

Choose the Correct Option

1. Which of the following is NOT one of Porter's Five Forces?

- a. Supplier power
- b. Buyer power
- c. Rivalry among existing competitors
- d. The threat of new entrants
- e. Threat of complementary products

Answer: e) Threat of complementary products

2. Which of the following is NOT one of the four components of a SWOT analysis?

- a. Strengths
- b. Weaknesses
- c. Opportunities
- d. Threats
- e. Profits

Answer: e) Profits

3. Which of the following is NOT one of the four generic strategies identified by Porter?

- a. Cost leadership
- b. Differentiation
- c. Focus
- d. Integration
- e. Best cost

Answer: d) Integration

4. Which of the following is a type of diversification strategy?

- a. Intensive growth
- b. Retrenchment

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- c. Joint ventures
- d. Divestment
- e. None of the above

Answer: c) Joint ventures

5. Which of the following is a type of corporate-level strategy?

- a. Cost leadership
- b. Retrenchment
- c. Differentiation
- d. Related diversification
- e. None of the above

Answer: d) Related diversification

6. Which of the following is NOT one of the three main types of international strategies?

- a. Global standardization strategy
- b. Multidomestic strategy
- c. Transnational strategy
- d. Hybrid strategy
- e. Export strategy

Answer: d) Hybrid strategy

7. Which of the following is NOT one of the four steps in the strategy formulation process?

- a. Establishing a grand strategy
- b. Evaluating external opportunities/threats
- c. Analyzing the internal organization

- d. Establishing a mission and vision
- e. Implementing the chosen strategy

Answer: e) Implementing the chosen strategy

8. Which of the following is a characteristic of a successful strategic plan?

- a. It is specific and measurable
- b. It is realistic
- c. It is flexible and adaptable
- d. It has clear objectives and action steps
- e. All of the above

Answer: e.) All of the above

9. Which of the following is NOT one of the key components of the balanced scorecard approach to strategic management?

- a. Financial perspective
- b. Customer perspective
- c. Internal business process perspective
- d. Learning and growth perspective
- e. Industry perspective

Answer: e) Industry perspective

10. Which of the following is a potential disadvantage of a joint venture strategy?

- a. The partners may have conflicting objectives
- b. It can be difficult to find suitable partners
- c. It can be expensive to establish and maintain
- d. The partners may have different cultural backgrounds
- e. All of the above

Answer: e) All of the above

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1. Which of the following is a key component of a company's external environment?

- a. Organizational culture
- b. Strategic alliances
- c. Economic conditions
- d. Company structure

Answer: c) **Economic conditions**

2. Which of the following is a primary advantage of a decentralized organizational structure?

- a. Improved communication and coordination
- b. Centralized decision-making
- c. Faster decision-making
- d. Better cost control

Answer: a) **Improved communication and coordination**

3. Which of the following is NOT a characteristic of a successful strategic leader?

- a. Visionary
- b. Risk-averse
- c. Decisive
- d. Innovative

Answer: b) **Risk-averse**

4. Which of the following is NOT one of the four stages of the organizational life cycle?

- a. Introduction
- b. Growth
- c. Maturity
- d. Decline

e. Expansion

Answer: e) Expansion

5. Which of the following is NOT one of the four types of corporate-level strategies?

a. Concentration

b. Conglomerate

c. Diversification

d. Retrenchment

Answer: b) Conglomerate

6. Which of the following is a potential disadvantage of a cost leadership strategy?

a. Increased bargaining power with suppliers

b. Increased flexibility in responding to changes in the market

c. Decreased innovation

d. Higher profit margins

Answer: c) Decreased innovation

7. Which of the following is NOT one of the four elements of the VRIO framework?

a. Value

b. Rarity c. Inimitability

d. Organization

e. Organization

Answer: e) Organization (duplicated)

8. Which of the following is a potential advantage of a differentiation strategy?

a. Increased flexibility in responding to changes in the market

b. Decreased customer loyalty

- c. Higher profit margins
- d. Lower production costs

Answer: c) Higher profit margins

9. Which of the following is NOT a potential advantage of a merger or acquisition strategy?

- a. Increased market power
- b. Access to new technologies
- c. Cost savings through economies of scale
- d. Lower risk
- e. Increased diversification

Answer: d) Lower risk

10. Which of the following is NOT one of the three components of sustainable competitive advantage?

- a. Valuable resources and capabilities
- b. Inimitability
- c. Sustainability
- d. Non-substitutability

Answer: c.) Sustainability (duplicated)

1. A _____ analysis examines a company's internal and external environments to identify its strengths, weaknesses, opportunities, and threats.

- a. SWOT
- b. PESTEL
- c. BCG matrix
- d. Porter's Five Forces

Answer: a) SWOT

2. A company's _____ identifies its purpose and its reason for being.

- a. Strategy
- b. Vision
- c. Mission
- d. Objectives

Answer: c) Mission

3. A _____ strategy involves expanding a company's operations into new markets or product lines.

- a. Retrenchment
- b. Concentration
- c. Diversification
- d. Differentiation

Answer: c) Diversification

4. A _____ strategy involves lowering a company's costs in order to offer lower prices than its competitors.

- a. Cost leadership
- b. Differentiation
- c. Focus
- d. Integration

Answer: a) Cost leadership

5. The _____ is a tool used to identify a company's strategic business units and the position of each unit in the market.

- a. BCG matrix
- b. Ansoff matrix
- c. SWOT analysis

d. PESTEL analysis

Answer: a) BCG matrix

6. A _____ strategy involves focusing on a specific customer segment or niche market.

a. Retrenchment

b. Concentration

c. Diversification

d. Differentiation

Answer: b) Concentration

7. A company's _____ includes all of the activities it undertakes to create and deliver value to customers.

a. Supply chain

b. Business model

c. Marketing mix

d. Competitive advantage

Answer: b) Business model

8. The _____ framework is used to analyze a company's resources and capabilities to determine whether they can lead to sustainable competitive advantage.

a. VRIO

b. PESTEL

c. Ansoff

d. BCG

Answer: a) VRIO

9. A _____ strategy involves a company partnering with another company to jointly pursue a business opportunity.

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- a. Joint venture
- b. Merger
- c. Acquisition
- d. Strategic alliance

Answer: d) Strategic alliance

10. The _____ strategy involves creating a unique and superior product or service that is valued by customers and cannot be easily replicated by competitors.

- a. Cost leadership
- b. Differentiation
- c. Focus
- d. Integration

Answer: b) Differentiation

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