Question 1

________ is defined as a structured transition in what an organization does and how it does it.
A) Globalization
B) Strategic management
C) Technology
D) Organizational change
E) Strategy

Question 2

Which of the following is not a source of revenue for not-for-profit organizations?
A) Dues
B) Product sales
C) Grants
D) User fees
E) All of the answer choices are correct.

Question 3

In the _______ approach, products are tailored to fit consumer tastes and preferences.
A) reactor
B) multicountry
C) global.
D) focused
E) integrated

Question 4

Global political risk is minimized when a firm goes international.
A) True
B) False

Question 5

Switching costs can be both psychological and financial.
A) True
B) False

Question 6

Statements of desired outcomes are known as
A) core competencies.
B) directed action.
C) distinctive competencies.
D) management vision.
E) organizational goals.

Question 7

List some examples of high-performance work practices.

Question 8

The three components that form the three critical success factors include
A) the ability to embrace change, creativity and innovation capabilities, and being a world-class organization.
B) corporate, functional, and competitive strategies.
C) strategy formulation, strategy implementation, and strategy evaluation.
D) All of the answer choices are correct.
Question 9
As you are studying Picture Perfect Painting's context, it seems clear that the company will have to prepare itself for continual turbulence and change. Which of the following best describes the driving forces for change that could affect the company's future?
A) Increased vulnerability
B) Vanishing distance and compressed time
C) Reduced need for physical assets
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 10
Doing an internal analysis is needed for making good strategic decisions.
A) True
B) False

Question 11
An internal analysis involves an examination of
A) the organization's mission.
B) the organization's strategic objectives.
C) the organization's strategies.
D) the organization's current vision.
E) None of the above answer choices are true.

Question 12
The resource-based view focuses on the structural forces within an industry, the firm's competitive environment, and how these influence competitive advantage.
A) True
B) False

Question 13
An organization's ________ strategies reflect its commitment to and treatment of its employees.
A) competitive.
B) HR
C) corporate
D) procurement
E) cooperative.

Question 14
A marketing alliance is a strategic practice in which for-profit businesses link up with a social cause that fits well with the company's product or service.
A) True
B) False

Question 15
Technology is using only equipment to perform tasks.
A) True
B) False

Question 16
Organizational capabilities are regular, predictable, and sequential patterns of work activity by organizational members.
**Question 17**
Every organization needs goals at all levels and in all functional areas that state what it hopes to accomplish by when.
A) True  
B) False  

**Question 18**
The new business environment's driving forces include continual change, the reduced need for physical assets, vanishing distance and compressed time, and increased vulnerability.
A) True  
B) False  

**Question 19**
Which of the following should be included in an organization's marketing mix strategies?
A) Promoting strategies  
B) Pricing strategies  
C) Distribution strategies  
D) Product strategies  
E) All of the answer choices are correct.  

**Question 20**
Factors like Coca-Cola's brand name "Coke" and Nike's "swoosh" symbol construct ________ resources for the organization.
A) human  
B) physical  
C) intangible  
D) financial  
E) invisible  

**Question 21**
Which of the following is not an organizational function that internal audit looks at?
A) Research and development  
B) Financial-accounting  
C) Production-operations  
D) Marketing  
E) None of the answer choices is correct.  

**Question 22**
The ability of Honda to use its fuel-efficient and reliable engines in automobiles, motorcycles, and power generators is an example of
A) contributing to superior customer value.  
B) making a product with a low amount of financial capital.  
C) simulating an effective system developed by a competitor.  
D) creating a product that is difficult for competitors to imitate.  
E) developing an innovation that can be used in a number of ways.  

**Question 23**
Bases for understanding strategic management are all of the following except
A) single approaches to strategy development are superior to multiple approaches.  
B) managing strategically makes a difference in an organization's performance.  
C) all organizations encounter changing situations.  
D) All of the answer choices are correct.  
E) None of the answer choices is correct.
Question 24
An organization's competitive advantage cannot be eroded easily by competitors' actions.
A) True
B) False

Question 25
Some small businesses are ineffective in part due to the "boiled frog phenomenon."
A) True
B) False

Question 26
A systematic way of examining all of the organization’s functional activities and how well they create customer value is
A) organizational change.
B) core competency development.
C) value chain analysis.
D) organizational goal analysis.
E) None of the answer choices is correct.

Question 27
The primary reason that an organization would pursue a diversification strategy is to
A) achieve synergy.
B) decrease operational costs.
C) better defend itself in a price war.
D) increase customer use.
E) None of the above is correct.

Question 28
The ________ should elaborate a purpose for the organization.
A) strategy
B) vision
C) competitive strategy
D) mission
E) None of the answer choices is correct.

Question 29
A reengineering strategy is one that involves the attainment of specific growth objectives by increasing the level of an organization’s operations.
A) True
B) False

Question 30
Because they entail minimal investment and risk, many small businesses often use ________ and ________ to do business globally.
A) importing, sourcing
B) exporting, importing
C) exporting, sourcing
D) exporting, licensing
E) importing, licensing

Question 31
________ focus on the need for global efficiency and cost savings.
A) Focused organizations
Question 32

Mr. Wilson has given more thought to expanding Tuscan Treasures through gaining control of its inputs through purchasing the Italian distributor they are currently working with. Which of the below strategies is Mr. Wilson following here?

A) Forward vertical integration  
B) International  
C) Backward vertical integration  
D) Concentration  
E) Diversification


Question 33

In almost every study, strategy research has shown positive linkages between planning and business performance.

A) True  
B) False


Question 34

Threats are positive external environmental trends or changes that will help the organization improve its performance.

A) True  
B) False


Question 35

In relative terms, which of the following involves significant global investment?

A) Global sourcing  
B) Licensing  
C) Foreign subsidiary  
D) Franchising  
E) Exporting


Question 36

The _______ strategy is one in which the organization maintains its current size and current level of business operations.

A) diversification  
B) forward integration  
C) backward integration  
D) stability  
E) concentration


Question 37

Which of the following is a type of strategic partnering?

A) Direct investment  
B) Exporting  
C) Joint venture  
D) Licensing  
E) All of the above are correct.


Question 38

Characteristics of dynamic capabilities include all of the following except

A) timely responsiveness.  
B) coordinating and deploying organizational resources and capabilities.  
C) rapid and flexible product innovation.  
D) reactive responsiveness.
Question 39

The internal audit answers the questions of
A) What are the organization's primary opportunities and threats?
B) How well do they perform these assigned work activities?
C) Do the various functions have the needed resources to perform their assigned work activities?
D) Possessing the needed resources and then performing assigned work activities.
E) None of the answer choices is correct.


Question 40

________ and ________ are similar approaches involving one organization giving another organization the right to use its brand name, technology, or product specifications in return for a lump sum payment or a fee usually based on sales.
A) Globalizing, internationalizing
B) Sourcing, procuring
C) Importing, exporting
D) Licensing, franchising
E) None of the answer choices is correct.


Question 41

All of the following characteristic(s) reflect the uniqueness of a resource including
A) The organization should be able to exploit the resource.
B) The resource adds value.
C) The resource is hard to imitate.
D) No other competing firms possess the resource.
E) All of the answer choices are correct.


Question 42

The law governing safe and hazard-free work environments is


Question 43

Small businesses are independent businesses that have fewer than ________ employees.
A) 500
B) 100
C) 1000
D) 200
E) 300


Question 44

Mr. Smith has decided to offer free delivery of orders more than $1,000 to outcompete his largest competitor. This strategy is an example of which of the following types of strategy?
A) Functional strategy
B) Corporate strategy
C) Competitive strategy
D) Operational strategy
E) Organizational strategy


Question 45
Buyers have bargaining power if the industry’s product is not important to the quality of the buyers’ products or services.
A) True
B) False

Question 46

Entrepreneurial ventures pursue opportunities, are characterized by innovative practices, and have growth and profitability as their main goals.
A) True
B) False

Question 47

How are the three types of organizational strategies different?

Question 48

The ________ approach is one in which the strategies are basically the same in all countries in which the organization does business.
A) global
B) country-specific
C) multidomestic
D) ethnocentric
E) transnational

Question 49

Special and unique capabilities that distinguish the organization from its competitors are called
A) demonstrated organizational capabilities.
B) distinctive organizational capabilities.
C) distinguished organizational capabilities.
D) delineated organizational capabilities.
E) denoted organizational capabilities.

Question 50

All of the following reflect questions asked of the management function during the internal audit except
A) How does the organization treat its employees?
B) Are jobs effectively designed?
C) Is the organization able to raise long-term capital?
D) What is the level of employee turnover?
E) Does the organization effectively use work teams?

Question 51

Charles Hanson has employed 25 employees even though the repair facility is located in a small rural town. Chuck’s Bikes and Trikes is an example of
A) a small business.
B) an entrepreneurial venture.
C) an innovative business.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 52

One criterion that could be used to determine whether resources and capabilities are strengths or weaknesses is past performance trends.
A) True
B) False

Question 53
Value chain analysis is a systematic way of examining all the organization's functional activities and how well they create customer value.
A) True
B) False

**Question 54**

One of the potential drawbacks of going international is that interdependencies among multiple countries cannot be exploited.
A) True
B) False

**Question 55**

American Airlines starting an airfare war by drastically reducing prices is an example of a change in the ________ environment.
A) modified environment
B) resource
C) external
D) internal
E) None of the answer choices is correct.

**Question 56**

Designing which of the following systems involves making sure we have the information we need, when the information is needed, and in the form needed?
A) Financial-accounting
B) Human resources
C) Marketing
D) Information
E) None of the answer choices is correct.

**Question 57**

A ________ decentralizes management and other decisions to the local country.
A) glocal company
B) transnational organization
C) borderless organization
D) global company
E) multidomestic corporation

**Question 58**

You recommend performing an external analysis for Chuck's Bikes and Trikes. The arguments to support this external analysis recommendation include
A) gaining information on changes in customer expectations, competitors and their actions, economic factors, technological advances, and other marketplace features are important to the future of the company.
B) external environment aspects can affect the company.
C) to detect subtle, but potentially damaging changes.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

**Question 59**

The strategy that has the primary intent to enhance the image of the supporting company is known as
A) not-for-profit marketing alliances.
B) cause-related marketing.
C) strategic piggybacking.
D) direct investment.
E) licensing.

**Question 60**
A manager who anticipates changes and plans for those changes can be referred to as a(n)
A) proactive manager.
B) reactive manager.
C) negligent manager.
D) socially responsible manager.
E) ethical manager.

**Question 61**

The main causes of corporate performance include all the following except
A) underexpansion or too slow growth.
B) inadequate financial controls.
C) uncontrollable costs or too high costs.
D) unpredicted shifts in consumer demand.
E) new competitors.

**Question 62**

Performance of ________ activities would not be possible without ________ activities.
A) support; core
B) primary; support
C) core; support
D) strategic; support
E) support; primary

**Question 63**

An attempt by the organization to increase sales of its current product(s) in its current market(s) is referred to as
A) market development.
B) product-market diversification.
C) product development.
D) product-market exploitation.
E) None of the answer choices is correct.

**Question 64**

Not-for-profit organizations face the constraint of
A) competition for customers and resources.
B) long-run survival.
C) limited resources.
D) performance measurement.
E) All of the answer choices are correct.

**Question 65**

A ________ doesn’t attempt to replicate its domestic successes by managing foreign operations from its home country.
A) transnational organization
B) multidomestic corporation
C) global company
D) boundryless organization
E) glocal company

**Question 66**

The reactor strategy is characterized by continually innovating and exploiting new products and markets.
A) True
B) False

**Question 67**
An external analysis is the process of scanning and evaluating an organization's various external environmental sectors to determine positive and negative trends that could impact on organizational performance.
A) True
B) False

Question 68

Resources that are lacking or deficient and that prevent the organization from developing a sustainable competitive advantage, are known as
A) opportunities.
B) weaknesses.
C) strengths.
D) threats.
E) None of the answer choices is correct.

Question 69

Which of the following is not one of the unique strategies that have been developed for not-for-profit organizations in order to cope with changing environmental conditions?
A) Cause-related marketing
B) Direct investment
C) Licensing
D) Strategic piggybacking
E) Not-for-profit marketing alliances

Question 70

A subsidiary in a global organization is managed through
A) national control.
B) local control.
C) centralized control.
D) decentralized control.
E) None of the answer choices is correct.

Question 71

The process in which existing products, processes, ideas, and businesses are replaced with better ones is creative destruction.
A) True
B) False

Question 72

Define stakeholders. Describe some potential organizational stakeholders. Why are stakeholders important?

Question 73

The four Ps in marketing are
A) production, placement, personnel, and place.
B) promotion, price, positioning, and perception.
C) perception, perspective, promotion, and price.
D) product, price, promotion, and place.
E) None of the answer choices is correct.

Question 74

If an organization does business globally, its economic analysis changes significantly.
A) True
B) False
Question 75
The product-market evolution matrix is based on the
A) internal strengths and weaknesses.
B) industry analysis.
C) product life cycle.
D) opportunities and threats.
E) None of the answer choices is correct.

Question 76
One difference between an entrepreneurial venture and a small business is the former's
A) strategic goals are profitability and growth
B) willingness to take risks
C) innovative strategic practices
D) interest in seeking out new opportunities
E) All of the answer choices are correct.

Question 77
An example of a competitive strategy is
A) Ford Motor offers larger rebates and zero percent financing to compete against General Motors.
B) Hewlett-Packard offers larger discounts to students to compete against Dell Computers.
C) Sprint offers lower connection fees to compete against Verizon.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 78
A free market economy is one in which resources are primarily owned and controlled by the private sector.
A) True
B) False

Question 79
Economists suggest that most small businesses are not particularly good at creating jobs.
A) True
B) False

Question 80
The first step in the capabilities assessment profile is to develop and leverage the organization's distinctive capabilities.
A) True
B) False

Question 81
According to Michael Porter, major potential barriers to entry include
A) capital requirements.
B) product differentiation.
C) switching costs.
D) economies of scale.
E) All of the answer choices are correct.

Question 82
The product-market exploitation operation describes attempts by the organization to increase the number of markets to increase the product sales.
A) True
B) False
Question 83
Chuck's Bikes and Trikes is likely using the ________ strategy.
A) low cost  
B) differentiation 
C) focus  
D) best cost 
E) All of the answer choices are correct.

Question 84
List some of the questions in an internal audit as it relates to information systems.

Question 85
One of the factors that shapes the definition of exit barriers as factor(s) that keep companies competing in businesses, even when those businesses are failing, is 
A) emotional factors. 
B) economic factors. 
C) strategic factors. 
D) All of the answer choices are correct. 
E) None of the answer choices is correct.

Question 86
The corporate strategies play a dual role in the implementation of competitive strategy.
A) True  
B) False 

Question 87
Developing a sustainable competitive advantage is important for all organizations.
A) True  
B) False 

Question 88
Strategic managers at not-for-profit organizations face similar constraints of limited resources, competition for customers and resources, performance measurement, and long-run survival, just as strategic managers at for-profit organizations do.
A) True  
B) False 

Question 89
Corporate social responsibility (CSR) is the obligation of ________ to make decisions and act in ways that recognize the interrelatedness of business and society.
A) organizational decision makers  
B) community 
C) stakeholders  
D) competitors 
E) society 

Question 90
The not-for-profit marketing alliance is an extension of 
A) divestment.  
B) licensing. 
C) cause-related marketing.
D) mergers and acquisitions.
E) None of the answer choices is correct.

Question 91

One of the issues that has increased the role of the board of directors is
A) corporate strategy.
B) investor activism.
C) legal mandates.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 92

Government policy is a potential barrier to entry because of
A) water pollution standards.
B) controlling access to raw materials.
C) product safety standards.
D) licensing requirements.
E) All of the above are issues of government policy.

Question 93

Ms. Krisak studies the internal audit to determine the availability or lack of critical ________ and the level of ________.
A) skills; resources.
B) financial resources; management
C) resources; capabilities
D) capital; skills
E) None of the answer choices is correct.

Question 94

Explain the advantages and disadvantages of strategic planning with entrepreneurial ventures and small businesses.

Question 95

The internal audit concentrates on the availability or lack of critical ________ and the level of ________.
A) financial resources; management
B) resources; capabilities
C) capital; skills
D) skills; resources.
E) None of the answer choices is correct.

Question 96

Theories developed about the efficiency and effectiveness of organizations were written by
A) Max Weber.
B) Chester Barnard.
C) Frederick Taylor.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 97

Nestle has operations in almost every country on the globe and its managers match the company's products to its consumers. Nestle is an example of a
A) multidomestic corporation.
B) glocal company.
C) transnational organization.
D) global company.
Question 98
When an organization competes by providing unique products with features that customers value, perceive as different, and are willing to pay a premium price for, it is using a strategy of
A) differentiation.
B) cost leadership.
C) focus.
D) niche.

Question 99
The key is to make the external analysis process as ______ and ______ as possible.
A) efficient; competitive
B) efficient; effective
C) turbulent; stable
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 100
Corporate social responsibility (CSR) is the obligation of organizational decision makers to make decisions and act in ways that recognize the interrelatedness of business and society.
A) True
B) False

Question 101
Section 404 of the Sarbanes-Oxley Act deals with the establishment and auditing of
A) appointment of the CEO.
B) internal financial controls.
C) external financial controls.
D) appointment of Board members.
E) All of the answer choices are correct.

Question 102
Protectionism is one of the drawbacks of being international.
A) True
B) False

Question 103
One strategic responsibility of managers and employees at other levels throughout the organization is
A) developing the organization's vision.
B) strategy implementation.
C) situation analysis.
D) strategy formulation.
E) None of the answer choices is correct.

Question 104
The United States Congress could represent the ______ form of stakeholders.
A) social action groups
B) shareholder
C) political action groups
D) supplier
E) government
Question 105
Max Weber viewed organizations as open systems.
A) True
B) False

Question 106
One type of MNC is a
A) multidomestic corporation.
B) border organization
C) transformational company.
D) All of the above answer choices are correct
E) None of the answer choices is correct.

Question 107
Which of the following is included under the product functional strategies?
A) Supervision
B) Management
C) Leadership
D) Marketing
E) Control

Question 108
High-performance work practices are production policies and practices that can lead to both high individual and high organizational performance.
A) True
B) False

Question 109
Recruiting, motivating, and retaining employees is a big challenge for all organizations.
A) True
B) False

Question 110
Explain the guerilla view of managing strategically.

Question 111
Bankruptcy is the failure of a business.
A) True
B) False

Question 112
Factors critical to success in the new business environment are the ability to embrace change, creativity and innovation capabilities, and being a world-class organization.
A) True
B) False

Question 113
The legal-political environment in the United States is stable.
A) True
B) False
Question 114

________ refers to cost savings that you get as volume increases.
A) Switching costs
B) Economies of scale
C) Economic costs
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 115

To evaluate strategy, there must be a connection between the evaluation and the ________ of the not-for-profit organization.
A) goals and objectives
B) goals
C) revenues
D) objectives (moderate)
E) None of the answer choices is correct.

Question 116

Strategy formulation is the responsibility of managers and employees at other levels throughout the organization.
A) True
B) False

Question 117

According to the Miles and Snow typology, a defender
A) makes strategic adjustments only when forced to do so.
B) simply reacts to environmental changes.
C) searches for market stability.
D) seeks innovation.
E) None of the answer choices is correct.

Question 118

Examples of strategic partnering include
A) joint ventures, long-term contracts, and strategic alliances.
B) vertical integration, international expansion, and horizontal diversification.
C) joint ventures, horizontal diversification, and international expansion.
D) concentration, vertical integration, and strategic alliances.
E) None of the answer choices is correct.

Question 119

When a company says, "We don't want people to think we're based anyplace," the company is organized as a
A) transnational organization.
B) multidomestic corporation.
C) global company.
D) focused corporation.

Question 120

Organizations are considered international if they exchange goods and services with consumers in other countries.
A) True
B) False

Question 121

Compare the general versus the specific environment.
Question 122

The competitive strategy choices for small businesses and entrepreneurial ventures are
A) limited because of technological advances.
B) often limited to a low-cost strategy.
C) often limited to a differentiated strategy.
D) almost nonexistent.
E) often limited to focus strategies.

Question 123

Distinctive organizational competencies are the common capabilities that do not distinguish an organization from its competitors.
A) True
B) False

Question 124

Which of the following is not a criterion mentioned in the text for determining whether or not resources and capabilities are strengths or weaknesses?
A) Current performance
B) Comparison against competitors
C) Financial ratios
D) Trends in market share
E) All of the answer choices are correct.

Question 125

One of the risks associated with a horizontal integration strategy is
A) exponential growth.
B) increased market exposure.
C) a potential violation of antitrust laws.
D) increase in sales.
E) None of the answer choices is correct.

Question 126

A merger is a legal transaction in which two or more organizations combine operations through an exchange of stock, but only one organization entity will actually remain.
A) True
B) False

Question 127

Chuck Hanson encourages his employees to come with new ideas and ways to do business to replace existing practices. This process is called
A) innovation.
B) creative destruction.
C) destructive creativity.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 128

One factor that would lead to high-performance work practices is
A) forming problem-solving groups.
B) conducting attitude surveys.
C) using contingent pay.
D) All of the answer choices are correct.
E) None of the answer choices is correct.
Question 129

What is parochialism?

Question 130

Ethics involves the principles that define right and wrong decisions and behavior in a work setting.
A) True
B) False

Question 131

________ strategies are the short-term goal-directed decisions and actions of the organization's various functional areas.
A) Corporate
B) Competitive
C) Coordinating
D) Functional
E) Business

Question 132

All of the following constitute support activities except
A) firm's infrastructure.
B) technological development.
C) human resource management.
D) operations.
E) procurement.

Question 133

Megan Mulcahy and CCP believe that because the company has been extremely successful in the U.S., its home country work approaches and practices are the best and that these should be used globally. What is CCP's global perspective?
A) Polycentric attitude
B) Regiocentric attitude
C) Ethnocentric attitude
D) Geocentric attitude
E) None of the answer choices is correct.

Question 134

The United States Postal Service faces competition from
A) Federal Express.
B) Airborne Express.
C) e-mail.
D) fax machines.
E) All of the answer choices are correct.

Question 135

One disadvantage of the cost leader strategy is the ability to remain unique to the customer.
A) True
B) False

Question 136

Mr. Wilson is considering combining operations by exchanging stock with a competitor, Italian Delights, to create a new store, Supremo Italiano. Which of the following growth strategies is Mr. Wilson following here?
A) Joint ventures
B) Merger
Question 137

Quality issues are a potential advantage of going international.
A) True
B) False

Question 138

The strategic decisions associated with the organization are the choice of a system and the choice of type of system needed for which system type?
A) Human resources
B) Information
C) Marketing
D) Financial-accounting
E) None of the answer choices is correct.

Question 139

Ethics can be defined as
A) the international linkage of economies and culture that fosters a business and competitive situation in which organizations have no national boundaries.
B) the obligation of organizational decision makers to make decisions and act in ways that recognize the interrelatedness of business and society.
C) the rules and principles that define right and wrong decisions and behavior.
D) the intentional and ongoing actions of an organization to continuously transform itself by acquiring information and knowledge.
E) making decisions and implementing strategies that allow an organization to develop and maintain a competitive advantage.

Question 140

A more dramatic response to a failing organization may be
A) a vertical integration strategy.
B) a long-term contract.
C) a turnaround strategy.
D) a joint venture strategy.
E) None of the answer choices is correct.

Question 141

The _______ point(s) to the strategic issues organizational decision makers need to address in their pursuit of sustainable competitive advantage and high levels of performance.
A) SWOT analysis
B) portfolio analysis
C) strengths
D) core competencies
E) distinctive capabilities

Question 142

An organization's strategies should be designed so that they incorporate
A) only traditional values of past organizations.
B) opportunities and threats.
C) resources and capabilities.
D) opportunities, threats, resources, and capabilities.
E) None of the answer choices is correct.

Question 143

An organization's tangible and intangible resources can be a source of competitive advantage and these resources play an important role in
determining an organization's capabilities and competencies.
A) True
B) False

Question 144
A not-for-profit organization must meet the requirements of ______ of the U.S. Internal Revenue Service tax code.
A) Section 403(d)(4)
B) Section 401(c)(3)
C) Section 503(c)(4)
D) Section 301(d)(4)
E) Section 501(c)(3)

Question 145
Front-line employees or operational level employees are viewed as being on the "firing line" and are often the last to hear comments from people outside the organization.
A) True
B) False

Question 146
When Frito-Lay (a division of PepsiCo) markets a Dorito chip in the British market that differs in both taste and texture from the U.S. and Canadian version, Frito-Lay is most likely operated as a
A) glocal company.
B) multidomestic corporation.
C) global company.
D) transnational organization.
E) borderless organization.

Question 147
All of the following roles are representative of effective strategic leadership except
A) creating and sustaining strong organizational culture.
B) establishing appropriately balanced controls.
C) exploiting and maintaining core competencies.
D) emphasizing ethical decisions and practices.
E) checking inventory management.

Question 148
The vertical integration strategy involves expanding the organization's operations through combining with other organizations in the same industry doing the same things.
A) True
B) False

Question 149
Ethics is both a(n) ______ and ______ issue and should be part of the strategic management process.
A) personal; organizational
B) inconsequential; organizational
C) organizational; contemporary
D) None of the answer choices is correct.
E) All of the answer choices are correct.

Question 150
Once products are produced, the next step is to efficiently and effectively get those products to the customers when, where, and how they want them.
A) True
B) False
Question 151

________ are usually "friendly."
A) Takeovers
B) Acquisitions
C) Mergers
D) Buyouts
E) Hostile takeovers.

Question 152

Which of the following is NOT one of Miles and Snow's adaptive strategies?
A) Defender
B) Prospector
C) Cost leader
D) Analyzer

Question 153

Small businesses account for ________ percent of the private sector output.
A) 10
B) 20
C) 50
D) 99
E) 25

Question 154

In addition to expanding the role of board members, the Sarbanes-Oxley Act of 2002 also called for more disclosure and transparency of
A) the corporate mission.
B) financial information.
C) the corporate vision.
D) the balanced scorecard.
E) All of the answer choices are correct.

Question 155

Anheuser-Busch InBev uses a ________ strategy in foreign markets.
A) importing
B) licensing
C) franchising
D) sourcing
E) None of the answer choices is correct.

Question 156

Discuss the various roles of the board of directors.

Question 157

As the consultant, you propose to Ms. Gibson that she think about the way Picture Perfect Company operates. You are suggesting the company review which of the following?
A) Its digital technology
B) Its technology
C) Its network capabilities
D) All of the answer choices are correct.
E) None of the answer choices is correct.
Question 158

The key to using an ________ is to determine how well or poorly organizational functions are being performed.

A) resource audit  
B) core competency audit  
C) capabilities assessment profile  
D) internal audit  
E) strategic audit


Question 159

Which of the following is not an example of a stakeholder?

A) Political action groups  
B) Customers  
C) Government  
D) Trade associations  
E) All of the above are stakeholders.


Question 160

A small business is one that has fewer than 100 employees.

A) True  
B) False


Question 161

Which of the following is a possible organizational growth strategy?

A) Vertical integration  
B) Concentration  
C) Diversification  
D) Horizontal integration  
E) All of the answer choices are correct.


Question 162

A paper manufacturer purchasing a forest of trees is an example of

A) product/market exploitation.  
B) backward vertical integration.  
C) forward vertical integration.  
D) product development.  
E) a defensive company.


Question 163

An organization's ________ are its goal-directed plans and actions in which its capabilities and resources are matched with the opportunities and threats in its environment.

A) strategies  
B) mission statements  
C) vision statements  
D) objectives  
E) None of the answer choices is correct.


Question 164

Which of the following statements is not true regarding corporate strategies?

A) They are concerned with the business(es) that the organization is in and the businesses they want to be in.  
B) They are concerned with the broad and more long-term issues of the organization.  
C) They are concerned with the direction the organization is headed.  
D) They are concerned with how the organization is going to compete in a specific business or industry.  
E) All of the answer choices are correct.
Question 165
As an open system, an organization is affected by the environment and can also impact that environment.
A) True
B) False

Question 166
Which of the following would be examples of sectors that could be found in the specific environment?
A) Competitors
B) Political/legal
C) Economics
D) Demographics
E) All of the answer choices are correct.

Question 167
________ is primarily used by service organizations.
A) Sourcing
B) Franchising
C) Importing
D) Procuring
E) Licensing

Question 168
Which of these is NOT a characteristic of entrepreneurial ventures?
A) Pursue opportunities
B) Have growth and profitability as main goals
C) Little impact on industry
D) Innovative practices
E) All of the answer choices are correct.

Question 169
When IBM dropped its organizational structure based on country and reorganized into industry groups worldwide, it became a
A) multidomestic corporation.
B) focused organization.
C) transnational organization.
D) global company.

Question 170
Describe the benefits of conducting an external analysis.

Question 171
Mintzberg's generic strategies are more popular than Porter's generic strategies.
A) True
B) False

Question 172
A legal transaction in which two or more organizations combine operations through an exchange of stock is called a(n)
A) repurchase.
B) merger.
C) acquisition.
D) takeover.
Question 173

Imitability of a resource can occur through
A) duplication and substitution.
B) duplication.
C) exploitation.
D) substitution.
E) None of the answer choices is correct.

Question 174

One of the countries that Megan Mulcahy wants to enter is North Korea. You explain to her that North Korea is a ________ economy because economic decisions are planned by a central government.
A) planned
B) focused
C) tourist
D) differentiated
E) free market

Question 175

How does the multicountry approach differ from the global approach?

Question 176

Coca-Cola is a ________ organization and PepsiCo is an example of a ________ organization.
A) multiple-business; multiple-business
B) multiple-business; single-business
C) single-business; multiple-business
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 177

Recent census data showed that for the first time in the history of the United States there were more Americans over age ________ than under.
A) 35
B) 21
C) 25
D) 19
E) 30

Question 178

The reactor competitive strategy involves thorough analysis of new business ideas and imitation.
A) True
B) False

Question 179

________ refer(s) to the process of creating and providing goods and services.
A) High-performance work practices
B) Production-operations
C) Information system
D) Marketing
E) None of the answer choices is correct.
Question 180

The main drawback of the BCG and McKinsey-GE Spotlight matrices is the subjectivity of the analysis.
A) True  
B) False  

Question 181

Small businesses employ over half of all private workers.  
A) True  
B) False  

Question 182

When organizations consider whether there are upcoming price increases in the products purchased by the industry, this issue refers to the ________ of the Porter five forces model.
A) threat of potential entrants  
B) bargaining power of suppliers  
C) bargaining power of buyers  
D) threat of substitute products  
E) None of the answer choices is correct.  

Question 183

Small businesses represent more than 99 percent of all employers.  
A) True  
B) False  

Question 184

Small businesses and entrepreneurial ventures are the driving force of change in the process of  
A) strategic positioning.  
B) creative destruction.  
C) market positioning.  
D) cause-related marketing.  
E) competitor interrelationships.  

Question 185

A supplier will have more bargaining power  
A) if the supplier's products are differentiated or there are customer switching costs.  
B) if the supplier's product is an important input to the industry.  
C) if it is able to provide the products that the industry is currently providing.  
D) All of the answer choices are correct.  
E) None of the answer choices is correct.  

Question 186

Stakeholders are individuals or groups who have a stake in or are significantly influenced by an organization's decisions and actions and who, in turn, can influence the organization.  
A) True  
B) False  

Question 187

Customer value is determined by  
A) a low-priced product.  
B) the ability to respond to specific or distinct customer needs.  
C) a unique and different product.
Question 188

A transnational organization is also called a
A) global company.
B) multidomestic corporation.
C) focused organization.
D) borderless organization.

Question 189

Describe briefly Porter’s notion of being "stuck-in-the-middle." Is it always true?

Question 190

A ________ approach is one in which the organization’s strategies vary according to the country in which it does business.
A) transnational
B) multicountry
C) global
D) integrated
E) differentiated

Question 191

A strategic practice in which for-profit businesses link up with a social cause that fits in well with the company’s product or service is referred to as
A) strategic piggybacking.
B) cause-related marketing.
C) marketing alliances.
D) licensing.
E) franchising.

Question 192

Determining the optimum mix of equity or debt is a decision made by which organizational support process?
A) Product development systems
B) Financial-accounting systems
C) Procurement systems
D) Corporate governance systems
E) None of the answer choices is correct.

Question 193

Ms. Gibson has decided the company's employees are their best organizational asset. This asset is an example of which type of resource?
A) Physical assets
B) Financial assets
C) Human resource assets
D) Structural-cultural assets
E) Intangible assets

Question 194

The SWOT analysis points to the strategic issues organizational decision makers need to address in their pursuit of sustainable competitive advantage and high performance levels.
A) True
B) False
Question 195

The ability of Hampton Inn to provide customers moderately-priced accommodation with all the amenities and conveniences travelers want is an example of
A) contributing to superior customer value.
B) operating under a benchmarking philosophy.
C) providing a system that is easily duplicated.
D) a second-to-market philosophy.
E) None of the answer choices is correct.

Question 196

Capitalizing on information, people, ideas, and knowledge characterizes the implication of
A) vanishing distance.
B) turbulent change.
C) reduced need for physical assets.
D) compressed time.
E) All of the answer choices are correct.

Question 197

Why is an internal analysis important?
A) It is the only way to identify an organization's strengths and weaknesses.
B) It is needed for making good strategic decisions.
C) It establishes organizational goals.
D) It identifies strengths and weaknesses and it assists in decision making.
E) Answers B and D are correct.

Question 198

Competitive advantage is what sets an organization apart from other firms in its industry.
A) True
B) False

Question 199

An example of a strategic group would be all of the following except
A) Toyota Camry versus Honda Accord.
B) Mercedes Benz versus General Motors' Saturn.
C) Mercedes Benz versus BMW.
D) All of the above are strategic group examples.
E) None of the above is an example of a strategic group.

Question 200

Preparing a current product-market profile emphasizes organization-customer interactions.
A) True
B) False

Question 201

Which of the following is a benefit of vertical integration?
A) Increased coordination with competitive strategies
B) Decreased financial costs of start up
C) Ease of integrating various operations
D) Increased flexibility
E) None of the above is correct.
Question 202

Experiences, characteristics, and knowledge are all aspects that represent
A) financial resources.
B) structural resources.
C) human resources.
D) intangible resources.
E) physical resources.

Question 203

One of the major disadvantages of the McKinsey matrix is that of
A) subjectivity.
B) uniqueness.
C) simplicity.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 204

An open system is one that interacts with and responds to its external environment.
A) True
B) False

Question 205

Ms. Krisak asks the question, “Does the ability to stay on the cutting edge of home interior trends provide our customer tangible benefits?” Under which step of the capabilities assessment profile are distinctive organizational capabilities identified?
A) Sort the core capabilities and competencies according to strategic importance.
B) Identify and agree on the key capabilities and competencies.
C) Prepare current product-market profile.
D) Describe all the organizational capabilities and competencies.
E) None of the answer choices are correct.

Question 206

In the development of strategic management as a discipline, Alfred Chandler wrote the book
A) Business Policy: Text and Cases.
B) Strategy and Structure.
C) The Pursuit of Excellence.
D) The Teflon Leader.
E) Corporate Strategy.

Question 207

Effectively managing customers and competitors is customer satisfaction.
A) True
B) False

Question 208

________ are the regular, predictable, and sequential patterns of work activities performed by organizational members.
A) Organizational capabilities
B) Actual work activities
C) Accumulated knowledge
D) Organizational routines and processes
E) None of the answer choices is correct.
Question 209
Which of the following is NOT an international strategy alternative?
A) Importing
B) Licensing
C) Franchising
D) Exporting
E) Deporting

Question 210
The two main support processes in an organization are
A) information systems and financial accounting systems.
B) financial accounting systems and HR systems.
C) procurement systems and HR systems.
D) information systems and HR systems.
E) production systems and marketing systems.

Question 211
The use of equipment, materials, knowledge, and experience to perform tasks is defined as
A) technology.
B) resource allocation.
C) labor allocation.
D) the information revolution.
E) globalization.

Question 212
Ms. Gibson has come up with the idea of offering free house painting if the job is not completed within the time agreed. Which of the following best describes the competitive advantage perspective that Ms. Gibson is proposing?
A) Industrial organization view
B) Resource-based view
C) Guerilla view
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 213
Identifying and agreeing on the key competencies and capabilities is critical to managing strategically for a sustainable competitive advantage.
A) True
B) False

Question 214
When Walmart Stores "thinks locally to act globally," it is most likely approaching the global market as a
A) multidomestic corporation.
B) borderless organization.
C) global company.
D) transtional organization.
E) None of the answer choices is correct.

Question 215
When consumers consider whether they have the ability and resources themselves to manufacture the products they are purchasing from the industry, this issue refers to the ________ of the Porter five forces model.
A) bargaining power of buyers
B) bargaining power of suppliers
C) threat of potential entrants
D) threat of substitute products
<table>
<thead>
<tr>
<th>Question 216</th>
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<tbody>
<tr>
<td>The most basic question(s) in strategy is (are)</td>
</tr>
<tr>
<td>A) Is strategy important? and Why do firms have varying levels of performance?</td>
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<tr>
<td>B) Why do firms have varying levels of performance?</td>
</tr>
<tr>
<td>C) Why do firms succeed or fail?</td>
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<tr>
<td>D) Is strategy important?</td>
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<tr>
<td>E) Why do firms succeed or fail? and Why do firms have varying levels of performance?</td>
</tr>
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<tr>
<th>Question 217</th>
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<tbody>
<tr>
<td>Globalization is one of the driving forces in the twenty-first century business environment.</td>
</tr>
<tr>
<td>A) True</td>
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<td>B) False</td>
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<tr>
<th>Question 218</th>
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<tbody>
<tr>
<td>______ is the process of taking a creative idea and turning it into a product or process that can be used or sold.</td>
</tr>
<tr>
<td>A) Discovery</td>
</tr>
<tr>
<td>B) Invention</td>
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<tr>
<td>C) Innovation</td>
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<tr>
<td>D) Technology</td>
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<td>E) All of the answer choices are correct.</td>
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<tr>
<th>Question 219</th>
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<tbody>
<tr>
<td>According to the value chain analysis, the process connected to the acquisition and utilization of resources is known as</td>
</tr>
<tr>
<td>A) firm infrastructure.</td>
</tr>
<tr>
<td>B) managing human resources.</td>
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<td>C) technological development.</td>
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<tr>
<td>D) purchasing.</td>
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<tr>
<td>E) None of the answer choices is correct.</td>
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<tr>
<th>Question 220</th>
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<tbody>
<tr>
<td>Entrepreneurial ventures and small businesses are not the same.</td>
</tr>
<tr>
<td>A) True</td>
</tr>
<tr>
<td>B) False</td>
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<table>
<thead>
<tr>
<th>Question 221</th>
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<tbody>
<tr>
<td>Which of the general environmental sectors is affected when minimum wage laws are changed?</td>
</tr>
<tr>
<td>A) Demographics</td>
</tr>
<tr>
<td>B) Technological</td>
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<td>C) Sociocultural</td>
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<tr>
<td>D) Political/legal</td>
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<td>E) Economics</td>
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<th>Question 222</th>
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<tbody>
<tr>
<td>Public sector organizations are most affected by _______ constraints.</td>
</tr>
<tr>
<td>A) external</td>
</tr>
<tr>
<td>B) internal</td>
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<tr>
<td>C) efficiency</td>
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<tr>
<td>D) managerial</td>
</tr>
<tr>
<td>E) None of the answer choices is correct.</td>
</tr>
</tbody>
</table>
Question 223
Which of the following would be considered substitute products?
A) Contacts and eyeglasses
B) AT&T and Sprint
C) The Internet and the World Wide Web
D) Coke and Pepsi
E) None of the answer choices is correct.

Question 224
According to the Global Entrepreneurship Monitor (GEM) 2011 report, there are more than ______ million entrepreneurs in the 54 countries covered.
A) 25
B) 36
C) 250
D) 700
E) 400

Question 225
The product functional strategies include design, production-operations, and human resources.
A) True
B) False

Question 226
A challenge in conducting an external analysis is that
A) brand loyalty is low.
B) markets may be concentrated.
C) forecasts aren't facts.
D) markets may be fragmented.
E) market conditions are stable.

Question 227
Core competencies cannot be a source of ________, but can contribute to the development of ________.
A) dynamic capabilities; internal analysis.
B) distinctive capabilities; organizational goals
C) organizational goals; competitive advantage
D) competitive advantage; distinctive capabilities.
E) None of the answer choices is correct.

Question 228
Which of the following is not a recommended competitive strategy for developing a competitive advantage?
A) Reactor
B) Prospector
C) Defender
D) Analyzer

Question 229
Substitute products can be found in the same industry.
A) True
B) False

Question 230
**Situation analysis allows the organization to examine**
- A) internal factors only.
- B) both external and internal factors.
- C) external factors only.
- D) the organization's top management only.
- E) None of the answer choices is correct.

### Question 231
**What are core competencies?**

### Question 232
**Product design strategies typically involve an organization's _______ functional area.**
- A) corporate governance
- B) HR
- C) finance
- D) R&D
- E) accounting

### Question 233
**An example of a cause-related NFP is**
- A) Rockefeller Foundation.
- B) Bill and Melinda Gates Foundation.
- C) Camp Fire.
- D) Save the Whales.
- E) the University of Minnesota.

### Question 234
**International strategy is a corporate strategy that describes companies that do business in multiple countries simultaneously.**
- A) True
- B) False

### Question 235
**The board of directors in an organization**
- A) is not an important part of the organization's strategic development.
- B) plays a significant role in corporate governance.
- C) is responsible for the implementation of the organization's operating activities.
- D) serves in the role of executive management.
- E) None of the answer choices is correct.

### Question 236
**How is strategic management different from other types of management?**
- A) Strategic management has an external focus by its emphasis on the interactions of the organization with its external environment.
- B) Strategic management concerns itself with the choice of future direction that the organization is going.
- C) Strategic management involves the organization's specific resources and capabilities.
- D) Strategic management enables managers to evaluate the organization's internal and external situation and decide future actions to take.
- E) All of the answer choices are correct.

### Question 237
**The process of creating and providing goods and services is production-operations.**
- A) True
- B) False
### Question 238
Technology has significantly impacted how a creative idea is turned into a product or process that can be used or sold.
A) True
B) False

### Question 239
Explain the two perspectives on the environment.

### Question 240
A not-for-profit organization has as its purpose to provide some service or good with no intention or goal of earning a profit and has met the requirements of the U.S. Internal Revenue Service tax code as a tax-exempt organization.
A) True
B) False

### Question 241
Describe the traditional view of corporations.

### Question 242
Identifying distinctive organizational capabilities involves
A) sorting the core capabilities and competencies according to functional level priorities.
B) describing top management organizational capabilities and competencies.
C) identifying the functional strategies.
D) preparing an historical product/market profile.
E) None of the answer choices is correct.

### Question 243
The main difference between large and small organizations' strategy evaluation efforts will be in terms of the magnitude or extent of evaluation that is done.
A) True
B) False

### Question 244
A ________ statement is a statement of what specific organizational units do and what they hope to accomplish.
A) strategy
B) vision
C) corporate social responsibility
D) mission
E) technology

### Question 245
In the industrial organization (I/O) view, the focus of strategic analysis is on the internal situation of the organization.
A) True
B) False

### Question 246
An organization's attempt at creating and sustaining a long-term competitive advantage can be disrupted through
A) market instability.
B) government legislation.
C) technological advances.
D) All of the answer choices are correct.
Question 247

Which of the following best describes the competitive advantage perspective that looks at the impact of external factors?
A) Guerilla view  
B) Industrial organization view  
C) Resource-based view  
D) All of the answer choices are correct.  
E) None of the answer choices is correct.

Question 248

The second step in identifying distinctive organizational capabilities through a capabilities assessment profile is
A) describe all the organizational capabilities and competencies.  
B) sort the core capabilities and competencies according to strategic importance.  
C) identify and agree on the key capabilities and competencies.  
D) identify sources of competitive advantage and disadvantage in the main product-market segments.  
E) prepare a current product-market profile.

Question 249

The one-time costs facing the buyer who switches from one supplier’s product to another’s is
A) switching costs.  
B) government policy.  
C) capital requirements.  
D) access to distribution channels.  
E) product differentiation.

Question 250

One of the significant legislative acts affecting organizations is
B) Family and Medical Leave Act of 1993.  
E) All of the answer choices are correct.

Question 251

Situation analysis involves the process of
A) analyzing the current environment of the organization.  
B) analyzing the external environment only.  
C) designing and choosing appropriate organizational strategies.  
D) evaluating the internal aspects of the organization.  
E) None of the answer choices is correct.

Question 252

The organization’s ability to complete or reach goals is referred to as
A) efficiency.  
B) productivity.  
C) stability.  
D) effectiveness.  
E) None of the answer choices is correct.

Question 253

The resource-based view (RBV) only focuses on the internal factors, with no regard for the organization’s external factors.  
A) True
Question 254
Francesca’s has had a higher than desirable level of server turnover. Ms. diMatteo decided she needed to pay better attention to which strategies?
A) Information
B) Marketing
C) Financial-accounting
D) Human resources
E) None of the answer choices is correct.

Question 255
Mr. Wilson has been reading about consumers’ strong likelihood of paying for the convenience of having multiple products available in one location. Mr. Wilson is considering adding an extensive, full line of Italian foods and wines to add to his furniture line. Which of the below strategies is Mr. Wilson following here?
A) Unrelated diversification
B) International
C) Backward vertical integration
D) Related diversification
E) Concentration

Question 256
As an open system, an organization _______ and _______ its external environment.
A) reacts to; controls
B) interacts with; responds to
C) reacts to; responds to
D) interacts with; controls
E) None of the answer choices is correct.

Question 257
An important issue affecting strategic management in today’s world is
A) e-business.
B) corporate governance.
C) globalization.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 258
Mr. Perry thinks perhaps the $30,000 price tag of each portable saw mill might discourage buyers from going to another brand portable saw mill. This is an example of
A) product differentiation.
B) capital requirements.
C) government policy.
D) switching costs.
E) access to distribution channels.

Question 259
Strategic management is defined as
A) evaluating and changing those strategies as needed.
B) putting those strategies into action.
C) those decisions and actions where organizational members analyze the current situation and develop appropriate strategies.
D) developing appropriate strategies.
E) All of the answer choices are correct.
Question 260

Explain the key differences between a multidomestic corporation and a global company.

Question 261

Vietnam and North Korea are examples of planned economies.
A) True
B) False

Question 262

An alliance in which the not-for-profit organization proposes and initiates the partnership is referred to as:
A) licensing.
B) effect-related marketing.
C) strategic piggybacking.
D) a not-for-profit marketing alliance.
E) cause-related marketing.

Question 263

Resources that the organization possesses and capabilities that the organization has developed, both of which can be developed into a sustainable competitive advantage, are known as
A) threats.
B) opportunities.
C) strengths.
D) weaknesses.
E) None of the answer choices is correct.

Question 264

All of the following are reflective of restructuring efforts except
A) divestment.
B) cost cutting.
C) spin-off.
D) liquidation.
E) reengineering.

Question 265

The types of renewal strategies include
A) diversification strategy.
B) retrenchment and turnaround strategies.
C) retrenchment strategy.
D) turnaround strategy.
E) None of the answer choices is correct.

Question 266

Describe the criteria involved in judging organizational strengths and weaknesses.

Question 267

The major problem with forecasts and trend analyses is
A) consumers do not benefit from technological trends predicted.
B) the information is built using historical trends.
C) the information is difficult to compile with the latest technology.
D) the information constitutes predictions of the future, not actual facts.
E) None of the answer choices is correct.
<table>
<thead>
<tr>
<th>Question 268</th>
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<tbody>
<tr>
<td>When an organization hasn't developed a low cost or a differentiation competitive advantage, it is said to be</td>
</tr>
<tr>
<td>A) stuck-in-the-middle.</td>
</tr>
<tr>
<td>B) using an integrated strategy.</td>
</tr>
<tr>
<td>C) pursuing a niche-based competitive advantage.</td>
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<tr>
<td>D) using a strategy of best cost.</td>
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<tr>
<th>Question 269</th>
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<tbody>
<tr>
<td>Mr. Wilson is thinking about concentrating on his primary line of business and looking for ways to meet its growth goals by expanding its core business. Which of the below strategies is Mr. Wilson following here?</td>
</tr>
<tr>
<td>A) Concentration</td>
</tr>
<tr>
<td>B) International</td>
</tr>
<tr>
<td>C) Diversification</td>
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<tr>
<td>D) Horizontal integration</td>
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<td>E) Vertical integration</td>
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<tbody>
<tr>
<td>An external audit is a thorough assessment of an organization's various internal functional areas.</td>
</tr>
<tr>
<td>A) True</td>
</tr>
<tr>
<td>B) False</td>
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<table>
<thead>
<tr>
<th>Question 271</th>
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<tbody>
<tr>
<td>Compare and contrast the industrial organization (I/O) and resource-based views (RBV).</td>
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<table>
<thead>
<tr>
<th>Question 272</th>
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<tbody>
<tr>
<td>Small businesses represent more than ________ percent of all employers.</td>
</tr>
<tr>
<td>A) 40</td>
</tr>
<tr>
<td>B) 99</td>
</tr>
<tr>
<td>C) 50</td>
</tr>
<tr>
<td>D) 60</td>
</tr>
<tr>
<td>E) None of the above answer choices is correct.</td>
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<thead>
<tr>
<th>Question 273</th>
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<tbody>
<tr>
<td>Which of the following are considered to be primary activities in a value chain analysis as outlined by Porter?</td>
</tr>
<tr>
<td>A) Human resource management</td>
</tr>
<tr>
<td>B) Procurement</td>
</tr>
<tr>
<td>C) Inbound logistics</td>
</tr>
<tr>
<td>D) Firm's infrastructure</td>
</tr>
<tr>
<td>E) None of the answer choices is correct.</td>
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</tbody>
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<table>
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<tr>
<th>Question 274</th>
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<tbody>
<tr>
<td>Effectiveness is the search for the best practices inside or outside an organization.</td>
</tr>
<tr>
<td>A) True</td>
</tr>
<tr>
<td>B) False</td>
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<table>
<thead>
<tr>
<th>Question 275</th>
</tr>
</thead>
<tbody>
<tr>
<td>A diversification strategy is a growth strategy in which an organization expands its operations by moving into a different industry.</td>
</tr>
<tr>
<td>A) True</td>
</tr>
<tr>
<td>B) False</td>
</tr>
</tbody>
</table>
Question 276
One drawback of the concentration strategy is that the organization is vulnerable to industry and other external environmental shifts.
A) True
B) False

Question 277
Describe the strategic management process. What does it mean to manage strategically?

Question 278
________ treat the world market as an integrated whole.
A) Global companies
B) Glocal organizations
C) Multidomestic corporations
D) Transnational organizations
E) None of the answer choices is correct.

Question 279
Competitive strategy is a choice of how an organization or business unit is going to compete in its particular industry or market.
A) True
B) False

Question 280
The traditional view of social responsibility states that
A) corporations should exist only to represent the stockholders.
B) corporations forecast their goals on the basis of pending legislation.
C) corporations function as a measure of consumer behavior.
D) corporations should operate on the basis of their suppliers’ interests.
E) corporations must represent all stakeholder groups.

Question 281
Developing different uses for a product is an example of a ________ concentration option.
A) product-market exploitation
B) product development
C) market development
D) product-market diversification.
E) None of the answer choices is correct.

Question 282
One challenge of conducting an external analysis is
A) an external analysis can be time consuming.
B) it is time consuming and the environment changes very rapidly.
C) the internal analysis of the organization is very important to managing strategically.
D) the environment might be changing more rapidly than you can keep up with.
E) None of the above represents challenges in conducting an external analysis.

Question 283
In Porter's cost leadership strategy, the main goal of the cost leader is to have the lowest ________ in the industry.
A) prices
B) profits
C) costs
D) products
Question 284
Managing ________ is an ongoing process.
A) strategically
B) cooperatively
C) emotionally
D) reactively
E) None of the answer choices is correct.

Question 285
The ________ strategy is one in which an organization continually innovates by finding and exploiting new product and market opportunities.
A) reactor
B) defender
C) prospector
D) analyzer

Question 286
Which of the following does not usually function as an entry barrier?
A) Economies of scale
B) Switching costs
C) High strategic stakes
D) Access to distribution channels
E) Product differentiation

Question 287
A small business is not characterized by
A) having fewer than 100 employees.
B) engaging in innovative practices.
C) having little impact on its industry.
D) being independently owned.
E) None of the answer choices is correct.

Question 288
Which of the following involves the greatest commitment of resources and poses the greatest amount of risk?
A) Exporting and importing
B) Franchising
C) Foreign subsidiary
D) Global sourcing
E) Licensing

Question 289
What are the important potential advantages of being international?

Question 290
When a company builds a profitable business by "stealing" ideas from other successful peers, it is following a(n) ________ strategy.
A) defender
B) prospector
C) reactor
D) analyzer

Question 291
Corporate strategies are concerned with the broad and long-term questions of what business(es) the organization is in or wants to be in and what it wants to do with those businesses.
A) True
B) False

**Question 292**

An internal audit is similar to a financial audit, although it focuses on much more than just the financial aspects.
A) True
B) False

**Question 293**

According to the resource-based view, a firm’s resources should add value, be rare, be exploited, and easy to duplicate or substitute.
A) True
B) False

**Question 294**

The following are all features of strategic management except
A) external focus.
B) future direction.
C) internal focus.
D) interdisciplinary.
E) All of the answer choices are correct.

**Question 295**

Small businesses employ over ________ of all private workers.
A) 25 percent
B) 75 percent
C) a third
D) 90 percent
E) half

**Question 296**

Research has shown that small firms that mixed efficiency (low-cost) and flexibility (differentiation) strategies significantly outperformed those firms that utilized one or the other.
A) True
B) False

**Question 297**

Which of the following is one of the basic organizational functions managers should examine during an internal audit?
A) Production-operations
B) Information systems
C) Financial-accounting
D) Marketing
E) All of the answer choices are correct

**Question 298**

In relative terms, which of the following involves minimal global investment?
A) Global sourcing
B) Licensing
C) Exporting
D) Importing
E) Franchising
Question 299

Northland Designs always seems to combine styles in compelling ways that distinguishes this company from its competitors. This ability is called
A) a demonstrated organizational capability.
B) a distinguished organizational capability.
C) a distinctive organizational capability.
D) a delineated organizational capability.
E) a denoted organizational capability.

Question 300

Discuss the major barriers to entry.

Question 301

Examples of an organization's functional units include all of the following except
A) marketing.
B) production.
C) research and development.
D) competencies.
E) All of the answer choices are correct.

Question 302

A(n)________ is any type of international company that maintains operations in multiple countries.
A) prospector.
B) international company
C) multinational corporation
D) conglomerate
E) None of the answer choices is correct.

Question 303

Weaknesses are resources and capabilities that are lacking or deficient and that prevent the organization from developing a sustainable competitive advantage.
A) True
B) False

Question 304

Factors of industry attractiveness include
A) technological stability of the market.
B) ethical standards.
C) number of competitors.
D) industry profitability.
E) All of the answer choices are correct.

Question 305

________ involves acquiring products made abroad and selling them domestically.
A) Licensing
B) Exporting
C) Focusing
D) Importing
E) Franchising

Question 306

Southwest's capability of quick gate turnaround time and exceptional employee-customer interactions is known as
Question 307
As the consultant, you propose to Mr. Perry that one challenge of conducting an external analysis is
A) forecasts and trend analyses are not facts.
B) brand loyalty is low.
C) markets may be fragmented.
D) markets may be concentrated.
E) market conditions are stable.

Question 308
What makes organizational resources unique?

Question 309
One example of a possible corporate strategic direction is increasing its level of operations.
A) True
B) False

Question 310
Ms. Mulcahy wants to understand the advantages of being international. Which of the following would you suggest?
A) Potentially higher operational costs
B) Quality issues
C) Interdependencies among multiple countries can be exploited.
D) Increased global competition for jobs, markets, and talents
E) None of the answer choices is correct.

Question 311
The question, "Does the capability provide tangible customer benefits?" occurs under what step of the capabilities assessment profile which identifies distinctive organizational capabilities?
A) Identify and agree on the key capabilities and competencies.
B) Describe all the organizational capabilities and competencies.
C) Prepare current product-market profile.
D) Sort the core capabilities and competencies according to strategic importance.
E) None of the answer choices are correct.

Question 312
What are the possible causes of corporate decline?

Question 313
Describe the characteristics of an entrepreneurial venture and a small business.

Question 314
Strategic piggybacking is the development of a new activity that would generate revenue for the not-for-profit organization.
A) True
B) False
Question 315
One of the conditions that contributes to intense competitor rivalry is
A) numerous or equally balanced competitors.
B) high fixed costs.
C) slow industry growth.
D) diverse competitors.
E) All of the answer choices are correct.

Question 316
Northland Designs' ability to stay on the cutting edge of home interior trends throughout the company is called
A) a core weakness.
B) a core opportunity.
C) a core competency.
D) a distinctive organizational capability.
E) a competitive intelligence.

Question 317
The academic discipline primarily responsible for the development of strategic management is
A) accounting.
B) philosophy.
C) economics.
D) anthropology.
E) biology.

Question 318
An example of a corporate strategy would involve
A) the decision to increase the advertising budget for Coca-Cola.
B) the decision to increase the price of the Hummer.
C) the decision to spin Taco Bell off from Pepsi.
D) the decision to combine marketing functions in the Northeast and the Southeast.
E) None of the answer choices is correct.

Question 319
Organizational capabilities are the special and unique processes that distinguish the organization from its competitors.
A) True
B) False

Question 320
A multicountry approach is based on developing a ________ advantage.
A) focused
B) integrated
C) low-cost
D) differentiation
E) None of the answer choices is correct.

Question 321
Mulcahy believes that in the skincare industry, local responsiveness is important because significant country-to-country differences exist. She is suggesting a ________ approach.
A) multicountry
B) global
C) ethnocentric
D) regiocentric
E) regional
#### Question 322

Which of the following is not a characteristic of strategic management that makes it different from other types of management?

A) It has an external focus.  
B) It concerns the present direction of the organization.  
C) It has an internal focus.  
D) It is interdisciplinary.  
E) None of the answer choices is correct.


#### Question 323

Physical assets encompass the actual and potential debt and equity used by the organization as well as any retained earnings or other financial holdings.

A) True  
B) False


#### Question 324

As a manufacturing company, CCP should probably use ________ in going international.

A) preempting  
B) franchising  
C) transitioning  
D) licensing  
E) focusing


#### Question 325

In Mintzberg's typology, ________ is a way to differentiate.

A) niche  
B) focus  
C) adaptability  
D) price


#### Question 326

The strategic management process differs for small businesses and entrepreneurial ventures when compared to larger organizations because

A) small businesses and entrepreneurial ventures have inexperienced managers.  
B) small businesses and entrepreneurial ventures have low growth potential.  
C) small businesses and entrepreneurial ventures have limited resources.  
D) small businesses and entrepreneurial ventures have smaller organizational objectives.  
E) small businesses and entrepreneurial ventures have more exposure to lobbying groups.


#### Question 327

An example of ethical behavior by an organization would be

A) a cigarette manufacturer that fails to warn potential consumers about the hazards of tobacco.  
B) a toy company that makes products that might be life threatening.  
C) a company that develops a fund-raising campaign that would help its primary consumer group.  
D) a chemical company dumping toxic waste into a lake.  
E) None of the answer choices is correct.


#### Question 328

Examples of measurement of a church's strategic performance include all of the following except

A) number of members.  
B) member contributions.  
C) percentage increase or decrease of members.  
D) All of the answer choices are correct.  
E) None of the answer choices is correct.
<table>
<thead>
<tr>
<th>Question 329</th>
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<tbody>
<tr>
<td>What are the features of entrepreneurial ventures?</td>
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<table>
<thead>
<tr>
<th>Question 330</th>
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<tbody>
<tr>
<td>A long-term contract is usually an agreement between</td>
</tr>
<tr>
<td>A) two organizations in the same industry.</td>
</tr>
<tr>
<td>B) two organizations in unrelated industries.</td>
</tr>
<tr>
<td>C) a domestic and international organization.</td>
</tr>
<tr>
<td>D) an organization and its suppliers.</td>
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<tr>
<td>E) None of the answer choices is correct.</td>
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<table>
<thead>
<tr>
<th>Question 331</th>
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<tbody>
<tr>
<td>Public services provided by public-sector organizations include</td>
</tr>
<tr>
<td>A) assistance for the needy.</td>
</tr>
<tr>
<td>B) recreation facilities.</td>
</tr>
<tr>
<td>C) police protection.</td>
</tr>
<tr>
<td>D) paved roads.</td>
</tr>
<tr>
<td>E) All of the answer choices are correct.</td>
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<thead>
<tr>
<th>Question 332</th>
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<tbody>
<tr>
<td>The basic activities of strategic management include</td>
</tr>
<tr>
<td>A) development, control, and management.</td>
</tr>
<tr>
<td>B) situation analysis, strategy formulation, strategy implementation, and strategy evaluation.</td>
</tr>
<tr>
<td>C) ethics, management, and practice.</td>
</tr>
<tr>
<td>D) offense, defense, and control.</td>
</tr>
<tr>
<td>E) None of the answer choices is correct.</td>
</tr>
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<table>
<thead>
<tr>
<th>Question 333</th>
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<tbody>
<tr>
<td>Examples of portfolio analyses include</td>
</tr>
<tr>
<td>A) the McKinsey-GE stoplight matrix.</td>
</tr>
<tr>
<td>B) the BCG matrix.</td>
</tr>
<tr>
<td>C) the product-market evolution matrix.</td>
</tr>
<tr>
<td>D) All of the answer choices are correct.</td>
</tr>
<tr>
<td>E) None of the answer choices is correct.</td>
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<thead>
<tr>
<th>Question 334</th>
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<tbody>
<tr>
<td>The organization’s major value-creating skills and capabilities that are shared across multiple product lines or multiple businesses are called</td>
</tr>
<tr>
<td>A) competitive intelligence.</td>
</tr>
<tr>
<td>B) distinctive organizational capabilities.</td>
</tr>
<tr>
<td>C) core weaknesses.</td>
</tr>
<tr>
<td>D) core opportunities.</td>
</tr>
<tr>
<td>E) core competencies.</td>
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<tr>
<th>Question 335</th>
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<tbody>
<tr>
<td>Starting a business from the ground up is referred to as</td>
</tr>
<tr>
<td>A) product development.</td>
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<tr>
<td>B) market development.</td>
</tr>
<tr>
<td>C) internal development.</td>
</tr>
<tr>
<td>D) strategic development.</td>
</tr>
<tr>
<td>E) None of the answer choices is correct.</td>
</tr>
</tbody>
</table>
Question 336
A buyer will have less bargaining power if all of the following factors apply except
A) buyers do not have the ability to manufacture the products.
B) buyers have limited information.
C) buyers purchase small volumes of the products.
D) buyers face few switching costs.
E) the products purchased are highly differentiated and unique.

Question 337
In thinking about the various laws that affect organizations, Mr. Perry should be most concerned about which of the following laws?
A) The U.S. Economic Espionage Act of 1996
B) The Occupational Safety and Health Act of 1970
D) The Civil Rights Act of 1991
E) The Americans with Disabilities Act of 1990

Question 338
Innovation is the process of creating, changing, experimenting, transforming, and revolutionizing.
A) True
B) False

Question 339
Which of the following is a strategic advantage of small businesses and entrepreneurial ventures over larger businesses?
A) Strategic goals are profitability and growth
B) Respond quickly to changing conditions
C) Seek out new opportunities
D) Willingness to take risks
E) None of the answer choices is correct.

Question 340
Liquidation is the process of selling off a business to someone else where it will continue as an ongoing business.
A) True
B) False

Question 341
A key element of the environment as a source of resources perspective is the idea of environmental uncertainty.
A) True
B) False

Question 342
The organization type which first utilized strategy is
A) the military organization.
B) the retail organization.
C) the entertainment organization.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 343
Core competencies are the organization's major value-creating skills and capabilities that are essential to their business.
A) True
B) False
Question 344
The CEO's typical role is that of the chief strategist.
A) True
B) False

Question 345
The various organizational routines and processes that determine how efficiently and effectively the organization transforms its inputs into outputs are called
A) operations.
B) capabilities.
C) strengths.
D) core competencies.
E) customer value.

Question 346
Which of the following is a possible production-operations management strategy?
A) User positioning
B) Market logistics
C) Database marketing
D) Inventory management systems
E) Selective specialization

Question 347
__________ is primarily used by manufacturing companies.
A) Procuring
B) Licensing
C) Focusing
D) Franchising
E) None of the answer choices is correct.

Question 348
An example of a potential organizational stakeholder is a trade association.
A) True
B) False

Question 349
Competitive advantage can best be described as
A) what sets an organization apart.
B) increased efficiency.
C) intangible resources.
D) a strength of the organization.
E) aggressive research and development.

Question 350
Small businesses and entrepreneurial ventures can compete successfully in narrow market niches by developing a low-cost, differentiation, or integrated competitive advantage.
A) True
B) False

Question 351
Many consumer product companies that compete in the global market organize themselves as a ________ because they must adapt their products to meet the needs of local markets.
A) borderless organization
B) global company
C) transnational organization
D) multidomestic corporation
E) None of the answer choices is correct.

Question 352

Efficiency is
A) the organization's ability to complete or reach goals.
B) a specific measure, typically used in the production-operations-manufacturing area, of how many inputs it took to produce outputs.
C) the search for the best practices from other leading organizations.
D) the ability of the organization to minimize the use of resources in achieving organizational goals.
E) None of the answer choices is correct.

Question 353

The McKinsey-GE Spotlight matrix is also known as the growth-share matrix.
A) True
B) False

Question 354

How do small businesses impact jobs?

Question 355

Opportunities are positive external environmental trends or changes that may help the organization improve its performance.
A) True
B) False

Question 356

Mr. Smith has been summoned to the next No Leaks Plumbing's, a publicly-held company, Board of Directors' meeting to explain why his new delivery strategy has cost the company $10,000. This is an example of which of the following Board of Directors responsibilities?
A) Overseeing the company's management
B) Governing the organization's decisions and actions
C) Protecting the interests of the shareholders
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 357

One of the advantages of going international is that it can potentially lower operational costs.
A) True
B) False

Question 358

The role of top-level decision makers in the strategic management process is to
A) establish functional strategies.
B) develop the overall goal that the organization hopes to achieve.
C) supervise line managers.
D) establish the overall operational goals.
E) None of the answer choices is correct.
Question 359

The resources-based view (RBV) takes the approach that a firm's resources are more important than industry structure in getting and keeping competitive advantage.
A) True
B) False

Question 360

After a current product-market profile has been assessed, the next step is to
A) identify sources of competitive advantage and the disadvantage in the main product-market segments.
B) conduct an external assessment of competitors.
C) emphasize the interactions between the organization and customers.
D) All of the answer choices are correct.
E) None of the answer choices are correct.

Question 361

The specific environment includes such sectors as demographics, economics, and political/legal factors.
A) True
B) False

Question 362

Research on community arts organizations has indicated that Porter's strategy(ies) of ________ is(are) utilized.
A) cost leadership
B) cost leadership, differentiation, and focus
C) differentiation
D) focus
E) differentiation and focus

Question 363

The generation of the postwar group was born between the years
A) 1912-1921.
B) 1928-1945.
C) 1922-1927.
E) 1965-1977

Question 364

Compare the terms cause-related marketing and not-for-profit marketing alliances.

Question 365

As part of its training, most military academies teach
A) the Seven Principles of Success.
B) the Five Keys to Effectiveness.
C) the Nine Principles of War.
D) the Eight Steps to Efficiency.
E) the Three Principles to Effective Leadership.

Question 366

Both public sector and not-for-profit organizations must develop a(n) ________ to ensure their continued existence.
A) lobbying group
B) strong management pool
C) link with companies
Question 367
A growth strategy involves the attainment of specific growth objectives by increasing the level of an organization’s operations.
A) True
B) False

Question 368
Change agents are
A) the leader who single-handedly is responsible for an organization’s success through authoritarian leadership.
B) those who initiate and oversee the change efforts.
C) manipulators that facilitate change to improve an organization’s revenue.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 369
Which of the following is NOT a possible dimension for identifying strategic groups?
A) Quality
B) Geographic scope
C) Units sold
D) Price

Question 370
Small businesses account for over 90 percent of the private sector output.
A) True
B) False

Question 371
How are mergers different from acquisitions?

Question 372
According to the guerrilla view of competitive advantage, the state of an organization’s competitive advantage is
A) able to provide stable cash flows.
B) long term.
C) temporary.
D) long term based on the role of strategic leadership.
E) None of the answer choices is correct.

Question 373
Companies such as Google and Apple are finding that they can achieve a sustainable competitive advantage with
A) non-physical assets.
B) vanishing distance.
C) physical assets.
D) physical distance.
E) All of the answer choices are correct.

Question 374
The Porter five forces model includes all of the following factors except
A) threat of a decrease in research and development.
B) bargaining power of buyers.
<table>
<thead>
<tr>
<th>Question 375</th>
<th>The ________ works hard to establish brand loyalty.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) reactor</td>
<td>B) differentiator</td>
</tr>
<tr>
<td>C) cost leader</td>
<td>D) defender</td>
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<thead>
<tr>
<th>Question 376</th>
<th>An element of the environment as information perspective is</th>
</tr>
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<tbody>
<tr>
<td>A) environmental uncertainty.</td>
<td></td>
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<td>B) environmental currency.</td>
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<tr>
<td>C) environmental texture.</td>
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<tr>
<td>D) environmental relevancy.</td>
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<tr>
<td>E) None of the answer choices is correct.</td>
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<thead>
<tr>
<th>Question 377</th>
<th>The differentiator will market products aimed at the &quot;average&quot; customer.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) True</td>
<td>B) False</td>
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<thead>
<tr>
<th>Question 378</th>
<th>Which of the following best describes the organizational environment perspective that summarizes the various studies of organizational environments?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Environment as a source of power</td>
<td></td>
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<tr>
<td>B) Environment as a source of information and resources</td>
<td></td>
</tr>
<tr>
<td>C) Environment as a source of resources</td>
<td></td>
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<tr>
<td>D) Environment as a source of information</td>
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<tr>
<td>E) None of the answer choices is correct.</td>
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<thead>
<tr>
<th>Question 379</th>
<th>Both the product-market evolution and McKinsey matrices have the disadvantage of</th>
</tr>
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<tbody>
<tr>
<td>A) simplicity.</td>
<td></td>
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<tr>
<td>B) individuality.</td>
<td></td>
</tr>
<tr>
<td>C) complexity.</td>
<td></td>
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<tr>
<td>D) subjectivity.</td>
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<tr>
<td>E) None of the answer choices is correct.</td>
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<table>
<thead>
<tr>
<th>Question 380</th>
<th>A not-for-profit organization created, funded, and regulated by the public sector or government can be referred to as</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) a quasi-government organization.</td>
<td></td>
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<tr>
<td>B) an effective organization.</td>
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<tr>
<td>C) a public-sector organization.</td>
<td></td>
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<tr>
<td>D) a private-sector organization.</td>
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<tr>
<td>E) an efficient organization.</td>
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<table>
<thead>
<tr>
<th>Question 381</th>
<th>An organization's functional strategies are the goal-directed plans and actions of the organization's functional areas.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) True</td>
<td>B) False</td>
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</table>
Question 382
Define the steps in the identification of distinctive organizational capabilities.

Question 383
A company like PepsiCo, with a number of business units such as snack foods, beverages, and prepared foods, is referred to as a
A) multiple-line organization.
B) single-function organization.
C) multiple-business organization.
D) single-business organization.
E) multiple-function organization.

Question 384
Industry sales forecasts and trends are part of the general economic sector.
A) True
B) False

Question 385
Purchasing and sending electronic greeting cards through a website could represent a(n) ________ for a traditional greeting card company like Hallmark.
A) stable vision
B) physical change
C) organizational change
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 386
An external analysis enables the organization to examine
A) product substitution and durability.
B) opportunities and threats.
C) strengths and weaknesses.
D) manufacturing and operations.
E) None of the answer choices is correct.

Question 387
Strategy concepts have been utilized outside of businesses in
A) chess.
B) the military.
C) games such as Battleship.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 388
Customer value arises from the similarity of products to others, the product is low priced, and the ability of the organization to respond to customer needs.
A) True
B) False

Question 389
Explain the components of effective strategic leadership.
Question 390
Downsizing is the failure of a business and involves dissolving the business under the protection of bankruptcy legislation.
A) True
B) False

Question 391
Aspects of a chief executive's role include
A) strategy designer.
B) political actor.
C) key decision maker.
D) visionary leader.
E) All of the answer choices are correct.

Question 392
According to the guerrilla-based view, a firm's competitive advantage is temporary.
A) True
B) False

Question 393
For corporate growth strategies, the options for implementation are
A) cost leadership, differentiation, and focus.
B) offensive, defensive, and concentration.
C) mergers/acquisitions, internal development, and strategic partnering.
D) diversification, concentration, and international.
E) None of the above is correct.

Question 394
Public sector organizations are not considered to be not-for-profit organizations.
A) True
B) False

Question 395
Ms. diMatteo discovered in opening her second restaurant, she needed to pay attention to which of the following concerns?
A) The people
B) The product
C) The support processes
D) All the above answer choices are correct.
E) None of the answer choices are correct.

Question 396
Related diversification is ________ unrelated diversification.
A) just as effective as
B) less profitable than
C) more effective than
D) less effective than
E) None of the answer choices is correct.

Question 397
A business that is characterized by innovative strategic practices and which has as its main goals profitability and growth is called
A) strategically positioned.
B) a small business.
C) an entrepreneurial venture.
D) a star.
E) a cash cow.

Question 398

Which of the following factor(s) is(are) considered to make an organization's resources unique?
A) Quality
B) Effectiveness
C) Durability
D) Imitability
E) Efficiency

Question 399

Dynamic capabilities are an organization's ability to build, integrate, and reconfigure capabilities to address rapidly changing environments.
A) True
B) False

Question 400

What are some recommendations for handling downsizing strategies?

Question 401

Strengths are resources that the organization possesses and capabilities that the organization has developed, both of which can be exploited and developed into a sustainable competitive advantage.
A) True
B) False

Question 402

The number of markets served by a small organization is determined predominantly by
A) the management of the organization.
B) the resources of the organization.
C) the culture of the organization.
D) strategic planning in the organization.
E) the size of the organization.

Question 403

An organizational vision is a broad comprehensive picture of what a leader wants an organization to become.
A) True
B) False

Question 404

The global approach to strategy is designed to help develop a (n) ________ advantage.
A) low-cost
B) differentiation
C) niche
D) integrated
E) None of the above

Question 405

Explain the primary responsibility of managers in conducting external analysis across managerial levels.
Question 406
The process of creating goods and services in which organizational resources are transformed into outputs is called production-operations.
A) True
B) False

Question 407
What is the difference between a free market and a planned economy?

Question 408
All of the following organizations are examples of social service NFPs except
A) Mothers Against Drunk Drivers.
B) Academy of Management.
C) Camp Fire.
D) Junior League.
E) American Red Cross.

Question 409
One criterion used to judge organizational strengths and weaknesses is
A) comparison against competitors.
B) specific goals or targets.
C) personal opinions of strategic decision makers or consultants.
D) past performance trends.
E) All of the answer choices are correct.

Question 410
A _______ centralizes its management and other decisions in the home country.
A) transnational organization
B) borderless organization
C) global company
D) glocal company
E) multidomestic corporation

Question 411
When an organization remains with its core industry, this is an example of a _______ strategy.
A) related diversification
B) horizontal integration
C) backward integration
D) concentration
E) forward integration

Question 412
In an external analysis, the primary role of the middle manager is to
A) act as an information gatherer and disseminator.
B) encourage workers to listen to the customer.
C) use information in terms of the "big picture."
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 413
Mr. Smith has been losing money on the free delivery of orders more than $1,000 and is determining if there are other ways to outcompete his largest competitor. Mr. Smith is at which of the following steps in the strategic management process?
Question 414

The ability to access information with great speed reflects the impact of
A) technological advances and breakthroughs.
B) globalization.
C) the information revolution.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 415

Types of strategies within organizations include
A) corporate strategies.
B) competitive strategies.
C) functional strategies.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 416

Which of the following organization(s) need to have a competitive advantage to survive in the long-term?
A) Community arts organizations
B) For-profit companies
C) Social service groups
D) Government agencies
E) All of the answer choices are correct.

Question 417

The competitive advantage perspective that focuses on structural forces within an industry, the competitive environment of firms, and how these influence competitive advantage is
A) the resource-based view.
B) the industrial-organizational view.
C) the guerilla view.
D) None of these answers is correct.
E) All of these answers are correct.

Question 418

The three functional strategies relate to the product, the processes, and the people.
A) True
B) False

Question 419

A small business is defined as one that is independently owned, operated, and financed; has fewer than 100 employees; engages in innovation marketing practices; and has relatively little impact on its industry.
A) True
B) False

Question 420

Instant interactivity reflects the environment of
A) constant change.
B) reduced need for physical assets.
C) compressed time.
D) vanishing distance.
E) All of the answer choices are correct.

**Question 421**

A ________ eliminates artificial geographic barriers.
A) transnational organization
B) focused organization
C) global company
D) multidomestic corporation

**Question 422**

A concentration strategy
A) is a growth strategy in which the organization concentrates on its primary line of business and looks for ways to meet its growth objectives through expanding its activities or operations in its core business.
B) does not enable an organization to become very good at what it does.
C) cannot cause the organization to become vulnerable to industry and other external environmental shifts.
D) allows the firm to diversify into new industries.
E) None of the answer choices is correct.

**Question 423**

The concept of the value chain was developed by
A) Alfred Chandler.
B) Michael Porter.
C) Peter Drucker.
D) Tom Peters.
E) Milton Friedman.

**Question 424**

Milton Friedman is an advocate of a contemporary view of social responsibility.
A) True
B) False

**Question 425**

The retrenchment strategy is a short-run renewal strategy designed to address organizational weaknesses that are leading to performance declines.
A) True
B) False

**Question 426**

The prospector will market products aimed at the "average" customer.
A) True
B) False

**Question 427**

An organization's two main support processes are information systems and auditing systems.
A) True
B) False

**Question 428**

Organizations wanting to do business in countries with low stability levels face great certainty.
Question 429

International strategy is a type of growth strategy.
A) True
B) False

Question 430

________ is the determination of the broad uses to which organizational resources will be deployed and the resolution of conflicts among the myriad of participants in organizations.
A) Mission
B) Objectives
C) Goals
D) Vision
E) Corporate governance

Question 431

Strategic managers might decide that the stability strategy is the most appropriate direction under which of the following conditions?
A) When an industry is facing slow or no growth opportunities
B) When the industry is in a period of rapid upheaval with several key industry and general external forces drastically changing
C) When an organization has been growing rapidly and needs some "down" time to build up its resources and capabilities again
D) When large firms are in an industry that's in the maturity stage of the industry life cycle
E) All of the above answer choices are correct.

Question 432

Which of the following is the first step Mr. Smith should complete when developing No Leaks Plumbing's strategic plan?
A) Situation analysis
B) Strategy evaluation
C) Strategy reformulation
D) Strategy implementation
E) Strategy formulation

Question 433

One study reported that the global nonprofit sector had total operating expenditures of over ______ trillion
A) $3
B) $6
C) $5
D) $1.6
E) $2.5

Question 434

How has the Sarbanes-Oxley Act of 2002 reformed corporate governance?

Question 435

When an organization has numerous internal strengths, it is said to have a competitive advantage.
A) True
B) False

Question 436

If Ms. diMatteo wanted to introduce high-performance work practices in her organization, which of the following practices would she adopt?

A) True
B) False
A) Fixed job assignments  
B) Centralized decision making  
C) Seniority-based compensation  
D) Limited communication  
E) Self-managed work teams  

**Question 437**

Which of the following are parts of an open system?  
A) Processes  
B) The environment  
C) Outputs  
D) Inputs  
E) All of the above are parts of an open system.  

**Question 438**

A subsidiary in a multidomestic organization is managed through  
A) centralized control.  
B) globalized control.  
C) transnational control.  
D) local control.  
E) None of the answer choices is correct.  

**Question 439**

Demographic information can be obtained from all of the following sources except  
A) the Statistical Abstract of the World.  
B) the Current Population Survey.  
C) the Economic Statistics Briefing Room.  
D) the Statistical Yearbook.  
E) the U.S. Bureau of the Census.  

**Question 440**

A multiple-business organization operates only in one industry.  
A) True  
B) False  

**Question 441**

One issue considered in developing corporate strategies is  
A) What businesses are we in and what to do with those businesses?  
B) What business(es) are we in?  
C) What resources do we have to implement our strategies?  
D) What direction are we going?  
E) None of the answer choices is correct.  

**Question 442**

Going international can lead to achieving benefits of economies of scale.  
A) True  
B) False  

**Question 443**

Which of the following is NOT a way to segment specialized market niches?  
A) Product line segment  
B) Type of customer  
C) Price consciousness  

Question 444
Which of the following is not an example of a not-for-profit organization?
A) A professional membership association
B) A private educational institution
C) A religious organization
D) A charitable organization
E) All of the answer choices are correct.

Question 445
What are the costs of vertical integration?

Question 446
The industrial organization (I/O) view proposes that an organization’s competitive advantage is only temporary and can be gained only by peppering the competitive marketplace with rapid radical surprises.
A) True
B) False

Question 447
A business unit with low relative market share and low industry growth rate is referred to as a
A) cat.
B) dog.
C) star.
D) cash cow.
E) question mark.

Question 448
Preparation of strategic plans are a typical board responsibility.
A) True
B) False

Question 449
Australia is an example of a country on the low political stability list.
A) True
B) False

Question 450
Which of the following is not one of the five competitive forces?
A) The bargaining power of buyers
B) Competition forms substitute products
C) The threat of potential entry
D) The strength of industry forces
E) None of the answer choices is correct.

Question 451
________ and ________ are critical to strategic success in the new business environment.
A) Turbulence; stagnation
B) Formulation; innovation
C) Innovation; creativity
D) All of the answer choices are correct.
Question 452

Diversifying into a completely different industry from the organization's current operations is referred to as
A) concentric diversification.
B) conglomerate diversification.
C) vertical diversification.
D) horizontal diversification.
E) related diversification.

Question 453

All of the following reflect important issues in the new business environment except
A) globalization.
B) the information revolution.
C) technological advances and breakthroughs.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 454

Explain the disadvantages of being a first mover organization.

Question 455

When customers purchase a product, they are not purchasing a bundle of attributes that they believe will satisfy their needs.
A) True
B) False

Question 456

One of the biggest technological advancements to affect the organization in recent years is
A) the ability of consumers to buy online.
B) the assembly line.
C) the ability of managers to control employees electronically.
D) the introduction of hand-held personal computers.
E) continuing computerization of an organization's activities.

Question 457

Which of the following is an example of high-performance work practices?
A) Limited employee involvement
B) Self-managed work teams
C) Centralized decision making
D) Fixed job assignments
E) None of the answer choices is correct.

Question 458

Which of the following is not a major element of the strategic management process?
A) Implementing strategy
B) Formulating strategy
C) Undertaking a situation analysis
D) Assigning administrative tasks
E) Evaluating strategy

Question 459
One activity in organizational routines and processes is
A) establishing various product pricing structures.
B) generating end-of-quarter financial reports.
C) generating operational statistical reports.
D) obtaining needed raw materials.
E) All of the answer choices are correct.

Question 460

The influence of globalization in managing strategically can be demonstrated in
A) the global marketplace.
B) global competitors and the global marketplace.
C) the organization itself.
D) global competition.
E) None of the answer choices is correct.

Question 461

A corporate strategy provides the means or mechanisms for making sure the organization achieves its goals.
A) True
B) False

Question 462

The following are all components of an organizational vision except
A) elaboration of a purpose for the organization.
B) summary of the organization's operations or what it does.
C) strategy based on the results of a focus group.
D) specification of broad goals.
E) a strong connection to the organization's core values and beliefs.

Question 463

_______ is when organizations battle or vie for some desired object or outcome.
A) Goal
B) Objective
C) Strategy
D) Competition

Question 464

Cash flows from cash cows should be used to support
A) question marks and dogs.
B) question marks.
C) dogs.
D) stars.
E) question marks and stars.

Question 465

An organization will have _______ mission(s), but _______ vision(s).
A) several; several
B) several; one
C) one; several
D) one; one
E) None of the answer choices is correct.

Question 466

_______ refers to the values and attitudes shared by individuals from a specific country that shape their behavior and their beliefs about what is
Question 467
A planned economy is one in which economic decisions are planned by the private sector.
A) True
B) False

Question 468
A strategic advantage of entrepreneurial ventures/small businesses over large businesses is
A) flexibility.
B) distribution.
C) profit potential.
D) economics of scale.
E) marketing options.

Question 469
The various studies of organizational environments can be summarized from the following perspective(s):
A) environment as a source of information.
B) environment as a source of resources.
C) environment as a source of information and of resources.
D) environment as a source of power.
E) None of the answer choices is correct.

Question 470
Explain the characteristics of distinctive organizational capabilities.

Question 471
Organization change is defined as a structured transition in what an organization does and how it does it.
A) True
B) False

Question 472
Strategic management affects all organizational members. However, the only issue that differs among organizational members is
A) the development of the strategy.
B) the stage of the strategic management process.
C) the scope of the individual's actions.
D) All of the answer choices are correct.
E) None of the answer choices is correct.

Question 473
Setting up a(n) ________ involves directly investing in a foreign country.
A) licensee
B) franchisee
C) international division
D) subsidiary
E) None of the answer choices is correct.
Question 474

An external information system is an information system that provides managers with needed internal information on an annual basis.
A) True
B) False

Question 475

Both small businesses and entrepreneurial ventures play an important role in the global economy.
A) True
B) False

Question 476

One of the effects of the driving forces in the new business environment is
A) vanishing distance.
B) the reduced need for physical assets.
C) continual turbulence.
D) compressed time.
E) All of the answer choices are correct.