

## MCQ Paper for BM

1. To find out what an organization's strategy is, you should:
  - a) Read the mission statement
  - b) Look at what the organization actually does
  - c) Read the strategic plan
  - d) Ask the CEO
  
2. Which of the following statements is **not** true when describing a successful strategy?
  - a) It provides some property that is unique or distinctive
  - b) It provides the means for renewing competitive advantage
  - c) It addresses changes in the external environment
  - d) It guarantees long term survival
  
3. In the context of strategic management resources can be defined as:
  - a) The knowledge and skills within the organization
  - b) Something that an organization owns or controls that cannot be copied
  - c) Something that an organization owns, controls or has access to on a semi-permanent basis
  - d) The physical assets of the organization
  
4. Competitive advantage based on the creation of opportunities using internal resources is characterized by which approach/view?
  - a) The positioning approach
  - b) The outside-in approach
  - c) The resource-based view
  - d) The knowledge-management approach
  
5. 'Reputation' in the context of an organization's resources can provide competitive advantage because:
  - a) It is difficult to copy
  - b) It is based on word-of-mouth
  - c) It is a threshold resource
  - d) It is explicit
  
6. A strategic decision can be distinguished from other types of decisions by three factors, these are magnitude, time-scale and:
  - a) Commitment
  - b) Riskiness
  - c) Impact
  - d) Longevity

7. 'Logical incrementalism' can be described as:
- a) Careful design and planning
  - b) Emergent
  - c) Cautious resource allocation
  - d) Top management rational analysis
8. Diversification into many unrelated areas is an example of:
- a) Risk management
  - b) Good management
  - c) Uncertainty reduction
  - d) Sustainability
9. Which of the following industries is least likely to follow the conventional life-cycle model?
- a) Software development
  - b) Coal mining
  - c) Insurance broking
  - d) Hairdressing
10. A 'market driven' firm will typically:
- a) Develop new products and then find someone to sell them to
  - b) Define the target market and produce products that will satisfy those customers' needs
  - c) Operate in a product-oriented fashion
  - d) Suffer from market-myopia
11. Segmentation is a way of:
- a) Subdividing markets
  - b) Subdividing industries
  - c) Differentiating products
  - d) Subdividing organizations into departments
12. Segmentation is a compromise between two ideals: mass marketing and:
- a) Customization
  - b) Uniformity
  - c) Innovation
  - d) Convergence of tastes
13. Porter's generic strategies are:
- a) Low price, differentiation, focus
  - b) Cost leadership, differentiation, cost focus, focus differentiation
  - c) Price leadership, differentiation, focus
  - d) Low cost, differentiation, focus differentiation

14. Substantial changes to the range of offerings or the markets served or both are known as:
- a) Differentiation
  - b) Diversification
  - c) Relocation
  - d) Brand extension
15. At corporate level, diversification comes about when a firm is involved in two or more:
- a) Businesses
  - b) Markets
  - c) Segments
  - d) Industries
16. On average, the highest levels of profitability are shown by:
- a) Firms focused on just one or two products
  - b) Firms with a moderately diverse range of related products and businesses
  - c) Firms with a very diverse range of related products and businesses
  - d) Firms with a diverse range of unrelated products and businesses
17. Economies of scale are derived from:
- a) Achieving cheaper unit costs through making larger quantities
  - b) Using cheaper raw materials
  - c) Increasing the breadth of the portfolio
  - d) Increasing the number of markets served
18. Which of the following outcomes is NOT an advantage of a completely vertically integrated business?
- a) Potentially greater control is achieved
  - b) Potentially greater quality is achieved
  - c) Lowering of risk is achieved
  - d) Lower price of supplies is achieved
19. Which of the following might be sources of synergy between two business units?
- a) They have similar customers and use the same distribution channels
  - b) The profits from one can be used to finance the other when its gets into trouble
  - c) They both have a website
  - d) They are both located in the same town

20. Which of the following might NOT be an advantage of increasing the number of countries in which a clothing firm does business?
- a) Exposure to demanding customers with exotic tastes
  - b) Increased efficiency
  - c) Making life more difficult for competitors
  - d) Increased access to funding
21. Which of the following are NOT likely to be sources of relatedness between businesses?
- a) Similarities in size
  - b) Operating in industries with similar success factors
  - c) Similarities in production technologies
  - d) Selling to customers with similar demographic characteristics
22. Synergies allow businesses to add value to one another whereas the extent to which the corporate centre can add value to each of its businesses is called:
- a) Relatedness
  - b) Size
  - c) Competencies
  - d) Vision
23. Learning from trying out new and different things is termed:
- a) Absorptive capacity
  - b) Exploitation
  - c) Exploration
  - d) Economies of scope
24. In the value chain, primary activities are:
- a) Directly involved in the production, marketing and delivery of the product or service
  - b) Those activities that are all undertaken in-house
  - c) Those activities that support the production, marketing and delivery of the product or service
  - d) Directly involved in the production and delivery of the product or service
25. The 'operations' in a passenger airline service would be:
- a) The manufacture of the aircraft
  - b) Getting passengers and baggage from A to B by means of flying in an aircraft
  - c) The design of the price structure and yield plan
  - d) Selling the tickets to passengers

26. An organization has competitive advantage in the markets in which it competes but its culture is rather inwards looking and complacent. In this situation it is unlikely that competitive advantage will be:
- a) Copied
  - b) Eroded
  - c) Sustainable
  - d) Threshold
27. One of the following is the correct definition of marketing used by the Chartered Institute of Marketing and the others are fundamentally flawed. Which one is correct?
- a) The selling process which results from the identification and anticipation of customer requirements.
  - b) The strategic business function that creates value by stimulating, facilitating and fulfilling customer demand-it does this by building brands, nurturing innovation, developing relationships, creating good customer service and communicating benefits.
  - c) An accounting process of minimizing costs and maximizing revenues.
  - d) The supply of goods and services to customers in such a way that the company becomes the preferred source of supply for customers.
28. A builder who has a full order book during a period of economic prosperity and leaves his potential customers waiting for work to be completed is most likely showing what type of business orientation?
- a) Marketing orientation
  - b) Selling orientation
  - c) Production orientation
  - d) Societal orientation
29. According to the followers of Milton Friedman, what is the link between companies' marketing and social responsibilities?
- a) Companies are socially based organizations and should share responsibilities for the environment with customers.
  - b) Businesses should be left to get on with the task of making profits, while other agencies concentrate on social issues.
  - c) Business organizations are a primary change agent when it comes to issues of environmental guardianship.
  - d) Businesses should invest a proportion of their profits into socially worthwhile causes.

30. Buying decisions generally follow a pattern of overlapping stages. Which of the following best describes the typical stages of the buying process?
- a) Need recognition > Information search > Evaluation > Decision > Post purchase evaluation
  - b) Need recognition > Evaluation > Information search > Decision > Post purchase evaluation
  - c) Information search > Need recognition > Evaluation > Decision > Post purchase evaluation
  - d) Need recognition > Information search > Decision > Evaluation > Post purchase evaluation
31. In respect of a pub chain seeking to learn more about trends in dining out, the following are all examples of \_\_\_\_\_: Financial Times industry sector surveys; other pub chains' annual reports, and reports published by trade bodies representing the licensed pub trade:
- a) Tertiary data
  - b) Market information system
  - c) Primary data
  - d) Secondary data
32. Which of the following statements concerning marketing research is INCORRECT?
- a) Secondary research can be organized in-house or via a research agency
  - b) Secondary research is done after primary research
  - c) Secondary research is quicker than primary research
  - d) Secondary research is cheaper than primary research
33. "Benchmarking" is a type of research which:
- a) Compares a company's performance with standards set by selected other organizations.
  - b) Is based on qualitative feedback from customers who sit on consumer panels (or benches).
  - c) Is based on quantitative feedback from customers who sit on consumer panels (or benches).
  - d) Is essentially attitudinal in nature.
34. Market \_\_\_\_\_ is the process of identifying groups of customers with basically similar wants, needs, preferences or buying behaviors.
- a) Development
  - b) Positioning
  - c) Segmentation
  - d) Targeting

35. Which of the following is NOT a recognized basis for segmenting markets?
- a) Socio-economic
  - b) Demographic
  - c) Competitive position
  - d) Psychographic
36. Which of the following bases for segmentation is likely to be important for segmenting business markets, but relatively unimportant for segmenting consumer markets?
- a) Attitudes
  - b) Lifestyle
  - c) The formality of the buying process
  - d) Demographics
37. Positioning of a product is based on:
- a) The price charged for the product
  - b) The promotional pitch for the product
  - c) Product characteristics
  - d) All of the above
38. Which of the following products is most commonly sold on the basis of the *emotional* attributes of its brand name?
- a) Industrial printing equipment
  - b) Soft drinks
  - c) Fresh milk
  - d) Cheese
39. Palmolive soap, shampoo and moisturizer brands belong to a brand:
- a) Spectrum
  - b) Segment
  - c) Market
  - d) Family
40. \_\_\_\_\_ is the process of establishing and maintaining a distinctive place in the market for an organization or its specific product offers.
- a) Profiling
  - b) Targeting
  - c) Segmentation
  - d) Positioning

41. A differentiated product may be unique in the marketplace but it will only be successful in which of the following circumstances?
- a) If it satisfies customers' needs.
  - b) If the price differential is minimal.
  - c) If the brand can be classed as aspirational.
  - d) Differentiated products will always be successful.
42. In developing a marketing strategy, why might an organization use a positioning map?
- a) To discover what position new entrants might move into in the market.
  - b) To see whether the company has a competitive advantage over its competitors.
  - c) To understand more about the dimensions of customer value.
  - d) To see how many competitors there are in the market.
43. Owners of brands frequently suffer when rivals make a rival product to resemble their own product. A common law remedy against this is based on the law of:
- a) Equity
  - b) Product proliferation
  - c) Passing off
  - d) Pairing off
44. A brand is a shorthand method which a manufacturer can use to identify its product as being distinctive. However, to be of value to a customer, and long term value to the company, this particularly depends on which of the following brand characteristics being present?
- a) A snappy brand slogan
  - b) Adverts that are liked by consumers
  - c) An emotional attribute
  - d) Consistency
45. Colors have often come to be associated with certain product features. In western countries, the combination of red and yellow is often used to signify:
- a) A product with a lot of features
  - b) Advanced technology
  - c) High price
  - d) Speed
46. Logos are an important part of corporate visual identity. Which of the following statements about the attributes of a good logo is UNTRUE?
- a) It should encapsulate the values of the brand and provide an immediate reminder of the brand each time it is seen by customers and potential customers.
  - b) It should not be over complicated.
  - c) It stresses particular advantages of a product or organization.
  - d) It is a classic design that does not need to be updated to keep it in tune with styles and fashions.

47. Which of the following is NOT generally recognized as an element of the marketing mix?
- a) Profitability
  - b) Promotion
  - c) Product
  - d) Place
48. Performance management should be seen as a process which is a:
- a) Once a year task
  - b) Twice a year activity
  - c) Ongoing process or cycle
  - d) Is engaged in when the appraisals are carried out
49. What will make some organizations more successful, and therefore more likely to survive and prosper, than others?
- a) Creating cultures and systems in which staff can use their talents
  - b) Creating management systems to ensure high performance from everyone
  - c) Creating superior organizations
  - d) Only recruiting talented people
50. Many schemes that reward employees and managers for something additional to their normal level of performance fail. Why?
- a) The link between extra pay and achievement is unclear
  - b) They are detrimental to trade union agreements
  - c) PRP is controversial
  - d) Everyone should receive the same
51. As little as 20% of all human performance problems are attributable to individual employees; as much as 80% of all such problems are attributable to the work environments or systems in which employees work. An example of such problems would be:
- a) Because people are often absent from work
  - b) Because people at work don't perform
  - c) Because low standards of performance are legitimized
  - d) Because of barriers created to reduce performance
52. The timescale for performance appraisals are usually:
- a) One year
  - b) Biannually
  - c) 3 monthly
  - d) At irregular intervals

53. A performance rating system is:
- a) A grade or score relating to overall performance
  - b) Details of the extent to which work objectives were met
  - c) Last years objectives
  - d) Achievements during the year
54. Objective-based rating scales are:
- a) Subjectively determined
  - b) Based on a points-based system
  - c) Measures of performance against objectives set
  - d) Manager-allocated rating scales
55. To be effective a points based rating systems require:
- a) Close management control
  - b) Comprehensive, reliable and consistent information
  - c) Objectivity in assessments
  - d) 360% assessments
56. Key performance indicators are used in situations when:
- a) When objectives cannot easily be expressed in terms of numbers
  - b) When targets might be expressed in terms of delivery of a project
  - c) When objectives can be established which are supportive or secondary to the organizations central objectives
  - d) Objectives that can be quantified using financial values
57. 360% feedback involves appraisals by:
- a) Line managers
  - b) Subordinates'
  - c) Superiors'
  - d) Anyone who is directly in contact with the appraisee
58. Criticisms of training are based on the understanding that:
- a) It's an outmoded method of providing learning
  - b) It's linked with short-term goals
  - c) Disliked by trade unions
  - d) The nature of work has changed and therefore it's unsuitable for the type of employees engaged

59. Training is more likely to be seen as a cost by those organizations employing what type of worker?

- a) Those employed in Japanese companies
- b) Those working in the motor industries
- c) Industries employing low skilled workers
- d) Those employing higher skilled employees

60. Structured learning refers to learning that is:

- a) Learning that is imposed from above
- b) Planned and associated with specific outcomes
- c) Is theoretical in nature
- d) Is text book learning

## Correct Answers

Q. No.	Correct Choice	Q. No.	Correct Choice
1	B	31	D
2	D	32	B
3	C	33	A
4	C	34	C
5	A	35	B
6	A	36	C
7	B	37	D
8	A	38	B
9	D	39	D
10	A	40	D
11	A	41	A
12	A	42	A
13	B	43	C
14	B	44	D
15	D	45	D
16	B	46	D
17	A	47	A
18	C	48	C
19	A	49	B
20	B	50	A
21	A	51	D
22	A	52	A
23	C	53	A
24	A	54	C
25	B	55	B
26	C	56	C
27	B	57	D
28	C	58	A
29	B	59	C
30	A	60	B