1.

A possible and desirable future state of an organization is called:

(A) Mission

(B) Vision

(C) Strategy implementation

(D) Strategy formulation

Correct Option(s): B

2. The control process requires the following types of information:

(A) Planned performance

(B) Variances

(C) Reasons

(D) All of the given options

Correct Option(s): D

3. The authors believe there are three tests that can be applied to judge whether a strategy is 'good'. These are:

(A) Fit, distinctiveness, sustainability

(B) Fit, internal resources, external environment

(C) Distinctiveness, internal resources, fit

(D) Sustainability, distinctiveness, external environment

Correct Option(s): A

4. ----------- is designed to monitor a broad range of events inside and outside the company that are likely to threaten a firm's strategy

(A) Strategic surveillance

(B) Strategic planning

(C) Both Strategic surveillance and Strategic planning

(D) None of the given options

Correct Option(s): A

5. Which of the following is not one of the four basic elements of strategic management?

(A) Strategic decision making

(B) Strategy implementation

(C) Environmental scanning

(D) Evaluation and control

Correct Option(s): A

6. _____ is that set of managerial decisions and actions that determines the long-run performance of a corporation.

(A) Strategic management

(B) Strategy formulation

(C) Strategy implementation

(D) Strategic planning

Correct Option(s): A

7. The first step in the strategic decision-making process is

(A) To analyze strategic factors.

(B) To review corporate governance.

(C) To evaluate current performance results.

(D) To scan and assess the external environment.

Correct Option(s): C

8. An organization's _____ is the purpose or reason for the organization's existence.

(A) Policy

(B) Strategy

(C) Goal

(D) Mission

Correct Option(s): D

9. ____________ are guidelines to decision making .

(A) Rules

(B) Procedures

(C) Goals

(D) Policies

Correct Option(s): D

10. _________________ are the means by which long term objectives are achieved?

(A) Mission statements

(B) Strategies

(C) Vision statements

(D) Long-term goals

Correct Option(s): B

11. The strategic management process is:

(A) a set of activities that will assure a temporary advantage and average returns for the firm.

(B) a decision-making activity concerned with a firm's internal resources, capabilities, and competencies, independent of the conditions in its externalenvironment.

(C) a process directed by top-management with input from other stakeholders that seeks to achieve above-average returns for investors through effective use of the organization's resources.

(D) the full set of commitments, decisions, and actions required for the firm to achieve above-average returns and strategic competitiveness.

Correct Option(s): D

12.

____________ can be identified as a best statement that represents a firm's big picture statements, describing a desired end state, general in scope and not restrictive.

(A) Corporate philosophy statement

(B) Company creed

(C) Vision statement

(D) Mission statement

Correct Option(s): C

13.

Strategic management is mainly the responsibility of:

(A) Top management

(B) Middle management

(C) Lower management

(D) All of the given options

Correct Option(s): A

14. The primary focus of strategic management is:

(A) Strategic analysis

(B) The total organization

(C) Strategy formulation

(D) Strategy implementation

Correct Option(s): B

15. Which of the following is NOT an advantage of strategic management?

(A) It provides organizations with a clearer sense of direction and purpose

(B) It helps improve the political, economic, social and technological environment of the organization

(C) It helps orient management decisions to relevant environmental conditions

(D) It helps organizations to be proactive rather than reactive

Correct Option(s): B

16. Which of the following is at the core of strategic management?

(A) Choosing which organizational objectives to focus on

(B) Being alert for opportunities to change work responsibilities

(C) Adapting the organization to a changing external environment

(D) Choosing whether to make decisions autocratically or on the basis of participation

Correct Option(s): C

17. Long-term objectives should be all of the following EXCEPT:

(A) Measurable

(B) Continually changing

(C) Reasonable

(D) Consistent

Correct Option(s): B

18. Strategic management involves the ---------------, directing, -------------- and controlling of a company's strategy-related decisions and actions.

(A) Financing; marketing

(B) Planning; financing

(C) Planning; Organizing

(D) Marketing; Planning

Correct Option(s): C

19. Large-scale, future-oriented plans, for interacting with the competitive environment to achieve company objectives refers to its:

(A) Strategy

(B) Goals

(C) Competitive analysis

(D) Dynamic Policies

Correct Option(s): A

20. Which of these basic questions should a vision statement answer?

(A) What is our business?

(B) Who are our employees

(C) Why do we exist?

(D) What do we want to become?

Correct Option(s): D

21. Strategic decisions are based on what managers --------------------, rather than on what they ------------------.

(A) Know; forecast

(B) React to; anticipate

(C) Forecast; know

(D) Compromise with; analyse

Correct Option(s): C

22. -------------- has a general management orientation and tends primarily to look inward with its concern for properly integrating the corporation's many functional activities.

(A) Strategic Management

(B) Evaluation

(C) Environmental Scanning

(D) Business Policy

Correct Option(s): D

23. ______ is a tool used to establish processes, costs and performance indicator and to compare them against identical organisations with the objectives of identifying and progressing towards 'best practice and best value' through continuous improvement.

(A) Cash Flow

(B) Fund Flow

(C) Strategic Management

(D) Benchmarking

Correct Option(s): D

24. Industry/sector benchmarking compares-

(A) Organisational performance between firms/public sector organisations in different industries or sectors.

(B) Organisational performance between firms/public sector organisations in the same industry or sector.

(C) Organisational performance between firms/public sector.

(D) Organisational performance between different divisions of the firm.

Correct Option(s): B

25. The environmental segments that comprise the general environment typically will NOT include-

(A) Demographic factors.

(B) Socio-cultural factors.

(C) Substitute products or services.

(D) Technological factors.

Correct Option(s): C

26. Compared to tangible resources, intangible resources are:

(A) Of less strategic value to the firm.

(B) Not the focus of strategic analysis.

(C) A more potent source of competitive advantage.

(D) More likely to be reflected on the firm's balance sheet.

Correct Option(s): C

27. Suppliers are powerful when:

(A) Satisfactory substitutes are available.

(B) They sell a commodity product.

(C) They offer a credible threat of forward integration.

(D) They are in a highly fragmented industry.

Correct Option(s): C

28. Product differentiation refers to the:

(A) Ability of the buyers of a product to negotiate a lower price.

(B) Response of incumbent firms to new entrants.

(C) Belief by customers that a product is unique.

(D) Fact that as more of a product is produced the cheaper it becomes per unit.

Correct Option(s): C

29. The value chain is composed of primary & support activities. Which answer below provides the correct components for primary activities?

(A) Service, human resource management, marketing & sales, operations and outbound logistics.

(B) Marketing & Sales, Operations, Outbound Logistics and Service.

(C) Procurement, Firm Infrastructure, Human Resource Management, Technology Development and Marketing & Sales.

(D) Inbound Logistics, Operations, Outbound Logistics, Marketing & Sales and Service.

Correct Option(s): D

30. The procedure of analyzing the threats and opportunities of the organization's environment is classified as:

(A) Environmental Scanning

(B) Environmental uncertainty

(C) Environmental influences

(D) Environmental planning

Correct Option(s): A

31. The term environmental scanning stands for:

(A) Gathering data about the organization and its surroundings

(B) Collecting information about the shareholders

(C) Gathering information relating to the employees

(D) None of the given options

Correct Option(s): A

32. The resource-based model of the firm argues that:

(A) All resources have the potential to be the basis of sustained competitive advantage

(B) Resources are not a source of potential competitive advantage.

(C) The key to competitive success is the structure of the industry in which the firm competes.

(D) Resources that are valuable, rare, costly to imitate, and non-substitutable form the basis of a firm's core competencies.

Correct Option(s): D

33. In external environmental scanning, the interest rates, cycle of recessions and inflation are classified as:

(A) Geographic influences

(B) Government influences

(C) Economic influences

(D) Technological advancement

Correct Option(s): C

34. Switching costs refer to the:

(A) Cost to a producer to exchange equipment in a facility when new technologies emerge.

(B) Cost of changing the firm's strategic group.

(C) One-time costs suppliers incur when selling to a different customer.

(D) One-time costs customers incur when buying from a different supplier

Correct Option(s): D

35. Which one of the following is not a part of the external environment of an organization?

(A) Social factors

(B) Political factors

(C) Legal factors

(D) Organizational culture

Correct Option(s): D

36. PEST analysis is:

(A) A broad framework to help managers understand the environment in which their business operates.

(B) A checklist to ask how political, economic, strategic or technological developments can influence an industry and a company.

(C) A checklist for forecasting political, economic, strategic or technological factors

(D) A framework for strategic analysis of internal and external environment.

Correct Option(s): A

37. In the 'five forces model', what is the type of competitive activity that exists between organizations?

(A) The potential for entry into the industry

(B) The threat of substitute products

(C) The power of customers

(D) The level of rivalry

Correct Option(s): D

38. The decision regarding whether to do manufacturing within the organization or to sub-contract it to someone else is popularly known as:

(A) An 'in or out' decision.

(B) A 'make or buy' decision.

(C) A 'do-it-yourself' decision.

(D) A 'vertical-integration' decision.

Correct Option(s): B

39. Imitability of resources, capabilities - competencies are linked with how far they are:

(A) Transparent

(B) Transferable

(C) Replicable

(D) All of the given options

Correct Option(s): D

40. A firm shares its offices with another firm in a foreign location to reduce costs. This is an example of a:

(A) Outsourcing.

(B) Economies of scope.

(C) Synergy.

(D) A core competence.

Correct Option(s): C

41. Which one is not an element in the primary activities of a value chain?

(A) Procurement

(B) Inbound logistics

(C) Outbound logistics

(D) Service

Correct Option(s): A

42. When does an acquisition take place?

(A) Two equal partners decide to work together.

(B) Two equal partners share resources.

(C) Two unequal partners join together.

(D) Two unequal partners become one after a buyout.

Correct Option(s): D

43. What is the term for the extent to which competition in one country is influenced by competition in other countries?

(A) International trade

(B) Global economics

(C) World competition

(D) Globalisation

Correct Option(s): D

44. The support activity in Porter's value chain, dealing with the acquisition of inputs or resources is said to be:

(A) Procurement

(B) Resource management

(C) Infrastructure

(D) Development

Correct Option(s): A

45. When a resource or capability is valuable, rare, costly to imitate, and non-substitutable firms may obtain:

(A) A temporary competitive advantage.

(B) A complex competitive advantage.

(C) Competitive parity.

(D) A sustainable competitive advantage.

Correct Option(s): D

46. Organizational analysis identifies firm's:

(A) Strengths

(B) Weaknesses

(C) Resources and Capabilities

(D) All of the given options

Correct Option(s): D

47. In VRIO framework 'V' stands for:

(A) Valuable

(B) Valence

(C) Variation

(D) All of the given options

Correct Option(s): A

48. Organization's suppliers' value chains are known as:

(A) Upstream value chain

(B) Downstream value chain

(C) Both Upstream value chain and Downstream value chain

(D) None of the given options

Correct Option(s): A

49. An organization's external environment consists of the general or macro environment and:

(A) The Internal Environment

(B) The Task Environment

(C) The Specific environment

(D) None of the given options

Correct Option(s): B

50. Strategy analysis is also referred to as:

(A) SWOT analysis

(B) Strategy diagnosis

(C) Rational analysis

(D) Situation analysis

Correct Option(s): D

51. Decisions regarding which industries to compete in are the concern of:

(A) Business level strategy

(B) Corporate level strategy

(C) Functional level strategy

(D) Mergers and acquisitions

Correct Option(s): B

52. Which one of the following is not a functional strategy?

(A) Financial

(B) Marketing

(C) Product-market

(D) Operations

Correct Option(s): C

53. Acronym SWOT stands for:

(A) Special Weapons for Operations

(B) Services, Worldwide Optimization

(C) Strengths, Weaknesses, Opportunities and Threats

(D) None of the given options

Correct Option(s): C

54. It is generally agreed that the role of strategy is to:

(A) Make best use of resources.

(B) Achieve competitive advantage.

(C) Make profits for the organization.

(D) Make the best products and services.

Correct Option(s): B

55. Competitive strategy is also known as:

(A) Competitive positioning

(B) Corporate level strategy

(C) Industry strategy

(D) Business level strategy

Correct Option(s): D

56. __________ is concerned with the overall purpose or objective of the organization; for example, making decisions such as mergers, acquisitions, or going for joint ventures.

(A) Business-unit level strategies

(B) International strategies

(C) Corporate strategies

(D) Operational strategies

Correct Option(s): C

57. According to Porter (1996) in his article 'What is strategy?', strategy is about being:

(A) Different

(B) Small

(C) Bigger

(D) Open minded

Correct Option(s): A

58. Stability strategy is a ---------------strategy.

(A) Corporate level

(B) Business level

(C) Functional level

(D) Strategic level

Correct Option(s): A

59. Marketing strategy is a ------------------------strategy.

(A) Business

(B) Growth

(C) Corporate

(D) Functional

Correct Option(s): D

60. The reason for diversification is:

(A) To reduce competition

(B) To increase organizational capabilities

(C) To get tax advantage

(D) To get quick entry into a business

Correct Option(s): B

61. Horizontal integration is concerned with

(A) Production

(B) Quality

(C) Product planning

(D) All of the given options

Correct Option(s): A

62.

Match The Following:

a. Ballast Business	1. Give the highest priority
b. Gap Analysis	2. Difference between desired and projected performance
c. Corporate parenting	3. Managing SBU's by a corporate
d. Heartland Business	4. Fit well but low opportunities

(A) (A) a-1, b-3, c-2, d-4

(B) (B) a-2, b-1, c-4, d-3

(C) (C) a-4, b-2, c-3, d-1

(D) (D) a-2, b-3, c-4, d-1

Correct Option(s): C

63.

The actual performance deviates positively over the budgeted performance. This is an indication of ……….. performance.

(A) Superior

(B) Inferior

(C) Constant

(D) None of the given options

Correct Option(s): A

64.

Match the following

a. Retrenchement Strategies	1. Retrenchments - either internally or externally
b. Divestment Strategies	2. Contraction of activities through elimination of the scope of one or more of its business
c. Turnaround Strategies	3. involves the sale or liquidation of a portion of a business

(A) a-1, b-2, c-3

(B) a-3, b-2, c-1

(C) a-2, b-3, c-1

(D) a-3, b-1, c-2

Correct Option(s): C

65. ETOP stands for ________.

(A) Environmental threat & opportunity project

(B) Environmental threat & opportunity profile

(C) Environmental treaty & opportunity profile

(D) Environmental threat & optimum profile

Correct Option(s): B

66. Attack strategies are:

(A) Frontal attack

(B) Flank attack

(C) Encirclement attack

(D) All of the given options

Correct Option(s): D

67. Factors encouraging joint ventures are:

(A) Separate existence is uneconomical

(B) Sharing risk of business

(C) Sharing competence of each other

(D) All of the given options

Correct Option(s): D

68. A group of managers is considering pricing strategy and differentiation. At which level of strategy are the managers most likely to be working?

(A) Corporate Level

(B) Operational level

(C) Business Level

(D) None of the given options

Correct Option(s): C

69. What is meant by focused differentiation?

(A) Providing a high perceived value service or product to a selected market segment that justifies a substantial price premium

(B) Simultaneously seeking to achieve differentiation and a price lower than that of competitors

(C) Reducing the cost

(D) Broad Target market

Correct Option(s): A

70.

Match the following:

List-I(Strategy)	List-II(Features)
(A) Stability	1. Sustainable Growth
(B) Growth	2. Horizontal integration
(C) Retrenchment	3. Liquidation
(D) Combination	4. Restructuring

(A) (A)-1 (B)-3 (C)-2 (D)-4

(B) (A)-1 (B)-2 (C)-3 (D)-4

(C) (A)-4 (B)-3 (C)-2 (D)-1

(D) (A)-4 (B)-2 (C)-1 (D)-3

Correct Option(s): B

71. Which strategies aim at improving internal weaknesses by taking advantage of external opportunities?

(A) SO

(B) WO

(C) SW

(D) ST

Correct Option(s): B

72. In BCG matrix the horizontal axis is labelled as:

(A) Industry growth rate

(B) Market share

(C) Market growth rate

(D) Business strength

Correct Option(s): B

73. Who developed Balance Scorecard as performance measurement system?

(A) Blake and Mouton

(B) Michael Porter

(C) Robert Kaplan and David Norton

(D) None of the given options

Correct Option(s): C

74. The major issue(s) of appraisal system is (are)

(A) Factors of appraisal

(B) Relevance of appraisal

(C) Procedure of appraisal

(D) All of the given options

Correct Option(s): D

75. Change in company's ………. gives rise to problems necessitating a new ……… to be made.

(A) Program, strategy

(B) Strategy, structure

(C) Structure, structure

(D) Strategy, strategy

Correct Option(s): B

76. Vertical integration is concerned with

(A) Supply chain

(B) Production

(C) Quality

(D) Planning

Correct Option(s): A

77. Which of the following is/are problem/s in implementing strategic plans?

(A) Unanticipated problems

(B) Activities ineffectively coordinated

(C) Inadequate leadership

(D) All of the given options

Correct Option(s): D

78. Synergy can take place in which of the following forms:

(A) Shared know-how

(B) Coordinated strategies

(C) Economies of scale or scope

(D) All of the given options

Correct Option(s): D

79. What kind of organizational structure combines a vertical chain of command with horizontal reporting requirements?

(A) Line authority

(B) Matrix

(C) Functional

(D) Quality circle

Correct Option(s): B

80. What kind of training program is most appropriate for a simple task?

(A) On-the-job training

(B) Vestibule training

(C) Laboratory training

(D) None of the given options

Correct Option(s): A

81. The process of forecasting an organization's future demands for and supply of right type of people in right number is

(A) Product planning

(B) Process planning

(C) Manpower planning

(D) All of the given options

Correct Option(s): C

82. Which of the following questions would be appropriate to ask in the "implement strategy" stage of the strategic framework model?

(A) Who constructs the strategic vision for the company?

(B) Which variables in the internal environment critically affect strategy formulation?

(C) Should the company follow a strategy of market penetration or market development?

(D) How can managers overcome employee resistance to change?

Correct Option(s): D

83. Employees often go through four phases as they react to change. The first phase is usually characterized as one of:

(A) Resistance.

(B) Avoidance.

(C) Exploration.

(D) Commitment.

Correct Option(s): B

84. All of the following would be considered good principles to follow for implementing change EXCEPT:

(A) Have employees sign a contract that ensures no resistance to change.

(B) Communicate early, often, and in person.

(C) Create and communicate a shared vision of the future.

(D) Anticipate and remove barriers to change.

Correct Option(s): A

85. -------------------- is the process by which strategies and policies are put into action through programs, budgets, and procedures.

(A) Strategy formulation

(B) Strategic planning

(C) Strategy Implementation

(D) Strategic control

Correct Option(s): C

86. Radical redesign of business processes to achieve major gains in cost, service, or time is called as:

(A) Reengineering

(B) Change

(C) Development

(D) None of the given options

Correct Option(s): A

87. Job design technique/s include/s:

(A) Job enrichment

(B) Job enlargement

(C) Job rotation

(D) All of the given options

Correct Option(s): D

88. Hiring new people with new skills, firing people with inappropriate skills, and/or training existing employees to learn new skills is known as -----------------.

(A) Staffing

(B) Selection

(C) Placement

(D) None of the given options

Correct Option(s): A

89.

Match the following:

1. Dynamic industry expert	A. Concentric growth strategy
2. Analytical portfolio manager	B. Diversification Strategy
3. Cautious profile planner	C. Stability Strategy
4. Turnaround specialist	D. Weak companies in a relatively attractive industry
5. Professional liquidator	E. If the company cannot be saved

(A) 1-A, 2-B, 3-C, 4-D, 5-E

(B) 1-E, 2-D, 3-C, 4-B, 5-A

(C) 1-C, 2-D, 3E, 4-B, 5A

(D) 1-D, 2-E, 3-C, 4-B, 5-A

Correct Option(s): A

90. -------------- is used to evaluate a person's suitability for an advanced position.

(A) Assessment center

(B) Advanced center

(C) None of the given options

(D) All of the given options

Correct Option(s): A

91. Guidelines for downsizing include:

(A) Eliminate unnecessary work instead of making across-the-board cuts

(B) Communicate reasons for action

(C) Develop value-added jobs to balance out job elimination

(D) All of the given options

Correct Option(s): D

92. -------------- involves a relatively balanced give-and-take of cultural and managerial practices between the merger partners, and no strong imposition of cultural change on either company.

(A) Assimilation

(B) Separation

(C) Integration

(D) Deculturation

Correct Option(s): C

93. -------------- states what actions are going to be taken, by whom, during what time frame, and with what expected results.

(A) Action plan

(B) Work plan

(C) Job plan

(D) None of the given options

Correct Option(s): A

94. __________ follows strategy.

(A) Staffing

(B) Building

(C) Manufacturing

(D) None of the given options

Correct Option(s): A

95. Matrix of Change compares __________.

(A) Proposed and existing programs and activities

(B) One Company with another company

(C) All of the given options

(D) None of the given options

Correct Option(s): A

96. Changes in _____________ lead to changes in organization structure because with new strategy new administrative problems emerge.

(A) Corporate strategy

(B) Budget

(C) All of the given options

(D) None of the given options

Correct Option(s): A

97. What is the central purpose of strategic evaluation?

(A) Evaluate effectiveness of strategy to achieve organisational objectives.

(B) Evaluate effectiveness of control system to measure achievements.

(C) Evaluate effectiveness of strategies to be implemented efficiently.

(D) None of the given options

Correct Option(s): A

98. ----------------- enables the strategists to take corrective action at the right time:

(A) Implementation control

(B) Special alert control

(C) Strategic Surveillance control

(D) Premise control

Correct Option(s): D

99. Criteria for making an evaluation is (are)

(A) Consistency with goals

(B) No consistency with goals

(C) Environment

(D) None of the given options

Correct Option(s): A

100.

------------ process ensures that the company is achieving what it set out to accomplish.

(A) Evaluation and control

(B) Strategy formulation

(C) Strategy implementation

(D) Environmental Scanning

Correct Option(s): A