Buyers are more likely to be powerful relative to the firms from which they purchase goods and services if:

Select one:  
  
the good or service purchased by the buyers represents a negligible percentage of the buyer's costs.  
there are relatively few firms supplying the industry compared to the number of buyers.  
the industry's goods or services are standardized or undifferentiated.  
the good or service is of significant importance to the quality or price of the buyer's offerings.  
buyers face high switching costs in changing vendors.

New entrants are more likely to join an industry if:

Select one:  
  
existing competitors lack economies of scale.  
access to distribution channels is limited.  
capital requirements to enter the industry are high.  
differentiation among existing competitors is high.  
expected retaliation from existing competitors is high.

A coffee chain was losing its customers to its competitors, and wanted to increase its sales. Therefore it started offering complimentary pastries with every cup of coffee, to outwit its competitors. Soon, the company registered an increase in its sales. This is an example of a strategic:

Select one:  
  
position  
pattern  
perspective  
plan  
ploy

Which of the following refers to a political risk?

Select one:  
  
The potential for a nation's property rights protections and currency exchange rates to harm a firm's operations within a country  
The potential for a country's economic policies to harm a firm's operations within a country  
The potential for a company's operations in a country to struggle due to differences in language, customs, norms and customer preferences  
The potential that an operation might fail due to power struggles and politics within an organization  
The potential for government upheaval or interference with business to harm an operation within a country

Car manufacturers such as Lamborghini compete in the small super car category. These cars offer more than just transportation. They are known for their styling and state of art technology. Which of the following is an advantage for such a company?

Select one:  
  
Its area of operation cannot be made to disappear or be taken over by larger competitors.  
It can charge very high prices.  
It depends on its ability to reduce the price to drive competition out of the market.  
It does not face damaging attacks from larger firms.  
It growth is never stymied irrespective of the fact that it serves a niche market.

Myshirts.com, a company that manufactures shirts, buys large consignments of dressing material from a supplier. The supplier charges them less than what Myshirts.com would have had to pay if it had purchased the material from different sources. As a consequence, the cost of manufacturing each shirt at Myshirts.com is lower than at other manufacturers. This is an example of economies of:

Select one:  
  
scale  
scope  
brand  
demand  
integration

Which of the following statements holds true for internal business process measures as a part of the balanced scorecard?

Select one:  
  
They focus on innovation and proceeds with an understanding that strategies change over time.  
They relate to client attraction, satisfaction, and retention.  
They focus on corporate social responsibility.  
They relate to organizational effectiveness and profits.  
They relate to organizational efficiency.

Which of the following is a basic building block of an organizational structure?

Select one:  
  
Lateral division  
Horizontal division  
Lateral linkage  
Informal linkage  
Vertical linkage

Which of the following statements holds true for financial measures as a part of the balanced scorecard?

Select one:  
  
They focus on innovation and proceeds with an understanding that strategies change over time.  
They relate to organizational efficiency.  
They relate to organizational effectiveness and profits.  
They focus on corporate social responsibility.  
They relates to client attraction, satisfaction, and retention.

Which of the following statements about the SWOT analysis is accurate?

Select one:  
  
SWOT analysis examines the situations faced by the competitors in an industry.  
SWOT analysis is a brainstorming technique for generating creative ideas.  
SWOT analysis is useful for identifying a business's closest competitors.  
SWOT analysis is a rigorous method for selecting strategies.  
SWOT analysis is routinely used for identifying strategic groups within an industry.

A hotel chain offers rooms which are priced higher than what other hotels in the same category offer. The services provided by the hotel are similar in quality when compared to the other firms. This situation makes it impossible for the hotel chain to compete either on the basis of price or on the basis of standout features. This hotel chain is a \_\_\_\_\_ organization.

Select one:  
  
stuck in the middle  
runner  
paste-up  
preretailing  
rack jobber

Clan control differs from behavioral control in that clan control:

Select one:  
  
focuses on results.  
relies on shared traditions, and norms to lead people.  
is a formal type of control.  
hinders creativity.  
focuses on controlling the actions that ultimately lead to results.

A firm following a(n) \_\_\_\_\_ strategy offers products or services with acceptable quality and features to a broad set of customers at a low price.

Select one:  
  
pull  
differentiation  
adaptive  
focused differentiation  
cost leadership

The stock price of an oil and natural gas exploration concern is $100 per share. The value of the share is increasing by the day. This is an example of a(n) \_\_\_\_\_ measure used to assess organizational performance.

Select one:  
  
learning and growth  
public responsibility  
financial  
internal business process  
customer

A potential buyer who is favorable to the existing management of a takeover target firm is known as a \_\_\_\_\_.

Select one:  
  
green pirate  
white knight  
corporate raider  
greenmailer  
corporate shark

A health drink company is known for launching drinks with flavors which are different from what are offered in the market. It regularly indulges in experimentation to come up with new and exotic flavored drinks. It also charges higher than what other health drink companies charge. Which of the following statements would hold true for this company?

Select one:  
  
It offers generic and standardized products.  
It does not invest in the field of market research.  
It spends little on research and development.  
It invests heavily in advertising and brand building.  
It competes with its rivals on the basis of price.

If a firm consisting of more than one person is following a \_\_\_\_\_ organizational structure, tasks tend to be distributed among them in an informal manner rather than each person developing a narrow area of specialization.

Select one:  
  
functional  
bureaucratic  
multidivisional  
simple  
matrix

Which of the following best describes multipoint competition?

Select one:  
  
It is a situation where a firm faces the same rival in more than one market.  
It is a situation where competing firms form a cooperative arrangement to ward off third-party competition.  
It is a situation where rivals launch lower-end brands to protect devaluation of their established brands.  
It is a situation where rivals do not act aggressively because each recognizes that the other can retaliate in multiple markets.  
It is a situation where rivals form a strategic alliance without forming a new entity to deal with third-party competition.

Which of the following is an example of backward vertical integration?

Select one:  
  
A foreign firm plans to enter a new geographic area  
A stratup company created by an entrepreneur enters an industry  
A buyer firm decides to enter its suppliers' business  
A supplier firm chooses to enter its customers' business  
A local firm diversifies itself by entering a new industry

A company that manufactures laundry detergent makes use of salespersons for door-to-door selling to directly sell the products to the customers. The company allows customers to make payments for the products within a period of one month. This is an example of a(n):

Select one:  
  
focused cost leadership strategy.  
cost leadership strategy.  
adaptive strategy.  
pull strategy.  
focused differentiation strategy.

A \_\_\_\_\_ is a cooperative arrangement that involves two or more organizations each contributing to the creation of a new entity.

Select one:  
  
cloud system  
tactical association  
strategic alliance  
joint venture  
consortium

Which of the following statements holds true for the “aggressive” aspect of a goal?

Select one:  
  
The goal is explicit rather than vague.  
The achievement of the goal is feasible.  
The goal presents a significant challenge to the organization.  
The goal that is achieved is quantifiable.  
The goal is achieved through the creation of deadlines.

Chestnut Inc., an international cosmetics manufacturer offers a wide range of cosmetic products. It offers the same products across all nations. The managers at Chestnut Inc. avoid customizing their products within each of its markets in order to remain efficient. This implies that Chestnut Inc. uses a \_\_\_\_\_ strategy.

Select one:  
  
transnational  
disintermediation  
responsiveness  
global  
multidomestic

\_\_\_\_\_ is a classic management tool that incorporates the idea of scanning elements such as strengths, weaknesses, opportunities, and threats which are both external and internal to the firm.

Select one:  
  
Enterprise resource planning  
Process mining  
Business intelligence  
SWOT analysis  
PESTLE analysis

A \_\_\_\_\_ simply involves two or more firms collaborating as opposed to creating a new entity together.

Select one:  
  
consortium  
joint venture  
cloud system  
tactical association  
strategic alliance

Which of the following concentration strategies involves selling existing products in new geographic areas?

Select one:  
  
vertical integration  
product development  
related diversification  
market penetration  
market development

When a buyer decides to enter its suppliers' business, the strategy is referred to as \_\_\_\_\_.

Select one:  
  
backward horizontal integration  
forward vertical integration  
forward horizontal integration  
horizontal diversification  
backward vertical integration

\_\_\_\_\_ involves creating new products to serve existing markets.

Select one:  
  
Vertical integration  
Market penetration  
Related diversification  
Product development  
Market development

\_\_\_\_\_ examines how actions and events involving top executives, firms, and industries influence a firm's success or failure.

Select one:  
  
Developmental counseling  
Disparate impact  
Trend analysis  
Attitude survey  
Strategic management

Which of the following is the first step of the process of rational decision-making?

Select one:  
  
Establishment and weighing of decision criteria  
Selection of the best alternative  
Problem identification  
Generation and evaluation of alternatives  
Decision evaluation

A firm that enjoys a(n) \_\_\_\_\_ capability is one that is skilled at continually updating its array of capabilities in order to keep pace with changes in its environment.

Select one:  
  
dynamic  
strategic  
competitive  
evolving  
distinctive

Much like an army under attack, firms using the \_\_\_\_\_ strategy hope to make just a small retreat rather than losing a battle for survival.

Select one:  
  
blue ocean  
retrenchment  
disintermediation  
integration  
diversification

Montoya Group Inc. is an American firm based in Utah that manufactures and distributes mountaineering equipment such as carabiners, pulleys, harnesses, helmets, ice axes, crampons, etc. In an attempt to lower its production costs, the firm relocates some of its manufacturing facilities to China, which has much lower labor cost. Montoya Group Inc. uses which of the following strategies?

Select one:  
  
exporting  
franchising  
offshoring  
licensing  
diversification

A company manufacturing hockey sticks makes an annual assessment of its resources in terms of raw materials, technical expertise, and technological knowhow. It assesses the type of competition that it faces in the sports goods market and also looks out for opportunities that would allow it to expand its business. This is an example of a(n):

Select one:  
  
enterprise resource planning.  
PESTLE analysis.  
process mining.  
SWOT analysis.  
business intelligence.

Which of the following strategies can be very attractive when a firm's suppliers or buyers have too much power over the firm and are becoming increasingly profitable at the firm's expense?

Select one:  
  
Forward horizontal integration  
Market penetration  
Vertical integration  
Backward horizontal integration  
Unrelated diversification

Which of the following is true of the international strategies used by multinationals?

Select one:  
  
A firm using a multidomestic strategy sacrifices responsiveness.  
A multidomestic strategy tries to balance the desire for efficiency with the need to adjust to local preferences within various countries.  
A firm using a global strategy sacrifices efficiency.  
A global strategy places high emphasis on being responsive to local requirements within each of its markets.  
A global strategy stresses the need to gain economies of scale by offering essentially the same products or services in each market.

\_\_\_\_\_ is one of the five forces of Michael Porter's five forces analysis.

Select one:  
  
Governmental regulations  
Substitutes for an industry's offerings  
Geographic origin of an industry  
Cultural and social trends affecting an industry  
Economic elements

Sharon works as a customer service agent at Ace Technologies, a firm that develops inventory management software. Sharon needs to inform her manager about a customer issue that has been escalated. Sharon, to avoid presenting negative information to her manager, frames information in a more positive light than reality. In this example, \_\_\_\_\_ bias occurs.

Select one:  
  
underconfidence  
hindsight  
overconfidence  
framing  
satisficing

\_\_\_\_\_ are relationships between equals in an organization.

Select one:  
  
informal linkages  
horizontal linkages  
vertical divisions  
lateral divisions  
lateral linkages

Forward vertical integration involves:

Select one:  
  
selling existing products in new markets.  
entering a buyer's business.  
entering a supplier's business.  
moving into a new value chain.  
launching new products in the existing market.