**Testbank questions**

Chapter 01 What is Innovation – and Why Does It Matter?

Correct answers are indicated with a \*

1. Which of these would not normally be considered an incremental innovation?

\*a) An electric car

b) A low fat hamburger

c) Faster train journeys through better signalling

d) Chicken and onion flavoured potato snacks

1. Which of these innovations is a typical example of 'technology' or 'knowledge' push? (Several choices may be correct.)

\*a) The Walkman personal hifi

\*b) Radar

\*c) The Pilkington Float Glass process

\*d) Online banking

e) YouTube and related video sharing internet sites

f) Car safety belts

1. Innovation can only happen in the private sector because the public sector is not concerned with making profits or competition between firms.

True

\*False

1. Which of the following are factors often associated with successful innovating organizations? (Several choices may be correct.)

a) Large size

\*b) Rich external linkages and networks

\*c) Supportive organizational climate with structures and incentives for innovation

\*d) Mechanisms for strategic selection of innovation options

e) Large market share

f) Age of the firm - the older the better

1. Innovation can take many forms, all involving a change of some kind. Which of the following is NOT a form of innovation?

a) Product (or service) innovation - changes in what is offered to the world

b) \*Petroleum innovation - amount spent monthly by a business on its fuel costs

c) Process innovation - changes in the way offerings are created and delivered

d) Position innovation - changes in the context in which innovations are launched

1. Which of the following would you class as a radical innovation? (Several choices may be correct.)

a) The fibre tip pen

\*b) The electric light bulb

\*c) The laser

\*d) The photocopier

e) Wide-bodied jet airliners

1. Which of the following is NOT a source of strategic advantage through innovation?
2. Complexity - offering something which others find it difficult to master

b) Legal protection of intellectual property - offering something which others cannot do unless they pay a licence or other fee

\*c) Scale of investment in R&D

d) Novelty in product or service offering - offering something no one else can

1. Peer-to-peer networking of the kind pioneered by Napster and now forming the basis of internet file sharing is an example of radical innovation.

\*True

False

1. Haagen Daz ice cream was created to open up a new market amongst adults for what had traditionally been seen as a children's food. This is an example of position innovation. \*True

False

1. Innovation can take many forms. Running a hospital booking system which reduces patient waiting time is an example of which kind of innovation?

\*Process

1. Which of the following is NOT an example of product innovation?

a) A new toothpaste

b) A new car design

c) A new version of the iPod

\*d) Computer-control of manufacturing operations

1. Successful innovation depends on having patent protection for the core idea.

True

\*False

1. Innovation always requires a radical flash of insight - a 'eureka!' moment.

True

\*False

1. Innovation success is directly linked to the size of investment in Research and Development (R&D).

True

\*False

1. Which of the following would not normally be considered a radical innovation?   
   a) The jet turbine engine  
   b) Integrated circuits  
   \*c) Increased colour choice on the Volkswagen 'Beetle' car  
   d) Antibiotic drugs
2. Social entrepreneurship does not concern itself with commercial questions.

True

\*False

1. There is no way to resolve the conflict between commercial business goals and those of social innovation.

True

\*False

1. The triple bottom line is ....  
   a) markings on a ship to show how heavily laden it is

b) a book-keeping convention to minimise accounting mistakes

c) an accounting system suitable for joint ventures between firms

\*d) a company reporting framework designed to take into account not just financial outcomes but also environmental and social performance

1. Which of the following statements about the 'bottom of the pyramid' market is not open to challenge?

\*a) The poor - 4 billion of them - earn less than $2/day

b) The poor have no purchasing power and do not represent a viable market

c) The poor are not brand-conscious

d) The poor are unable to use and not interested in advanced technology

1. Social innovation follows a different process to more commercial forms of innovation.

True

\*False

1. Which of the following is NOT a question for managing social entrepreneurship?

a) How do we find opportunities which deliver social as well as economic benefits?

b) How do we identify and engage a wide range of stakeholders – and understand and meet their very diverse expectations?

c) How do we mobilise resources across networks, how do we build coalitions of support for socially valuable ideas?

\*d) How do we patent and exploit emerging ideas?

1. Which of the following would NOT be considered a social entrepreneur?

a) Florence Nightingale

b) Muhammed Yunus, founder of the Grameen Bank

\*c) Kenneth Lay, founder of Enron  
d) Trevor Bayliss, inventor of the wind-up radio

1. Which of these is NOT a difference between social entrepreneurs and commercial entrepreneurs?

a) Social entrepreneurs are less concerned with independence and wealth, and more on social means and ends.

\*b) Social entreprenurs are older than commercial entrepreneurs.

c) Social entrepreneurs place less emphasis on short-term growth and longer term harvesting of the venture, and more concern on long term change and enduring heritage.

d) Social entreprenurs place less reliance on the firm and management team to execute the venture, and greater reliance on a network of stakeholders and resources to develop and deliver change.

1. Whilst empathy and a need for social justice may be necessary attributes of a social entrepreneur, they are not sufficient.

\*True

False