a niche market
 - D) A firm invests heavily in marketing
 - **Answer: A**
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Chapter 8: Timing of Entry

- 37. Who are first movers in a market?**
- A) Companies that wait for competitors to launch products
 - B) Companies that are the first to introduce a new product category
 - C) Companies that imitate existing products
 - D) Companies that rely on outdated technology
 - **Answer: B**
- 38. What is a risk associated with being a first mover?**
- A) High R&D costs
 - B) No competition
 - C) Low customer demand
 - D) High marketing costs
 - **Answer: A**
- 39. Late entrants benefit from:**
- A) High R&D costs
 - B) Avoiding the risks faced by first movers
 - C) Increased competition
 - D) Market dominance
 - **Answer: B**
- 40. Monopoly rents refer to:**
- A) Profits earned by the first mover in a market
 - B) Costs associated with entering a new market
 - C) The financial losses of a company
 - D) Reduced competition

- **Answer: A**
- 41. **Vaporware refers to:**
 - A) A product that is advertised but not yet available on the market
 - B) A highly successful product launch
 - C) A failed product in the market
 - D) A strategy for copying competitors
 - **Answer: A**
- 42. **What is incumbent inertia?**
 - A) The advantage new companies have over established ones
 - B) The resistance of existing companies to adopt new technology due to entrenched practices
 - C) The flexibility of incumbents to pivot to new markets
 - D) A type of marketing strategy
 - **Answer: B**
- 43. **Parallel development processes allow firms to:**
 - A) Slow down the innovation process
 - B) Develop different stages of a product simultaneously
 - C) Reduce the overall product quality
 - D) Avoid competition
 - **Answer: B**
- 44. **What does path dependency refer to?**
 - A) The influence of early decisions on the final outcomes
 - B) A firm's strategy for reducing R&D costs
 - C) A method for eliminating competitors
 - D) The delay in technology adoption
 - **Answer: A**
- 45. **Fast-cycle processes are beneficial because they:**
 - A) Reduce the overall quality of a product
 - B) Shorten development times and improve market responsiveness
 - C) Increase the time-to-market for new products
 - D) Reduce the amount of learning from market feedback
 - **Answer: B**

Chapter 9: Protecting Innovation

1. **What does 'appropriability' refer to?**
 - A) The ability of a firm to sell its products at a low cost
 - B) The degree to which a firm can capture the profits from its innovation
 - C) The process of sharing technology with competitors
 - D) The method by which a firm eliminates competition
 - **Answer: B**
2. **What does a patent grant?**
 - A) Exclusive rights to use a brand name or logo
 - B) Protection for original works of authorship

- C) Confidential information to be used in marketing
 - D) Exclusive rights to an invention
 - **Answer: D**
3. **Which of the following is protected by trademarks?**
- A) Inventions and technical processes
 - B) Brand names, logos, and other identifiers
 - C) Artistic works such as books and music
 - D) Trade secrets and confidential information
 - **Answer: B**
4. **What do copyrights protect?**
- A) Inventions and technical innovations
 - B) Confidential company information
 - C) Original works of authorship
 - D) Logos and branding materials
 - **Answer: C**
5. **What is a key feature of trade secrets?**
- A) They are publicly disclosed after 10 years
 - B) They give firms a competitive edge by remaining confidential
 - C) They are used in marketing campaigns to attract customers
 - D) They are easy to reverse-engineer by competitors
 - **Answer: B**
6. **In which industry are patents particularly effective?**
- A) Consumer electronics
 - B) Pharmaceuticals with long product life cycles and complex products
 - C) Fast food and restaurant industries
 - D) Retail and clothing sectors
 - **Answer: B**
7. **What is an advantage of wholly proprietary systems?**
- A) The firm retains full control over its technology and standards
 - B) The technology is freely shared, encouraging rapid adoption
 - C) The system allows for collaborative innovation with competitors
 - D) The firm avoids the costs associated with R&D
 - **Answer: A**
8. **What is a benefit of wholly open systems?**
- A) It ensures full control over technology development
 - B) It promotes the widespread adoption of a technology
 - C) It keeps technology confidential to protect competitive advantages
 - D) It eliminates the need for complementary goods
 - **Answer: B**
9. **What is one advantage of protecting innovation through patents, trademarks, or copyrights?**
- A) It reduces the time needed for R&D
 - B) It allows firms to capture returns from their innovations and reinvest in R&D
 - C) It encourages immediate sharing of technology with competitors

- D) It lowers the cost of producing new products
- **Answer: B**

10. **What is an advantage of diffusing technology through open systems?**

- A) It ensures complete control over intellectual property
- B) It facilitates widespread adoption, creating complementary goods and services
- C) It reduces competition from other firms
- D) It eliminates the need for external partnerships
- **Answer: B**