

Corporate Strategy Multiple Choice Questions and answers

1. The term strategy is derived from a _____ word 'strategos'

- a. Latin
- b. Greek
- c. Chinese
- d. German

Answer: b

2. The term strategy is derived from the word 'strategos' which means

- a. Tactics
- b. Leadership
- c. Generalship
- d. Management

Answer: c

3. Strategic management does not involve

- a. setting objectives
- b. analyzing the competitive environment,
- c. analyzing the internal organization
- d. Analyzing the external organization

Answer: d

4. _____ Ensures that management rolls out the strategies across the organization is the role of

- a. HR Department
- b. Operations Management
- c. Strategic Management
- d. All of the above

Answer: c

5. Strategic management is the management of an organization's resources to achieve its

- a. Profit
- b. Goals and objectives.
- c. Market Share
- d. Competitive Advantage

Answer: b

6. Different levels of strategic decision making and strategy formulation in any organization Does not include

- a. Financial
- b. Corporate
- c. Functional
- d. Business

Answer: a

7. _____ is the strategy which includes Board of Directors and the Chief Executive officer, is responsible for the organization's financial performance and other non-financial goals

- a. Business
- b. Functional
- c. Corporate
- d. Financial

Answer: c

8. Which of the following doesn't describe Corporate Strategy

- a. what business or businesses should we be in
- b. How does the parent company add value to its subsidiaries
- c. How does being in one business help us compete in other businesses
- d. How should we compete in other business

Answer: d

9. Different levels of strategic decision making and strategy

formulation in any organization include

- a. Corporate Level and Business Level
- b. Corporate Level and Functional Level
- c. Business Level and Functional Level
- d. Corporate, Business and Functional Level

Answer: d

10. Which of the following does not include the characteristics of Strategic Management?

- a. Reactive
- b. Multidimensional
- c. Systematic
- d. Dynamic

Answer: a

11. Which of the following denotes the characteristics of Strategic Management?

- a. Decentralization
- b. Wide-span of management
- c. Searching for new sources of advantage
- d. Multi operational

Answer: c

12. The role of stakeholders includes

- a. Direct Management
- b. Decision Making
- c. Investments
- d. All of the above

Answer: d

13. The process of strategic management is a/an _____ One that changes as the organizational goals and objectives evolve

- a. Continuous
- b. Interesting
- c. Systematic
- d. Stable

Answer: a

14. Which of the following defines what business or businesses the firm is in or should be in?

- a. Business strategy
- b. Corporate strategy
- c. Functional strategy
- d. National strategy

Answer: b

15. Which of the following defines how each individual business unit will attempt to achieve its mission?

- a. Business strategy
- b. Corporate strategy
- c. Functional strategy
- d. National strategy

Answer: a

16. Which of the following focuses on supporting the corporate and business strategies?

- a. Competitive strategy
- b. Corporate strategy
- c. Operational strategy
- d. National strategy
- e. Mission strategy

Answer: c

17. Which one of the following is not a primary task of strategic managers?

- a. Establishing strategic objectives
- b. Developing the steps to follow in implementing operational level plans
- c. Defining the business and developing a mission

d. Developing a strategy

Answer: b

18. The task of strategy choice involves:

a. developing plans and activities which will improve the organisation's performance and competitive position

b. determining how the organisation can be more market and efficiency oriented

c. monitoring whether the organisation is achieving good financial performance

d. keeping the organisation free of debt

Answer: a

19. Which one of the following is at the core of strategic management?

a. Choosing which organisational objectives to focus on

b. Being alert for opportunities to change work responsibilities

c. Adapting the organisation to a changing external environment

d. Choosing whether to make decisions autocratically or on the basis of participation

Answer: c

20. The corporate level is where top management directs:

a. all employees for orientation

b. its efforts to stabilize recruitment needs

- c. overall strategy for the entire organization
- d. overall sales projections

Answer: c

21. The three organizational levels are:

- a. corporate level, business level, functional level
 - b. corporate level, business unit level, functional level
 - c. corporate strategy level, business unit level, functional level
 - d. corporate strategy level, business level, specialist level
- Answer: a

22. Which of the following is an example of competing on quick response?

- a. a firm produces its product with less raw material waste than its competitors
- b. a firm offers more reliable products than its competitors
- c. a firm's products are introduced into the market faster than its competitors'
- d. a firm's research and development department generates many ideas for new products

Answer: c

23. Which one of the following is NOT included in the Porter's Five Forces model:

- a. Potential development of substitute products
- b. Bargaining power of suppliers
- c. Rivalry among stockholders

d. Rivalry among competing firms

Answer: c

24. What is meant by the term 'Stakeholder'?

- a. A person who is not related with a business.
- b. A person who is related with a business.
- c. A person who owns a business.
- d. A person who purchases the shares of a business.

Answer: b

25. Of the following, which one would NOT be considered one of the components of a mission statement?

- a. The target market for XYZ is oil and gas producers as well as producers of chemicals.
- b. XYZ shall hire only those individuals who have with sufficient educational levels so as to be of benefit to our customers
- c. The customers of XYZ shall include global and local consumers of gas and oil products and domestic users of nontoxic chemicals
- d. The technologies utilized by XYZ shall focus upon development of alternative sources of gas and oil so as to remain competitive within the industry

Answer: b

26. 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 external environment.
- 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..

Answer: d

27. The goal of the organization's _____ is to capture the hearts and minds of employees, challenge them, and evoke their emotions and dreams.

- a. vision
- b. mission
- c. culture
- d. strategy

Answer: a

28. A firm's mission

- a. Is a statement of a firm's business in which it intends to compete and the customers which it intends to serve.
- b. Is an internally-focused affirmation of the organization's financial, social, and ethical goals.
- c. Is mainly intended to emotionally inspire employees and other stakeholders.

d. Is developed by a firm before the firm develops its vision.

Answer: a

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

a. Demographic factors.

b. sociocultural factors.

c. Substitute products or services.

d. Technological factors.

Answer: c

30. An analysis of the economic segment of the external environment would include all of the following EXCEPT

- a. Interest rates.
- b. International trade.
- c. The strength of the U.S. dollar.
- d. The move toward a contingent workforce.

Answer: d

31. 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.

Answer: c

32. Which of the following is NOT an entry barrier to an industry?

- a. expected competitor retaliation
- b. economies of scale
- c. customer product loyalty
- d. bargaining power of suppliers

Answer: d

33. 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.

Answer: d

34. New entrants to an industry are more likely when (i.e., entry barriers are low when...)

- a. It is difficult to gain access to distribution channels.
- b. Economies of scale in the industry are high.
- c. Product differentiation in the industry is low.
- d. Capital requirements in the industry are high.

Answer: c

35. 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.

Answer: c

36. The highest amount a firm can charge for its products is most

directly affected by

- a. Expected retaliation from competitors.
- b. The cost of substitute products.
- c. Variable costs of production.
- d. Customers' high switching costs.

Answer: b

37. All of the following are forces that create high rivalry within an industry EXCEPT

- a. Numerous or equally balanced competitors.
- b. High fixed costs.
- c. Fast industry growth.
- d. High storage costs.

Answer: c

38. According to the five factors model, an attractive industry would have all of the following characteristics EXCEPT:

- a. Low barriers to entry.
- b. Suppliers with low bargaining power.
- c. A moderate degree of rivalry among competitors.
- d. Few good product substitutes.

Answer: a

39. Internal analysis enables a firm to determine what the firm

- a. Can do.
- b. Should do.
- c. Will do.
- d. Might do.

Answer: a

40. An external analysis enables a firm to determine what the firm

- a. Can do.
- b. Should do.
- c. Will do.
- d. Might do.

Answer: d

41. _____ is/are the source of a firm's _____, which is/are the source of the firm's _____.

- a. Resources, capabilities, core competencies
- b. Capabilities, resources, core competencies
- c. Capabilities, resources, above average returns
- d. Core competencies, resources, competitive advantage

e. Answer: a

42. In the airline industry, frequent-flyer programs, ticket kiosks, and e-ticketing are all examples of capabilities that are

- a. rare.
- b. causally ambiguous.
- c. socially complex.
- d. valuable.

Answer: d

43. Firms with few competitive resources are more likely

- a. To not respond to competitive actions.
- b. Respond quickly to competitive actions.
- c. Delay responding to competitive actions.
- d. Respond to strategic actions, but not to tactical actions.

Answer: c

44. Competitors are more likely to respond to competitive actions that are taken by

- a. Differentiators.
- b. Larger companies.
- c. First movers.
- d. Market leaders.

Answer: d

45. What can be defined as the art and science of formulating, implementing and evaluating cross-functional decisions that enable an organization to achieve its objectives?

- a. Strategy formulation
- b. Strategy evaluation
- c. Strategy implementation
- d. Strategic management
- e. Strategic leading

Answer: d

46. Which of the following is not a cultural product?

- a. Rites
- b. Emotions
- c. Rituals
- d. Sagas
- e. Symbols

Answer: b

47. Which individuals are most responsible for the success and failure of an organization?

- a. Strategists
- b. Financial planners
- c. Personnel directors
- d. Stakeholders
- e. Human resource managers

Answer: a

48. Which of the following is an element of a firm's remote external environment?

- a. Competition
- b. Political agencies
- c. Suppliers
- d. Trade union

Answer: b

49. Long-term objectives should be all of the following except:

- a. measurable.
- b. continually changing.
- c. reasonable.
- d. challenging.

Answer: b

50. What are guides to decision making?

- a. laws
- b. rules
- c. policies
- d. procedures
- e. goals

Answer: c

51. According to Greenley, strategic management offers all of these benefits except that

- a. It provides an objective view of management problems.
- b. It creates a framework for internal communication among personnel.
- c. It encourages a favorable attitude toward change.
- d. It maximizes the effects of adverse conditions and changes.

Answer: d

52. The vision and mission statement can often be found

- a. In the SEC report.
- b. In annual reports.
- c. On customer receipts.
- d. On supplier invoices.
- e. on community news bulletins

Answer: b

53. Which group would be classified as a stakeholder?

- a. Communities
- b. Banks

- c. Suppliers
- d. Employees
- e. All of these

Answer: e

54. The process of performing an external audit needs to include:

- a. Only top level managers, as it's a planning function.
- b. As many managers and employees as possible.
- c. primarily front-line supervisors
- d. between 15 to 20 managers for it to be valid

Answer: b

55. Which of the following is not a stage of strategy formulation techniques?

- a. Formulation Framework
- b. Matching stage
- c. External factor evaluation
- d. Decision stage

Answer: b

56. ST Strategies is an important strategy to

- a. Match weakness with opportunities of the firm

- b. Overcome external threats
 - c. Obtain benefit from its resources
 - d. Overcome its weakness and reducing threats
- Answer: b

57. The immediate external environment includes:

- a. Divisions
- b. S. B. U. s
- c. Competitors
- d. Management

Answer: c

58. The _____ comprises economic and social conditions, political priorities and technological developments, all of which must be anticipated, monitored, assessed and incorporated into the executive's decision making.

- a. Internal environment
- b. Task environment
- c. Operating environment
- d. Societal environment

Answer: d

59. 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

Answer: c

60. A strategy is a company's

- a. Value statement
- b. Pricing policy
- c. Game Plan to outsmart competitor
- d. Long-term objective

Answer: c

61. Strategy-formulation concepts and tools

- a. Do not differ greatly for different size and type of organizations
- b. Differ greatly for different size and type of organizations
- c. Do not differ greatly for profit or nonprofit organizations but differ in small and large organizations
- d. None of the mentioned options

Answer: a

62. Annual objectives

- a. Are not critical to success
- b. Serve as guidelines for action, directing and channeling efforts and activities of organization members
- c. Are not important for employee motivation and identification
- d. Do not provide a basis for organizational design

Answer: b

63. Annual objectives

- a. Need not to be consistent
- b. Should be easily achievable
- c. Should be measurable
- d. Should be confidential and not to be communicated throughout the organization

Answer: c

64. Which of the following resources is used by all organizations to achieve desired objectives?

- a. Financial resources,
- b. Physical resources,
- c. Human resources
- d. All of the mentioned options

Answer: d

65. Strategic management is

- a. A pure science.
- b. Based mainly on intuition.
- c. Needed mainly when organizational performance falls.
- d. Based on the use of quantitative and qualitative information.

Answer: d

66. 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

Answer: a

67. Strategic issues require which level of management decisions?

- a. Operative
- b. Top
- c. Front-line
- d. Middle

Answer: b

68. 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?

Answer: d

69. _____ is not part of an external audit.

- a. Analyzing competitors
- b. Analyzing financial ratios
- c. Analyzing available technologies
- d. Studying the political environment

Answer: b

70. Strategic management process activate in thesequence of_____

- a. Environmental scanning, Strategy formulation, Implementation, control and evaluation
- b. Strategy formulation, Environmental scanning, Implementation, control and evaluation
- c. Environmental scanning, Strategy Implementation, formulation, control and evaluation
- d. Strategy formulation, Implementation, control, evaluation, Environmental scanning

Answer: a

71. KAPKAL Power’s interested to achieve a 10 percentreturn on equity (ROE) in their core electric utility, 14 percent ROE on water resource operations, and 15percent ROE on support businesses. It is

- a. Mission
- b. Strategy
- c. Objective
- d. Policy

Answer: c

72. “A possible and desirable future state of anorganization” is called:

- a. Mission
- b. Vision
- c. Strategy implementation
- d. None of above

Answer: b

73. Strategic decisions are based on what managers_____, rather than on whatthey_____.

- a. Know; forecast
- b. React to; anticipate
- c. Forecast; know
- d. Compromise with; analyze

Answer: c

74. “To improve economic strength of society and function as a good corporate citizen on a local, state, andnational basis in all countries in which we do business”. This is a mission statement that contains:

- a. Self-concept
- b. Economic concern
- c. Products or Services
- d. Concern for Public Image

Answer: d

75. Strategic-management audit is known as:

- a. Environmental scanning
- b. Strategy formulation
- c. Strategy control
- d. Strategy evaluation

Answer: a

76. Forecasting tools can be broadly categorized into two groups. Those are:

- a. Qualitative, Operational
- b. Quantitative, Operational
- c. Qualitative, Quantitative
- d. Regression and time series analysis

Answer: c

77. _____ identifies a firm's major competitors and their particular strengths and weaknesses in relation to a sample firm's strategic position.

- a. Competitive Profile Matrix
- b. External Factor Evaluation matrix
- c. Internal Factor Evaluation Matrix
- d. Boston consulting group matrix

Answer: a

78. Organizing means an identifiable group of people contributing their efforts towards the attainment of same goal. It is important at the time of:

- a. Environmental scanning
- b. Strategy formulation
- c. Strategy Implementation
- d. Strategy evaluation

Answer: c

79. In a turbulent and competitive free enterprise environment, a firm will succeed only if it takes a(n)

_____ stance towards change.

- a. Reactive
- b. Proactive
- c. Anti-regulatory or anti-government
- d. Vision and not mission

Answer: b

80. Which statement best describes intuition?

- a. It represents the marginal factor in decision-making.
- b. It represents a minor factor in decision-making integrated with analysis.
- c. It should be coupled with analysis in decision-making.
- d. It is better than analysis in decision-making.
- e. It is management by ignorance.

Answer: c

81. What are the means by which long-term objectives will be achieved?

- a. Strategies.
- b. Strengths.
- c. Weaknesses.
- d. Policies.
- e. Opportunities.

Answer: a

82. 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?
- e. Who are our competitors?

Answer: d

83. When an industry relies heavily on government contracts, which forecasts can be the most important part of an external audit.

- a. Economic
- b. political
- c. technological
- d. competitive

Answer: b

84. _____ is not part of an external audit.

- a. Analyzing competitors
 - b. Analyzing financial ratios
 - c. Analyzing available technologies
 - d. Studying the political environment
 - e. Analyzing social, cultural, demographic and geographic forces
- Answer: b

85. Which individuals are most responsible for the success and failure of an organization?

- a. Strategists
- b. Financial planners
- c. Personnel directors
- d. Stakeholders

e. Human resource managers

Answer: a

86. Long-term objectives should be all of the following except:

a. Measurable.

b. Continually changing.

c. Reasonable.

d. Challenging.

e. Consistent.

Answer: b

87. What are guides to decision making?

a. laws

b. rules

c. policies

d. procedures

e. goals

Answer: c

88. Which group would be classified as a stakeholder?

a. Communities

b. Banks

- c. Suppliers
- d. Employees
- e. All of the given options

Answer: e

89. Typically how many strategic decision levels are in the corporate decision-making hierarchy?

- a. 3
- b. 4
- c. could be more than 5
- d. 2

Answer: a

90. Which type of trend can be exemplified by the increasing numbers of two-income households in a society?

- a. Social
- b. Economic
- c. Cultural
- d. Technological

Answer: b

91. External assessment is performed in which of the strategic management phases?

- a. Strategy formulation stage
- b. Strategy implementation stage

- c. Strategy evaluation stage
- d. All of the given options

Answer: a

92. Political variables have a significant effect on

- a. Strategy formulation and implementation
 - b. Strategy formulation and evaluation
 - c. Strategy implementation and evaluation
 - d. Strategy formulation, implementation and evaluation
- Answer: a

93. Strategic decisions ostensibly commit the firm for

- a. 1 -2 years
- b. The short term
- c. one years
- d. A long time, typically five years

Answer: d

94. Social responsibility is a critical consideration for a company's strategic decision makers since

- a. Stockholders demand it
- b. The mission statement must express how the company intends to contribute to the societies that sustain it
- c. It increases a company's profits
- d. It helps make decisions

Answer: b

95. "The perfect search engine would understand exactly what you mean and give back exactly what you want", this statement is included in the mission statement of an online firm and is showing which one of the following components?

- a. Self-concept
- b. Concern for public image
- c. A declaration of attitude
- d. Philosophy

Answer: b

96. Which of the following are signs of weakness in a company's competitive position?

- a. A return-on-equity is below 25% and earnings per share of less than Rs. 2.00
- b. A price set by the firm higher than its rivals

- c. A declining market share, poor product quality and few sales inmarket
- d. Lower revenues and profit margin and narrow product linethan the market leader

Answer: c

97. It directs at developing new products before competitors do at improving product quality or at improving manufacturing processes to reduce costs.

- a. Marketing
- b. Opportunity analysis
- c. Research and development
- d. Management

Answer: c

98. "Identifying and evaluating key social, political, economic, technological and competitive trends andevents". Which of the followings best describes this statement?

- a. Developing an effective mission statement
- b. Conducting an internal audit
- c. Performing an external audit
- d. Formulating strategy

Answer: c

99. 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. Evaluate effectiveness of the strategy implementation process.

Answer: a

100. Strategy evaluation at the _____ level involves using specific performance measures-qualitative and quantitative-for each functional area.

- a. organizational
- b. operational
- c. functional
- d. production

Answer: c