

sr no	Question	Option1	Option2	Option3	Option4	Correct Ans
1	Which strategy is about how to compete successfully in particular markets?	Business-level strategy	Corporate-level strategy	Alliance-based strategy	Operational-level strategy	1
2	stability strategy is a _____ strategy	Corporate Level	Business Level	Functional Level	Strategic level	1
3	What are the means by which long term objectives will be achieved?	Strategies	Policies	Strength	Opportunities	1
4	Marketing strategy is a _____ type of strategy	Business Level	Growth Strategy	Corporate Stratgy	Functional Strategy	4
5	What does Dog symbolize in BCG matrix?	Introduction	Growth	Maturity	Decline	4
6	What does Stars symbolize in BCG matrix?	Introduction	Growth	Maturity	Decline	2
7	What does Question Mark (?) symbolize in BCG matrix?	Remain diversified	Invest	Stable	Liquidate	1
8	In GE 9 cell matrix, what is the label of the horizontal axis?	Relative market share	Industry Attractiveness	Industry Growth Rate	Market Growth rate	2

9	Which of the following is the best example of related diversification?	A beer brewer acquiring a maker of aluminum cans	A manufacturer of canoes diversifying into the production of tennis rackets	A PC producer deciding to diversify into producing and marketing its own brands of MP3 players and LCDTVs	Option B and C	3
10	Which of the following is not one of the appeals of related diversification?	It can offer opportunities for transferring expertise, technology and other capabilities from one business to another	It can offer opportunities for reducing costs and for leveraging use of a competitively powerful brand name	Related diversification is particularly well-suited for the use of offensive strategies and capturing valuable financial fits	Identifying industries with the least competitive intensity	3
11	A company pursuing a related diversification strategy would likely address the issue of what additional industries/businesses to diversify into by	Locating businesses with well-known brand names and large market shares	Identifying industries with the least competitive intensity	Identifying an attractive industry whose value chain has good strategic fit with one or more of the firm's present businesses	In sales and marketing activities	3
12	The best place to look for cross-business strategic fits is	In supply chain activities	In sales and marketing activities	In production and distribution activities	Anywhere along the respective value chains of related businesses—no one place is best	4
13	Cross-business strategic fits can be found	Only in businesses whose products/services satisfy the same general type of buyer needs and preferences	Mainly in either technology related activities or sales and marketing activities	Chiefly in the R&D portions of the value chains of unrelated businesses	Anywhere along the respective value chains of related businesses	4

14	Economies of scope	Are cost reductions that flow from operating in multiple businesses	Arise only from strategic fit relationships in the production portions of the value chains of sister businesses	Are more associated with unrelated diversification than related diversification	Minimizing the amount of resources that the partners commit to the alliance	1
15	What makes related diversification an attractive strategy is	The ability to broaden the company's product line	The opportunity to convert cross-business strategic fits into competitive advantages over business rivals whose operations don't offer comparable strategic fit benefits	The potential for improving the stability of the company's financial performance	To enable greater vertical integration	2
16	Which of the following is the best example of unrelated diversification?	A chain of radio stations acquiring TV stations	An electrical equipment manufacturer acquiring an athletic footwear company	A producer of canned soups acquiring a maker of breakfast cereals	Speeding new products to market more quickly	2
17	Which of the following is not one of the ways that a company can achieve a cost advantage by revamping its value chain?	Cutting out distributors and dealers by selling direct to customers	Replacing certain value chain activities with faster and cheaper online technology	Increasing production capacity and then striving hard to operate at full capacity	Replacing certain value chain only	3

18	The best evidence that a company is the industry's low-cost provider is that	It sells more of its product/service than its key competitors and is the market share leader	It has lower overall per unit costs for its product/service than other competitors in the industry	It has lower total operating costs on its income statement than do its competitors	It has sells more of product only	2
19	A company pursuing a low-cost leadership strategy must generally	Have products with good-to-excellent attributes so that its low prices will provide customers with more value for the money	Have acceptable quality products that incorporate a good basic design with few frills and offer a limited number of models/styles to select from	Have a wide selection of products that are of average or better quality	Have not acceptable quality products and	2
20	Being the overall low-cost provider in an industry has the attractive advantage of	Building strong customer loyalty and locking customers into its product (because customers have such high switching costs)	Giving the firm a very appealing brand image	Putting a firm in position to compete offensively on the basis of low price, win the business of price sensitive customers, set the floor on market price and defend against price war conditions should they arise	Building strong customer loyalty with product	3
21	A competitive strategy predicated on low-cost leadership tends to work best when	There are widely varying needs and preferences among the various buyers of the product or service	There are many market segments and market niches, such that it is feasible for a low-cost	Price competition is especially vigorous and the offerings of rival firms are essentially identical, standardized,	There are many market segments and market niches	3

			leader to dominate the niche where buyers want a budget-priced product	commodity-like products		
22	In which of the following circumstances is a strategy to be the industry's overall low-cost provider not particularly well matched to the market situation?	When the offerings of rival firms are essentially identical, standardized, commodity-like products	When there are few ways to achieve differentiation that have value to buyers	When price competition is especially vigorous	When buyers have widely varying needs and special requirements and the prices of substitute products are relatively high	4
23	A strategy to be the industry's overall low-cost provider tends to be more appealing than a differentiation or best-cost or focus/market niche strategy when	There are many ways to achieve product differentiation that buyers find appealing	Buyers use the product in a variety of different ways and have high switching costs in changing from one seller's product to another	The offerings of rival firms are essentially identical, standardized, commodity-like products	When price competition is especially vigorous	3
24	Checking a diversified firm's business portfolio for the competitive advantage potential of cross-business strategic fits entails consideration of	Whether the parent's company's competitive advantages are being deployed to maximum advantage in each of its business units	Whether the competitive strategies employed in each business act to reinforce the competitive power of the strategies employed in the company's other businesses	Whether the competitive strategies in each business possess good strategic fit with the parent company's corporate strategy	The extent to which there are competitively valuable relationships between the value chains of sister business units and what opportunities they present to reduce costs, share use of a potent brand name, create competitively valuable new capabilities via cross-business collaboration or transfer skills or technology or	4

					intellectual capital from one business to another	
25	A diversified company's business units exhibit good resource fit when	Each business is a cash cow	A company has the resources to adequately support the requirements of its businesses as a group without spreading itself too thin and when individual businesses add to a company's overall strengths	Each business is sufficiently profitable to generate an attractive return on invested capital	Each business has not cash cow	2
26	A "cash hog" type of business	Is one that is losing money and requires cash infusions from its corporate parent to continue operations	Is one that generates cash flows that are too small to fully fund its operations and growth	Generates negative cash flows from internal operations and thus requires cash infusions from its corporate parent to report a profit	Generates positive cash flows	2
27	One very important advantage of a product-information-only Web site strategy is	Lower advertising costs and lower customer service costs	Avoiding the extra costs associated with operating Web site e-stores	Added ability to interest potential buyers in purchasing the company's products	Avoiding channel conflict	4
28	In which of the following instances is being a first-mover not particularly advantageous?	When a pioneer is using a low-cost provider strategy	When buyers are not loyal to pioneering firms in making repeat purchases	When a pioneer is pursuing product innovation	When pioneer is not persueing product innovation	2
29	Diversification merits strong consideration whenever a single-business company	Has integrated backward and forward as far as it can	Is faced with diminishing market opportunities and stagnating sales in its	Has achieved industry leadership in its main line of business	Has forward as afr as it can	2

			principal business			
30	Diversifying into new businesses is justifiable only if it	Results in increased profit margins and bigger total profits	Builds shareholder value	Helps a company escape the rigors of competition in its present business	avoid competition	2
31	The essential requirement for different businesses to be "related" is that	Their value chains possess competitively valuable cross-business relationships	The products of the different businesses are bought by much the same types of buyers	The products of the different businesses are sold in the same types of retail stores	The products of the different businesses are sold in the different types of retail stores	1
32	Which of these seeks to relate the goals of organization to them earn s of achieving them?	Strategy	Execution	Monitoring	Management	1
33	What is a unified, comprehensive & integrated plan designed to assure that basic objectives of enterprise are achieved ?	Strategy	Execution	Monitoring	Management	1
34	Business policy tends to emphasize on which aspect of strategic management?	System Analytical	Portfolio Analytical	Credit Analytical	Rational Analytical	4
35	In large organization strategies are formulate at which level?	Corporate levels	Divisional Levels	Functional levels	All	4

36	Which is a planned strategy?	Proactive	Reactive	Adaptive	Neutral	1
37	Which is not an advantage of strategic management?	Helps organizations to be proactive.	Control their own destiny in better manner.	Identify available opportunity	Meeting the targets	4
38	Which is not the limitation of strategic management?	Time Consuming Process	Difficult Estimation of competitive responses	Costly Process	Understandable complex environment.	4
39	Which of these require a lot of cash to hold their share & need heavy investment with low growth potential?	Star	Cash-Cow	Question-Mark	Dog	3
40	Which of these refers to a strategy where the business seeks to sell its existing products in to new market & this can be achieved by new product packaging, distribution channels etc?	Market Penetration	Market Development	Product Development	Diversification.	2
41	Above-average returns are:	higher profits than the firm earned last year.	higher profits than the industry average over the last 10 years.	profits in excess of what an investor expects to earn from a historical pattern of performance of the firm.	profits in excess of what an investor expects to earn from other investments with a similar level of risk.	4



42	In the resource-based model, which of the following factors would be considered a key to organizational success?	unique market niche	weak competition	economies of scale	skilled employees	4
43	All of the following are resources of an organization EXCEPT	an hourly production employee's ability to catch subtle quality defects in products.	oil drilling rights in a promising region.	weak competitors in the industry.	a charity's endowment of \$400 million.	3
44	The resource-based model of the firm argues that	all resources have the potential to be the basis of sustained competitive advantage.	all capabilities can be a source of sustainable competitive advantage.	the key to competitive success is the structure of the industry in which the firm competes.	resources and capabilities that are valuable, rare, costly to imitate, and non-substitutable form the basis of a firm's core competencies.	4
45	An analysis of the economic segment of the external environment would include all of the following EXCEPT	interest rates.	international trade.	the strength of the U.S. dollar.	the move toward a contingent workforce.	4
46	firms that achieve competitive parity can expect to:	earn below-average returns.	earn average returns.	earn above-average returns.	initially earn above-average returns, declining to average returns.	2

47	The three dimensions of a firm's relationships with customers include all the following EXCEPT	exclusiveness.	affiliation.	richness.	Reach	1
48	A cost leadership strategy targets the industry's --- -----customers.	most typical	poorest	least educated	most frugal	1
49	Multimarket competition occurs when firms	sell different products to the same customer.	have a high level of awareness of their competitors' strategic intent.	simultaneously enter into an attack strategy.	compete against each other in several geographic or product markets.	4
50	Firms with few competitive resources are more likely	to not respond to competitive actions.	respond quickly to competitive actions.	delay responding to competitive actions.	respond to strategic actions, but not to tactical actions.	3
51	Horizontal integration is concerned with	Production	Quality	Product Planning	Marketing	1
52	Changes in company ..... also necessitates changes in the systems in various degrees	Structure	System	Strategy	Turnover	2

53	Which is not a global entry strategy?	Exporting	Joint Venture	Blue Ocean Strategy	Merger and Acquisition	3
54	Which one is not the characteristic feature of Entrepreneurship?	Vision	Disloyalty	Initiative and Drive	Risk Bearing	2
55	In which stage of product life cycle, the company takes decision whether to maintain, harvest or drop the product?	Introduction	Growth	Maturity	Decline	4
56	Which of the following best describes the structure at Wilmington?	Project Based Structure	Matrix Structure	Multidivisional Structure	Functional Structure	3
57	The "soft" elements of the 7-S framework include all of the following EXCEPT which?	Style	Shared Values	Skills	Systems	4
58	With an unrelated diversification strategy, the types of companies that make particularly attractive	Financially distressed companies with good turnaround potential, undervalued companies that	Companies offering the biggest potential to reduce labor costs	Cash cow businesses with excellent financial fit	To gain quick access to new technologies or other resources and capabilities	1

	acquisition targets are	can be acquired at a bargain price and companies that have bright growth prospects but are short on investment capital				
59	What sets focused (or market niche) strategies apart from low-cost leadership and broad differentiation strategies is	The extra attention paid to top-notch product performance and product quality	Their concentrated attention on serving the needs of buyers in an arrow piece of the overall market	Greater opportunity for competitive advantage	Reduce the number of industry key success factors	2
60	A focused low-cost strategy seeks to achieve competitive advantage by	Delivering more value for the money than other competitors	Performing the primary value chain activities at a lower cost per unit than can the industry's low-cost leaders	Dominating more market niches in the industry via a lower cost and lower price than any other rival	Serving buyers in the target market niche at a lower cost and lower price than rivals	4
61	A focused differentiation strategy aims at securing competitive advantage	By providing niche members with a top-of-the-line product at a premium price	By catering to buyers looking for an upscale product at an attractively low price	With a product offering carefully designed to appeal to the unique preferences and needs of a narrow, well-defined group of buyers	Are a particularly effective way of pursuing a blue ocean strategy and outsourcing strategies	3
62	The chief difference between a broad differentiation strategy and a	The size of the buyer group that a company is trying to appeal to	The degree of bargaining power that buyers have	Whether the product is strongly differentiated or weakly	Frequently do not produce the hoped-for outcomes	1

	focused differentiation is			differentiated from rivals		
63	The production emphasis of a company pursuing a broad differentiation strategy usually involves	A search for continuous cost reduction without sacrificing acceptable quality and essential features	Strong efforts to be a leader in manufacturing process innovation	Efforts to build-in whatever differentiating features that buyers are willing to pay for and striving for product superiority	Broaden the firm's product line and/or avoid the need for outsourcing	3
64	A strategic alliance	Is a collaborative arrangement where companies join forces to defeat mutual competitive rivals	Involves two or more companies joining forces to pursue vertical integration	Is a formal agreement between two or more companies in which there is strategically relevant collaboration of some sort, joint contribution of resources, shared risk, shared control and mutual dependence	Must first be a proficient manufacturer	3
65	Which of the following is not one of the pitfalls of a low-cost provider strategy?	Overly aggressive price-cutting	Trying to set the industry's price ceiling	Not emphasizing avenues of cost advantage that can be kept proprietary or that relegate rivals to playing catch up	price-cutting only	2
66	The essence of a broad differentiation strategy is to	Incorporate a greater number of differentiating features into its	Lower buyer switching costs	Outspend rivals on advertising and promotion in order to inform and convince buyers of the value of	Be unique in ways that are valuable and appealing to a wide range of buyers	4

		product/service than rivals		its differentiating attributes		
67	A broad differentiation strategy improves profitability when	It is focused on product innovation	Differentiating enhances product performance	The differentiating features appeal to sophisticated and prestigious buyers	Unit sales increase and the extra price the product commands exceed the added costs of achieving the differentiation	4
68	Whether a broad differentiation strategy ends up enhancing company profitability depends mainly on whether	Many buyers view the product's differentiating features as having value	Most buyers have similar needs and use the product in the same ways	Unit sales increase and the extra price the product commands exceed the added costs of achieving the differentiation	Value-conscious buyers	3
69	Opportunities to differentiate a company's product offering	Are most reliably found in the R&D portion of the value chain	Are typically located in the sales and marketing portion of the value chain	Can exist in activities all along an industry's value chain	Price-sensitive buyers	3
70	Easy-to-copy differentiating features	Cannot produce sustainable competitive advantage	Seldom are perceived by buyers as having much value	Tend to give buyers a high degree of power in bargaining for a lower price	forward integration	1
71	The target market of a best-cost provider is	Value-conscious buyers	Brand-conscious buyers	Price-sensitive buyers	Its brand name reputation	1

72	A joint venture is an attractive way for a company to enter a new industry when	A firm is missing some essential skills or capabilities or resources and needs a partner to supply the missing expertise and competencies or fill the resource gaps	It needs access to economies of scope and good financial fits in order to be cost-competitive	It is uneconomical for the firm to achieve economies of scope on its own initiative	It is economical for the firm to achieve economies of scope on its own initiative	1
73	Diversifying into a new industry by forming a new internal subsidiary to enter and compete in the target industry is attractive when	All of the potential acquisition candidates are losing money	It is impractical to outsource most of the value chain activities that have to be performed in the target business/industry	There is ample time to launch the new business from the ground up and entry barriers can be hurdled at acceptable cost	All of candidates are gaining money	3
74	A company can best accomplish diversification into new industries by	Outsourcing most of the value chain activities that have to be performed in the target business/industry	Acquiring a company already operating in the target industry, creating a new subsidiary internally to compete in the target industry or forming a joint venture with another company to enter the target industry	Integrating forward or backward into the target industry	Offshoring most value chain	2
75	The most popular strategy for entering new businesses and accomplishing diversification is	Forming a joint venture with another company to enter the target industry	Internal startup	Acquisition of an existing business already in the chosen industry	External startup	3
76	Acquisition of an existing business is an attractive strategy option for entering a promising new industry because it	Is an effective way to hurdle entry barriers, is usually quicker than trying to launch a brand-new start-up operation and allows the acquirer to move directly to the task of building a	Is less expensive than launching a new start-up operation, thus passing the cost-of-entry test	Is a less risky way of passing the attractiveness test	Very risky way of passing the test	1

		strong position in the target industry				
77	The attractiveness test for evaluating whether diversification into a particular industry is likely to build shareholder value involves determining whether	Conditions in the target industry are sufficiently attractive to permit earning consistently good profits and returns on investment	The potential diversification move will boost the company's competitive advantage in its existing business	Shareholders will view the contemplated diversification move as attractive	shareholder have different views	1
78	The three tests for judging whether a particular diversification move can create value for shareholders are	The attractiveness test, the profitability test and the shareholder value test	The strategic fit test, the competitive advantage test and the return on investment test	The resource fit test, the profitability test and the shareholder value test	The attractiveness test, the cost-of-entry test and the better-off test	4
79	A company which has gone global is called	MNC	TNC	Both (a) &(b)	Global Company	3
80	In industries where at eof is fast, are quite likely to be come obsolete.	Product Innovation, ProductPatents	Market Innovation, Firm'sName	Product Innovation, Firm'sName	Market Innovation, ProductPatents	1
81	Which of these useful analytical tool for comparing market position of each firm separately where an industry has so many competitors that it is not practical to examine each of them?	Strategic GroupMapping	Scenario Analysis	Strategic CoreAnalysis	PESTELAnalysis	1



82	Which of these refers to process of integration of world economy into one huge market.	Globalization	Privatization	Stratification	Liberalisation	1
83	Which is meant about analyze competitors & at the same time, it permits the comprehension of the vision, mission, core values, nichemarket, strength & weakness?	StrategicAnalysis	Core Competence	Competitive Landscape	CompetitiveStrategy	3
84	In the resource-based model, which of the following factors would be considered a key to organizational success?	unique marketniche	weak competition	economies ofscale	skilledemployees	1
85	All of the following are resources of an organization EXCEPT	an hourly production employee's ability to catch subtle quality defects in products.	oil drilling rights in a promisingregion.	weak competitors in theindustry.	a charity's endowment of \$400million.	3
86	Which of the following would be an example of a strategic action?	a "two movies for the price of one" campaign by Blockbuster Video	use of product coupons by a local grocer	entry into the European market by Home Depot	fare increases by Southwest Airlines	3

87	The chief disadvantage of being a first mover is the	high degree of risk.	high level of competition in the new marketplace.	inability to earn above-average returns unless the production process is very efficient.	difficulty of obtaining new customers.	1
88	Product differentiation refers to the:	ability of the buyers of a product to negotiate a lower price.	response of incumbent firms to new entrants.	belief by customers that a product is unique.	fact that as more of a product is produced the cheaper it becomes per unit.	3
89	Switching costs refer to the:	cost to a producer to exchange equipment in a facility when new technologies emerge.	cost of changing the firm's strategic group.	one-time costs suppliers incur when selling to a different customer.	one-time costs customers incur when buying from a different supplier.	4
90	A weighted industry attractiveness assessment is generally analytically superior to an unweighted assessment because	A weighted ranking identifies which industries offer the best/worst long-term profit prospects	An unweighted ranking doesn't discriminate between strong and weak industry driving forces and industry competitive forces	It does a more accurate job of singling out which industry key success factors are the most important	The various measures of attractiveness are not likely to be equally important in determining overall attractiveness	4
91	The chief purpose of calculating quantitative industry attractiveness scores for each industry a company has diversified into is to	Determine which industry is the biggest and fastest growing	Get in position to rank the industries from most competitive to least competitive	Provide a basis for drawing analysis-based conclusions about the attractiveness of the industries a company has diversified into, both individually and as a group and further to	weighted according to their relative importance in determining overall attractiveness	3

				provide an indication of which industries offer the best and worst long-term prospects		
92	New entrants to an industry are more likely when (i.e., entry barriers are low when...)	it is difficult to gain access to distribution channels.	economies of scale in the industry are high.	product differentiation in the industry is low.	capital requirements in the industry are high.	3
93	A differentiation strategy provides products that customers perceive as having	acceptable features.	features of little value relative to the value provided by the low-cost leader's product	features for which the customer will pay a low price.	features that are non-standardized for which they are willing to pay a premium.	4
94	When implementing a focus strategy, the firm seeks:	to be the lowest cost producer in an industry.	to offer products with unique features for which customers will pay a premium.	to avoid being stuck in the middle.	to serve the specialized needs of a market segment	4
95	firms that achieve competitive parity can expect to:	earn below-average returns.	earn average returns.	earn above-average returns.	initially earn above-average returns, declining to average returns.	2
96	The three dimensions of a firm's relationships with customers include all the following EXCEPT	exclusiveness.	affiliation.	richness.	reach	1

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98	Multimarket competition occurs when firms	sell different products to the same customer.	have a high level of awareness of their competitors' strategic intent.	simultaneously enter into an attack strategy.	compete against each other in several geographic or product markets.	4
99	Firms with few competitive resources are more likely	to not respond to competitive actions.	respond quickly to competitive actions.	delay responding to competitive actions.	respond to strategic actions, but not to tactical actions.	3
100	In the resource-based model, which of the following factors would be considered a key to organizational success?	unique market niche	weak competition	economies of scale	skilled employees	4