



Solved MCQs from MGT 603 new quizzes dated 5/1/2011

Din Mohammad, a farmer sells his crops at the local market rather than to a distribution center. This action of Din Mohammad comes under which of the following?

- Backward integration
- Product development
- Forward integration**
- Horizontal integration

Theoretical framework is trying to develop a _____ model of our study.

Select correct option:

- Functional
- Conceptual**
- Operational
- Practical

Which of the following are two negative-rated dimensions on SPACE Matrix?

Select correct option:

- FS and CA
- CA and ES**
- FS and IS
- IS and ES

Where usage rate of present customers of the company can be increased significantly and the current markets are not saturated, which strategy would be effective for the company to follow?

Select correct option:

- Market Penetration**
- Product Development
- Market Development
- Retrenchment

In Competitive Profile Matrix, the rating 4 indicates what?

Select correct option:

- Major weakness
- Major strength**
- Minor strength
- Minor weakness

rating 1 represents major weakness, rating 2 shows minor weakness. Similarly, rating 3 indicates minor strength whereas rating 4 shows major strength. It means that weakness must receive 1 or 2 rating while strength must get 3 or 4 rating.

A chance for advancement, progress or profit prevailing in external environment of a company is known as:

Select correct option:

- Strength
- Weakness
- Opportunity**
- Threat

When the Chief Executive of a chain of pharmacies decided to sell off or close some of the locations that were not profitable, he was performing which of the management function?

Select correct option:

- Leading
- Planning
- Controlling**
- Organizing

Taking any corrective action is a part of controlling function.

Internal analysis involves gathering and analyzing the information about all areas of a firm EXCEPT:

- Research and development
- Management information system
- Marketing
- Competitors**

Internal strengths and weaknesses that can significantly benefit or harm an organization may include all of the following EXCEPT:

Production/ operations
Research & development

E-commerce

Management information system

Internal strengths and internal weaknesses are an organization's controllable activities that are performed especially well or poorly. They arise in the **management, marketing, finance/accounting, production/operations, research and development, and computer information systems** activities of a business. Identifying and evaluating organizational strengths and weaknesses in the functional areas of a business is an essential strategic-management activity. Organizations strive to pursue strategies that capitalize on internal strengths and improve on internal weaknesses.

Strategic management integrates all of the following areas EXCEPT:

Management
Marketing
Research and development

Human resource management

Which management function includes breaking tasks into jobs, combining jobs to form departments and delegating authority?

Motivating

Staffing

Organizing

Planning

All of the following statements are true about a firm's mission statement EXCEPT:

A mission statement does not directly contribute positively to financial performance.

A mission statement directly contributes positively to financial performance.

A mission statement should not provide useful criteria for selecting among alternative strategies.

Primary reason to develop a mission statement is not to attract the customers

A firm should practice Joint Venture strategy in which of the following cases?

When the SPACE matrix vector lies in defensive quadrant

When the SPACE matrix vector lies in aggressive quadrant

When the SPACE matrix vector lies in conservative quadrant

When the SPACE matrix vector lies in competitive quadrant

Assessment of competitive rivalry does NOT include an understanding of which of the following?

Mergers and acquisition in industry

Market growth rates

Exit barriers and operational efficiency of competitor

The management structure of an organization

What is the range for a firm's total weighted score in an External Factor Evaluation Matrix?

0 to 5

0 to 4

1 to 5

1 to 4

total weighted score for the organization. Highest possible weighted score for the organization is 4.0; the lowest, 1.0. Average = 2.5

All of the following would be considered as opportunities for a business, EXCEPT:

Select correct option:

Removal of international trade barriers

Emergence of unfulfilled customer need

Emergence of substitute products

Loosening of regulations

A firm's division with a high relative market share position in a low-growth industry can be referred to which of the following category?

Select correct option:

Star

Cash cow

Question mark

Dog

SPACE matrix stands for:

Select correct option:

Strategic position and action evaluation matrix

Strategic power and commerce evaluation matrix

Strategy performance and activity evaluation matrix

Strategy position and competitiveness evaluation matrix

1. TOWS Matrix (Threats-Opportunities-Weaknesses-Strengths)

2. SPACE Matrix (Strategic Position and Action Evaluation)

3. BCG Matrix (Boston Consulting Group)

4. IE Matrix (Internal and external)

5. GS Matrix (Grand Strategy)

Long-term objectives are needed at which level(s) of the organization?

Select correct option:

Corporate level

Divisional level

Functional level

All of the given options

5. Long term objectives are needed at the corporate, divisional and functional levels of an organization.

Strategy formulation techniques can be integrated into how many stages of decision making framework?

Select correct option:

Two

Three

Four

Five

Ref: <http://mba.zainbooks.com/terms/management/a-comprehensive-strategy-formulation-framework.shtml>

All of the following situations are conducive to market development EXCEPT:

When new untapped or unsaturated markets exist

When new channels of distribution are expensive (zubair hussain)

When an organization has excess production capacity

When an organization's basic industry is becoming rapidly global

Lack of access to key distribution channel indicates which of the following?

Select correct option:

Strength

Weakness

Opportunity

Threat

Ref: <http://www.quickmba.com/strategy/swot/>

ABC firm is facing high production costs in Pakistan due to expensive raw material. The firm is formulating a strategy of capturing European market because of low priced raw material and high demand of their products in Europe. Keeping in view the mentioned situation which of the following strategies ABC firm must pursue?

WO Strategy

SW Strategy

ST Strategy

WT Strategy

Ref: <http://www.docstoc.com/docs/23483705/St-Management-quiz-and-importand-que>

Which one of the followings best describes this statement, "The conditions that a company must satisfy in order to be able to enter an industry"?

Economies of scale

Barriers to entry

Differentiation

Competitive environment

Ref: http://highered.mcgraw-hill.com/sites/0073054224/student_view0/

Which strategy should an organization use if it competes in a no-growth or a slow-growth industry?

Related diversification

Backward integration

Unrelated diversification

Retrenchment

that company's weak competitive situation and slow market growth. The firms fall in this quadrant compete in slow-growth industries and have weak competitive positions. These firms must make some drastic changes quickly to avoid further demise and possible liquidation. Extensive cost and asset reduction (retrenchment) should be pursued

Defensive strategies include all of the following EXCEPT:

Select correct option:

Retrenchment

Acquisition

Divestiture

Liquidation

Defensive Strategies In addition to integrative, intensive, and diversification strategies, organizations also could pursue Retrenchment, divestiture, or liquidation.

Selling all of a company's assets in parts for their tangible worth is known as:

Select correct option:

Joint venture

Divestiture

Liquidation

Integration

Selling all of a company's assets, in parts, for their tangible worth is called *liquidation*. Liquidation is recognition of defeat and, consequently, can be an emotionally difficult strategy. However, it may be better to cease operating than to continue losing large sums of money.

Which of the following stages of strategy formulation framework involves developing Internal-External (IE) Matrix?

Select correct option:

Input stage

Output stage

Matching stage

Decision stage

Input stage of strategy-formulation framework includes developing which of the following set of strategies?

Select correct option:

IFE, EFE and QSPM Matrix

IFE, IE and BCG Matrix

IFE, CPM and EFE Matrix

EFE, IE and CPM Matrix

ABC company is competing in an industry where the growth rate of that industry from year to year has reached or is close to zero, ABC is operating in which industry?

Select correct option:

Growing industry

Emerging industry

Mature industry

Declining industry

Which of the following strategy generally entails large research and development expenditures?

Select correct option:

Market penetration

Retrenchment

Forward integration

Product development

Product Development

Product development is a strategy that seeks increased sales by improving or modifying present products or services. Product development usually entails large research and development expenditures.

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