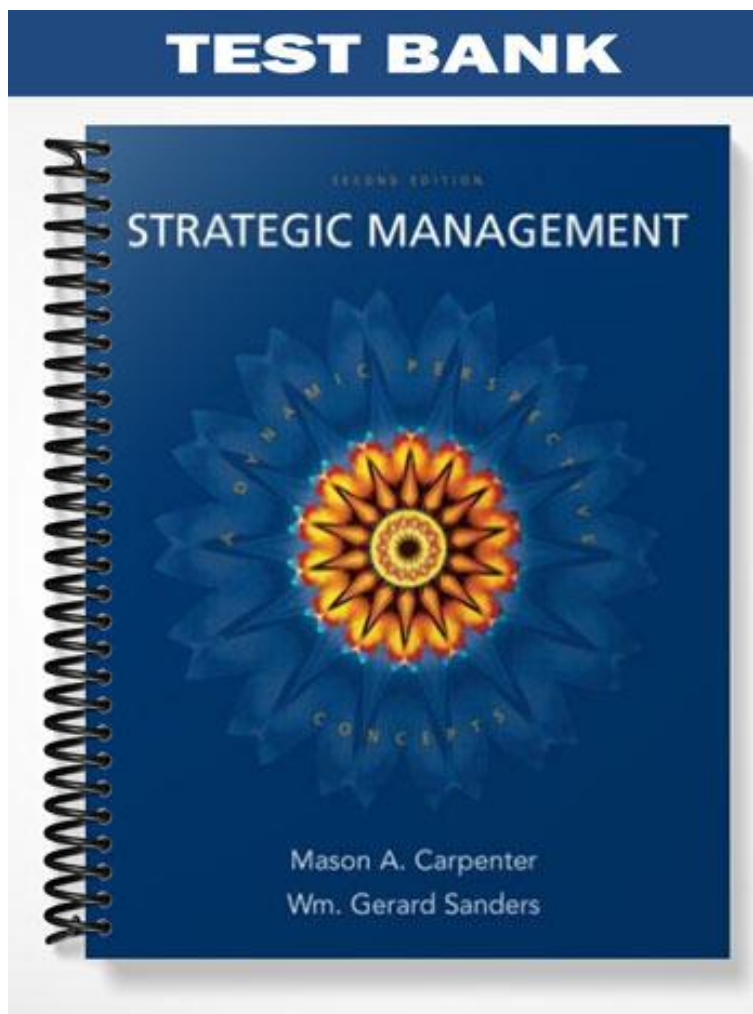


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Cara Cantarella

*Acumen Enterprises, Inc.*

# Strategic Management

## A Dynamic Perspective

### Concepts and Cases

*Second Edition*

Mason A. Carpenter  
Wm. Gerard Sanders



Upper Saddle River, New Jersey 07458

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# Chapter 1 Introducing Strategic Management

---

## 1.1 TRUE/FALSE

- 1) The company Under Armour was originally successful at charging higher prices for t-shirts because its products gave the consumer tangible benefits.

Answer: TRUE

Diff: 2 Page Ref: 7

Topic/Objective: CH1: Click Clack -- David Challenging Goliath

Skill: Analytical

AACSB Coding: Analytic Skills

- 2) Most business industries are relatively stable, because significant industry changes take many years to implement.

Answer: FALSE

Diff: 2 Page Ref: 8

Topic/Objective: CH1: Three Overarching Themes

Skill: Analytical

AACSB Coding: Analytic Skills

- 3) Research suggests that U.S. managers are better at strategy implementation than strategy formulation.

Answer: FALSE

Diff: 1 Page Ref: 8

Topic/Objective: CH1: Three Overarching Themes

Skill: Fact

AACSB Coding: Analytic Skills

- 4) Strategy implementation is generally less important than strategy formulation for business success.

Answer: FALSE

Diff: 1 Page Ref: 8

Topic/Objective: CH1: Three Overarching Themes

Skill: Analytical

AACSB Coding: Analytic Skills

- 5) Successful strategies are often formulated without input from those who will later implement the strategies.

Answer: FALSE

Diff: 2 Page Ref: 8

Topic/Objective: CH1: What is Strategic Management?

Skill: Analytical

AACSB Coding: Analytic Skills

- 6) The big-picture perspective of a business strategy differs significantly from the tactics used to implement the strategy.

Answer: TRUE

Diff: 2 Page Ref: 9

Topic/Objective: CH1: What is Strategic Management?

Skill: Analytical

AACSB Coding: Analytic Skills

## 2 Introducing Strategic Management

- 7) Successful strategies are usually formulated by focusing on a single functional business area.

Answer: FALSE

Diff: 2 Page Ref: 9

Topic/Objective: CH1: What is Strategic Management?

Skill: Analytical

AACSB Coding: Analytic Skills

- 8) Business strategy operates as a zero-sum game in which one firm's wins represent another firm's losses.

Answer: FALSE

Diff: 1 Page Ref: 10

Topic/Objective: CH1: What is Strategic Management?

Skill: Analytical

AACSB Coding: Analytic Skills

- 9) Firms that compete in some aspects of business may actually cooperate in other business areas.

Answer: TRUE

Diff: 2 Page Ref: 10

Topic/Objective: CH1: What is Strategic Management?

Skill: Analytical

AACSB Coding: Analytic Skills

- 10) A conglomerate is a business that is so diversified it does not fit into one specific industry category.

Answer: TRUE

Diff: 1 Page Ref: 11

Topic/Objective: CH1: What is Strategic Management?

Skill: Definition

AACSB Coding:

- 11) Business-level strategies are focused on developing and pursuing goals and objectives within specific markets or industry segments.

Answer: TRUE

Diff: 2 Page Ref: 11

Topic/Objective: CH1: What is Strategic Management?

Skill: Definition

AACSB Coding:

- 12) Corporate strategies are used by businesses that compete in a single industry or business segment.

Answer: FALSE

Diff: 2 Page Ref: 11-12

Topic/Objective: CH1: What is Strategic Management?

Skill: Definition

AACSB Coding:

- 13) Corporate-level strategies are most appropriate for diversified businesses that compete in many different and unrelated businesses and industries.

Answer: TRUE

Diff: 2 Page Ref: 12

Topic/Objective: CH1: What is Strategic Management?

Skill: Definition

AACSB Coding:

- 14) Strategy implementation is defined as the process of deciding what a firm should do.  
 Answer: FALSE  
 Diff: 1 Page Ref: 12  
 Topic/Objective: CH1: Strategy Formulation and Implementation  
 Skill: Definition  
 AACSB Coding:
- 15) The process of implementing strategy should provide information that can be used to modify a firm's strategy.  
 Answer: TRUE  
 Diff: 2 Page Ref: 12  
 Topic/Objective: CH1: Strategy Formulation and Implementation  
 Skill: Analytical  
 AACSB Coding: Analytic Skills
- 16) Strategy formulation is a part of strategic management that focuses on the specific actions that a firm uses to achieve strategic goals and objectives.  
 Answer: FALSE  
 Diff: 1 Page Ref: 12  
 Topic/Objective: CH1: Strategy Formulation and Implementation  
 Skill: Definition  
 AACSB Coding:
- 17) Effective strategies always arise out of unplanned decisions and actions.  
 Answer: FALSE  
 Diff: 3 Page Ref: 13  
 Topic/Objective: CH1: Strategy Formulation and Implementation  
 Skill: Analytical  
 AACSB Coding: Analytic Skills
- 18) The term *arena* is defined as what a firm wants to become in the future.  
 Answer: FALSE  
 Diff: 2 Page Ref: 15  
 Topic/Objective: CH1: Strategy Formulation and Implementation  
 Skill: Definition  
 AACSB Coding:
- 19) Customization of products and services is a major way to exploit various targeted arenas.  
 Answer: TRUE  
 Diff: 2 Page Ref: 16  
 Topic/Objective: CH1: Strategy Formulation and Implementation  
 Skill: Analytical  
 AACSB Coding: Analytic Skills
- 20) Vision statements tend to be very general, while arenas are identified very specifically.  
 Answer: TRUE  
 Diff: 1 Page Ref: 15  
 Topic/Objective: CH1: Strategy Formulation and Implementation  
 Skill: Fact  
 AACSB Coding:



#### 4 Introducing Strategic Management

- 21) Acquisition of other businesses is a main vehicle that firms can use to enter new market or industry segments.

Answer: TRUE

Diff: 3 Page Ref: 15–16

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 22) Differentiators are defined as areas where a firm chooses to compete in the marketplace.

Answer: FALSE

Diff: 2 Page Ref: 16

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 23) Major differentiators include services that help a business outperform their competitors, including brand image, customization, technical superiority, price, quality, and reliability.

Answer: TRUE

Diff: 2 Page Ref: 16

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 24) Identifying and exploiting differentiators demonstrates that a firm is successful at making tough choices and deciding on tradeoffs.

Answer: TRUE

Diff: 2 Page Ref: 16

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 25) *Staging* refers to the timing and pace of strategic moves that are influenced by how a firm uses available resources such as cash, human capital, and knowledge.

Answer: TRUE

Diff: 1 Page Ref: 17

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 26) Staging decisions are typically driven by a single factor, such as resources, urgency, credibility, or the need for early wins.

Answer: FALSE

Diff: 3 Page Ref: 17

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 27) Economic logic is the means by which a firm will earn a profit by implementing a strategy.

Answer: TRUE

Diff: 1 Page Ref: 17

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 28) Strategy implementation results when a firm performs specific tasks that are required to achieve the goals and objectives described in the strategic plan.

Answer: TRUE

Diff: 1 Page Ref: 17

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 29) JetBlue's decision to secure a home base at JFK Airport when the New York Port Authority was anxious to attract more air traffic is an example of a decision regarding the "arenas" element of strategy.

Answer: FALSE

Diff: 3 Page Ref: 17

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 30) A goal of implementation is to ensure that strategy formulation is comprehensive and well informed.

Answer: TRUE

Diff: 1 Page Ref: 20

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 31) A major goal of strategy implementation is to translate good ideas into action and translate actions into good ideas.

Answer: TRUE

Diff: 3 Page Ref: 20

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 32) Organizational structure is the least important of all three major strategic levers.

Answer: FALSE

Diff: 3 Page Ref: 21

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 33) Systems consist of the organizational processes and procedures that a firm uses in its daily operations, such as controls and incentives, resource-allocation procedures, budgets, and distribution.

Answer: TRUE

Diff: 1 Page Ref: 21

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

## 6 Introducing Strategic Management

- 34) In most businesses, the information necessary to formulate strategy can be found with a small group of leaders.

Answer: FALSE

Diff: 2 Page Ref: 21

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 35) Competitive advantage occurs when a firm has more resources than its competitors.

Answer: FALSE

Diff: 3 Page Ref: 22

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Definition

AACSB Coding:

- 36) A firm that achieves competitive advantage can usually maintain it over time.

Answer: FALSE

Diff: 2 Page Ref: 22

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Analytical

AACSB Coding: Analytic Skills

- 37) The internal perspective assumes that firms can create a competitive advantage by having resources that are rare or costly to imitate.

Answer: TRUE

Diff: 2 Page Ref: 23

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Analytical

AACSB Coding: Analytic Skills

- 38) The external perspective indicates that differences in competitive advantage are more often a function of industry attractiveness than a function of the firm's position in the industry.

Answer: TRUE

Diff: 3 Page Ref: 24

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Analytical

AACSB Coding: Analytic Skills

- 39) The external perspective on competitive advantage is based on the assumption that differences in competitive advantage are a function of the uniqueness of the firm.

Answer: FALSE

Diff: 2 Page Ref: 24

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Analytical

AACSB Coding: Analytic Skills

- 40) The competitive advantage held by one firm over its competitors tends to change more slowly in stable markets.

Answer: TRUE

Diff: 1 Page Ref: 24

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Fact

AACSB Coding:

- 41) The competitive advantage of a firm over its competitors tends to change more slowly in unpredictable markets.

Answer: FALSE

Diff: 1 Page Ref: 24

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Fact

AACSB Coding:

- 42) The degree of environmental stability of industries and markets is a major factor in determining a firm's competitive advantage.

Answer: TRUE

Diff: 2 Page Ref: 24

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Analytical

AACSB Coding: Analytic Skills

- 43) The dynamic strategy perspective is particularly useful for analyzing markets that change rapidly and unpredictably.

Answer: TRUE

Diff: 1 Page Ref: 24

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Analytical

AACSB Coding: Analytic Skills

- 44) In markets that are dominated by only a few firms, the degree of industry stability has no effect on competitive advantage.

Answer: FALSE

Diff: 3 Page Ref: 25

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Analytical

AACSB Coding: Analytic Skills

- 45) Research shows that few firms persist with their competitive advantage over prolonged periods of time.

Answer: TRUE

Diff: 1 Page Ref: 25

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Fact

AACSB Coding:

- 46) The dynamic perspective indicates that the current market position of a firm is not an accurate predictor of its future performance.

Answer: TRUE

Diff: 2 Page Ref: 25

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Definition

AACSB Coding:

- 47) The dynamic perspective tends to explain the medical products industry more accurately than it explains the computer industry.

Answer: FALSE

Diff: 3 Page Ref: 25

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Analytical

AACSB Coding: Analytic Skills

- 48) The dynamic perspective is useful as a tool for examining industries in which firms tend to encounter the same competitors in multiple markets.

Answer: TRUE

Diff: 2 Page Ref: 25

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Analytical

AACSB Coding: Analytic Skills

- 49) The dynamic perspective looks at how a firm arrived at its current market position to predict future competitive advantage.

Answer: TRUE

Diff: 2 Page Ref: 25

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Fact

AACSB Coding:

- 50) A business market that experiences rapid and unpredictable change is known as a "high-velocity" market.

Answer: TRUE

Diff: 1 Page Ref: 25

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Definition

AACSB Coding:

- 51) A firm that is characterized by multimarket competition encounters the same competitors in many different markets.

Answer: TRUE

Diff: 1 Page Ref: 25

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Definition

AACSB Coding:

## 1.2 MULTIPLE CHOICE

- 1) Which of the following strategy components was most helpful for Under Armour's early success in the sports apparel industry?
- A) The company started in two market segments, t-shirts and footwear, at the same time.
  - B) The company's first t-shirt product was highly differentiated from existing products.
  - C) Instead of starting with the U.S. domestic market, the company began its sales effort in Europe.
  - D) The company increased sales by offering t-shirts at lower prices than the competition.

Answer: B

Diff: 2 Page Ref: 5

Topic/Objective: CH1: Click Clack -- David Challenging Goliath

Skill: Analytical

AACSB Coding: Analytic Skills

- 2) Which of the following maintains the ultimate responsibility for strategy within an organization?
- A) senior management
  - B) lower-level managers
  - C) mid-level executives
  - D) employee teams

Answer: A

Diff: 1 Page Ref: 10

Topic/Objective: CH1: What is Strategic Management?

Skill: Fact

AACSB Coding:

- 3) Business-level and corporate-level strategies are least likely to share which of the following elements?
- A) focus on profit maximization
  - B) focus on cash flow maximization
  - C) breadth of focus
  - D) focus on quality and efficiency

Answer: C

Diff: 3 Page Ref: 10-12

Topic/Objective: CH1: What is Strategic Management?

Skill: Analytical

AACSB Coding: Analytic Skills

- 4) Which type of firm would most likely use corporate-level strategies?
- A) firms that compete in only a single business or market segment
  - B) firms that possess superior capabilities
  - C) firms that compete in many diversified or unrelated businesses and industries
  - D) firms that choose to compete in an attractive industry

Answer: C

Diff: 2 Page Ref: 10-12

Topic/Objective: CH1: What is Strategic Management?

Skill: Analytical

AACSB Coding: Analytic Skills

- 5) Which of the following describes the most appropriate use of business-level strategies?
- A) pursuing opportunities within a specific business
  - B) outsourcing production to overseas divisions
  - C) managing diversified businesses
  - D) competing in hypercompetitive markets

Answer: A

Diff: 2 Page Ref: 10-12

Topic/Objective: CH1: What is Strategic Management?

Skill: Analytical

AACSB Coding: Analytic Skills

- 6) A conglomerate is best described as \_\_\_\_\_.
- A) a business that fits into a specific market or industry category
  - B) a business that is not diversified
  - C) a business that sells only one product
  - D) a highly diversified business that does not fit into one specific category

Answer: D

Diff: 2 Page Ref: 10

Topic/Objective: CH1: What is Strategic Management?

Skill: Definition

AACSB Coding:

- 7) Which statement about the strategic management process is most accurate?
- A) Strategic management explains why firms translate their vision into actions.
  - B) Strategic management should be focused on both strategy formulation and implementation.
  - C) Strategic management is determined by forces in the firm's external environment.
  - D) Strategic management is a formula used to develop strategies.

Answer: B

Diff: 2 Page Ref: 12

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding:

- 8) Which of the following concepts describes the process used to decide what a firm should do?
- A) strategy integration
  - B) strategy implementation
  - C) strategy formulation
  - D) strategic alignment

Answer: C

Diff: 1 Page Ref: 12

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 9) Which concept describes how a firm determines the objectives and tasks that are required to put a plan into action?
- A) strategy alignment
  - B) strategy implementation
  - C) strategy formulation
  - D) strategy integration

Answer: B

Diff: 1 Page Ref: 12

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 10) The initial plan behind a strategy is best described as the \_\_\_\_\_ strategy.
- A) unrealized
  - B) realized
  - C) emergent
  - D) intended

Answer: D

Diff: 2 Page Ref: 13

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 11) A senior manager is reviewing the components of the strategy diamond with her staff. When naming the five major components, she lists all of the following except \_\_\_\_\_.
- A) competitors
  - B) vehicles
  - C) differentiators
  - D) staging

Answer: A

Diff: 3 Page Ref: 14–15

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 12) Which of the following is not a key component of strategy included as part of the strategy diamond?
- A) staging
  - B) differentiators
  - C) evaluation
  - D) vehicles

Answer: C

Diff: 1 Page Ref: 14–15

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:



- 13) A company hires a business consultant to help identify key differentiators that may increase the company's competitive advantage. In discussing possible differentiators, the consultant is least likely to mention which of the following?

- A) product categories
- B) image
- C) price
- D) speed to market

Answer: A

Diff: 3 Page Ref: 15

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 14) Which of the following factors relates to staging as described in the business strategy diamond?

- A) market segments
- B) speed of expansion
- C) product styling
- D) business alliances

Answer: B

Diff: 2 Page Ref: 15

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 15) \_\_\_\_\_ are not an arena described in the business strategy diamond.

- A) Delivery channels
- B) Product and service categories
- C) Mergers and acquisitions
- D) Market segments

Answer: C

Diff: 2 Page Ref: 15

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 16) A research associate is requested by his boss to write a report identifying potential new arenas in which the business might launch overseas operations. Which of the following categories is the associate least likely to include as a potential arena in his report?

- A) customers
- B) channels
- C) product categories
- D) technologies

Answer: A

Diff: 3 Page Ref: 15–16

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 17) Which of the following is not an example of a vehicle as described in the strategy diamond?
- A) internal development
  - B) customer service
  - C) joint ventures
  - D) licensing

Answer: B

Diff: 2 Page Ref: 15-16

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 18) \_\_\_\_\_ is/are not a vehicle described in the business strategy diamond.
- A) Joint ventures
  - B) Reputation
  - C) Acquisitions
  - D) Franchising

Answer: B

Diff: 2 Page Ref: 15-16

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 19) A company makes a decision to expand only by developing new stores internally. The company can best be described as using which of the following?
- A) the vehicle of organic growth
  - B) the vehicle of acquisition
  - C) the differentiator of alliances
  - D) the economic logic of customization

Answer: A

Diff: 3 Page Ref: 15-16

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 20) In the perceptions of consumers, low prices tend to be associated with \_\_\_\_\_.
- A) fast ship times
  - B) low quality
  - C) state-of-the-art technology
  - D) wide availability

Answer: B

Diff: 2 Page Ref: 17

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Fact

AACSB Coding:

21) A company decides to expand its business operations overseas. It plans to enter Asia first, followed by Europe and then Africa. This type of planning is an example of which of the following aspects of business strategy?

- A) economic logic
- B) arenas
- C) vehicles
- D) staging

Answer: D

Diff: 2 Page Ref: 17

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

22) Acme Wholesale Supply is considering expanding its sales operations overseas. Which of the following factors is most likely to have a major impact on Acme's decision regarding staging of the expansion?

- A) prices
- B) channels
- C) resources
- D) locations

Answer: C

Diff: 3 Page Ref: 17

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

23) A company plans to maximize its profits by charging premium prices for superior customer service. This plan represents an example of which of the following aspects of strategy?

- A) arenas
- B) vehicles
- C) economic logic
- D) staging

Answer: C

Diff: 2 Page Ref: 17

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

24) Which of the following would be least likely to drive a company's staging decision regarding expansion into a particular market?

- A) a brief, time-bound window of opportunity for the expansion
- B) the need for early wins in the proposed expansion market
- C) a sense of urgency posed by technological advances in the market
- D) significant financial resources made available for the expansion

Answer: D

Diff: 3 Page Ref: 17

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 25) A company executive makes a presentation to the company's shareholders regarding the major components of the company's business strategy. Which of the following is the executive least likely to mention when explaining the component of economic logic?
- A) superior service
  - B) internal development
  - C) economies of scale
  - D) proprietary product features

Answer: B

Diff: 3 Page Ref: 17

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 26) The concept of strategic alignment can best be described as \_\_\_\_\_.
- A) the way that firms choose to use their resources
  - B) the need for the firm's activities to compliment each other and support the overall strategy
  - C) the way that firms choose to develop their capabilities
  - D) the need to increase competitive advantage by selecting an attractive industry

Answer: B

Diff: 2 Page Ref: 21

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Definition

AACSB Coding:

- 27) \_\_\_\_\_ is/are not one of the levers used to achieve strategic alignment.
- A) Reward systems
  - B) Profitability
  - C) Processes
  - D) Organizational structure

Answer: B

Diff: 1 Page Ref: 20-21

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding:

- 28) All of the following are aspects of organizational structure except \_\_\_\_\_.
- A) units
  - B) hierarchy
  - C) budgeting
  - D) authority

Answer: C

Diff: 2 Page Ref: 21

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding:

- 29) A business utilizing the "people and rewards" implementation lever would most likely carry out which of the following?
- A) providing on-the-job training programs
  - B) instituting just-in-time inventory control
  - C) reorganizing the company's management hierarchy
  - D) decentralizing the company's business operations

Answer: A

Diff: 3 Page Ref: 21

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 30) In a planning meeting, a CEO discusses the main strategic levers that the company intends to use as part of its strategic implementation efforts. The CEO most likely mentions all of the following except \_\_\_\_\_.
- A) organizational structure
  - B) reward systems
  - C) effectiveness of people management
  - D) core capability

Answer: D

Diff: 3 Page Ref: 21

Topic/Objective: CH1: Strategy Formulation and Implementation

Skill: Analytical

AACSB Coding: Analytic Skills

- 31) The internal perspective on competitive advantage is also known as which of the following?
- A) structural approach
  - B) industrial organization economics
  - C) resource-based view
  - D) dynamic perspective

Answer: C

Diff: 1 Page Ref: 23

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Fact

AACSB Coding:

- 32) Which of the following is not an assumption of the internal perspective?
- A) Each firm is a unique collection of resources and capabilities.
  - B) All firms possess the same strategically relevant resources.
  - C) Resources are not highly mobile across firms.
  - D) Firms acquire different resources and capabilities over time.

Answer: B

Diff: 2 Page Ref: 23

Topic/Objective: CH1: What is Competitive Advantage?

Skill: Analytical

AACSB Coding: Analytic Skills