

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) Which of the following is a definition of strategic management? 1) _____
- A) Strategic management refers to those aspects of management that are the responsibility of an organisation's most senior managers.
 - B) Strategic management refers to those activities and processes through which an organisation determines its mission and/or objectives and the plans, policies and actions to achieve them.
 - C) Strategic management refers to an approach to business planning based on the objectives of the various stakeholder groups affected by the organisation's activities.
 - D) Strategic management is concerned with the annual planning processes by which an organisation determines its annual targets and budget allocations.

Answer: B

- Explanation: A)
B)
C)
D)

- 2) Which of the following statements best explains the term 'strategic method' when applied to strategic choice? 2) _____
- A) 'Strategic method' refers to the decision making process used to select one option from the available choices.
 - B) 'Strategic method' refers to the particular way the direction will be pursued, e.g. merger, strategic alliance, organic growth or joint venture.
 - C) 'Strategic method' refers to the change management methods by which an organisation implements its chosen strategy.
 - D) 'Strategic method' refers to the internal processes used to generate strategic options, e.g. brainstorming, studying competitors, etc.

Answer: B

- Explanation: A)
B)
C)
D)

- 3) Which three of the following elements make up the *Exploring Corporate Strategy* model? 3) _____
- A) Strategic planning
 - B) Strategic position
 - C) Strategy in action
 - D) Strategic choices

Answer: B, C, D

- Explanation: A)
B)
C)
D)

- 4) Why is it important that objectives are measurable? 4) _____
- A) Reward systems depend on meeting targets so it is vital that measurements are taken so that performance-related pay and bonuses can be calculated.
 - B) Strategy is best evaluated using quantitative data so measurements must be taken.
 - C) Controlling strategy implementation and evaluating the outcomes of a strategy depend on being able to measure organisational performance against targets.
 - D) All of the key measures of business performance are financial and so setting financial targets is vital.

Answer: C

- Explanation:
- A)
 - B)
 - C)
 - D)

- 5) What do you understand by the term 'strategic drift'? 5) _____
- A) Progressive failure of strategies to address the strategic position of the organisation
 - B) Where an intended strategy is unrealised
 - C) Emergent approach to strategy
 - D) Sudden failure of strategies to address the strategic position of the organisation

Answer: A

- Explanation:
- A)
 - B)
 - C)
 - D)

- 6) How do an organisation's strategic objectives relate to its mission? 6) _____
- A) Strategic objectives break the mission down into those parts that relate to specific functional areas of the business.
 - B) Strategic objectives are based on the mission but each one relates to a specific SBU of the organisation.
 - C) Strategic objectives do not usually relate to the mission but are the basis for an organisation's strategic plan.
 - D) Strategic objectives provide a more precise or quantifiable basis for developing strategy than the general mission statement.

Answer: D

- Explanation:
- A)
 - B)
 - C)
 - D)

- 7) Which of the following is not one of the types of strategy identified in the hierarchy of strategies? 7) _____
- A) Business level strategy
 - B) Market level strategy
 - C) Corporate level strategy
 - D) Operational level strategy

Answer: B

- Explanation:
- A)
 - B)
 - C)
 - D)

8) In the public sector, organisations must make decisions about how units should provide best-value services. What is the equivalent to this type of strategy in a commercial organisation? 8) _____
A) Strategic-business strategy B) Corporate-level strategy
C) Operational-level strategy D) Business-level strategy

Answer: D
Explanation: A)
B)
C)
D)

9) In the private sector, strategy making is dominated by pursuit of which of the following objectives? 9) _____
A) Corporate social responsibility B) New product development
C) Market share D) Profits

Answer: D
Explanation: A)
B)
C)
D)

10) Which of the following is not a typical characteristic of strategy making in the not-for-profit sector? 10) _____
A) Consensus building B) Values and ideology
C) Meeting expectations of shareholders D) Multiple objectives

Answer: C
Explanation: A)
B)
C)
D)

11) Which of the following is not one of the strategy lenses that offer different ways of looking at the issues of strategy development for an organisation? 11) _____
A) Inspiration
B) Ideas
C) Discourse
D) Design
E) Experience

Answer: A
Explanation: A)
B)
C)
D)
E)

12) Which of the following are not usually key stakeholder groups in the not-for-profit sector? 12) _____
A) Shareholders B) Recipients of the service
C) Funding providers D) Government regulators

Answer: A
Explanation: A)
B)
C)
D)

- 13) What do you understand by the term 'strategic direction'? 13) _____
- A) 'Strategic direction' refers to the underlying intent of a strategy, e.g. growth, consolidation, market entry or diversification.
 - B) 'Strategic direction' refers to the leadership offered by the senior management team of an organisation.
 - C) 'Strategic direction' refers to the general direction in which an industry as a whole is moving.
 - D) 'Strategic direction' refers to the direction the organisation would like to move in the next five years.

Answer: A

Explanation: A)
B)
C)
D)

- 14) Which of the following would not be classed as a 'not-for-profit' organisation? 14) _____
- A) Save the Children
 - B) The Advertising Standards Authority
 - C) Amnesty International
 - D) British Airways

Answer: D

Explanation: A)
B)
C)
D)

- 15) Which two statements accurately relate to the process approach to strategy, led by Mintzberg and Pettigrew? 15) _____
- A) Managers make decisions based on organisational politics and history as much as on economic bases.
 - B) Strategy must be based on accurately identifying a hierarchy of aims and goals.
 - C) Strategy formulation and implementation is messy.
 - D) Strategy is largely based on discourse — the way in which the organisation is discussed.

Answer: A, C

Explanation: A)
B)
C)
D)

- 16) Which of the following do/es not help explain why strategy implementation is often difficult to achieve in the way intended? 16) _____
- A) The problems associated with marketing new products
 - B) The complex range of changes involved
 - C) Changes in the external environment
 - D) The difficulties of planning for unintended outcomes
 - E) Poor understanding of the strategy by those implementing it

Answer: A

Explanation: A)
B)
C)
D)
E)

17) Which of the elements of the *Exploring Corporate Strategy* model involves understanding the underlying bases for future strategy at both the business unit and corporate levels and the options for developing strategy in terms of both the directions and methods of development? 17) _____

A) Strategic choices
B) Strategy in action
C) Strategic position
D) Strategic planning

Answer: A

Explanation: A)
B)
C)
D)

18) Which one of the following is not a major concern of strategic management? 18) _____

A) Strategic options
B) The marketing mix
C) Organisational resources and competencies
D) Mission and objectives
E) The external environment

Answer: B

Explanation: A)
B)
C)
D)
E)

19) Which type of strategy is most likely to relate to the expectations of the shareholders and the stock market? 19) _____

A) Corporate-level
B) Strategic-business-level
C) Business-level
D) Operational

Answer: A

Explanation: A)
B)
C)
D)

20) Which term is used for the overall purpose of the organisation? 20) _____

A) Goal
B) Vision
C) Mission
D) Strategic capability

Answer: C

Explanation: A)
B)
C)
D)

21) Which of the following is a criterion for distinguishing operational, tactical and strategic decisions? 21) _____
A) Cost of implementation
B) Who is responsible for implementation
C) Time taken to make decisions
D) Type of decision
E) Scope of the decision's impact on the organisation

Answer: E

Explanation: A)
B)
C)
D)
E)

22) Which type of strategy focuses on how resources, processes and people can be used to deliver high-level strategies? 22) _____
A) Operational strategy
B) Strategic-business-level strategy
C) Operational strategy
D) Business-level strategy

Answer: A

Explanation: A)
B)
C)
D)

23) Which of the following is an outcome of the analysis of the strategic capability of an organisation? 23) _____
A) An understanding of strengths and weaknesses
B) An understanding of customer needs
C) An understanding of opportunities and threats
D) An understanding of HR capability

Answer: A

Explanation: A)
B)
C)
D)

24) What does SBU stand for? 24) _____
A) Small business unit
B) Services business unit
C) Strategic business unit
D) Single business unit

Answer: C

Explanation: A)
B)
C)
D)

25) Which of the following terms must be included in a definition of strategy? Choose all that apply. 25) _____
A) Long term
B) Stakeholder expectations
C) Constant environment
D) Direction and scope

Answer: A, B, C, D

Explanation: A)
B)
C)
D)

26) The objectives of strategy in the public sector tend to be concerned with which of the following? 26) _____
A) Profitability B) Satisfying shareholders
C) Value for money D) Competitive advantage

Answer: C

Explanation: A)
B)
C)
D)

27) Which of the decisions listed below is not an example of a strategic decision? 27) _____
A) Decision to enter a new market
B) Decision to launch new product
C) Decision to invest in a new production plant
D) Decision to launch a new advertising campaign

Answer: D

Explanation: A)
B)
C)
D)

28) Which of the following best describes the goal of an organisation? 28) _____
A) Overriding purpose in line with the values or expectations of shareholders
B) Desired future state: the aspiration of the organisation
C) General statement of aim or purpose
D) Long term direction

Answer: C

Explanation: A)
B)
C)
D)

29) The managers of an organisation are assessing whether they can grow organically, using their own resources. Which of the elements of the *Exploring Corporate Strategy* model are they working on? 29) _____
A) Strategy in action B) Strategic planning
C) Strategic position D) Strategic choices

Answer: D

Explanation: A)
B)
C)
D)

30) Which of the following is a key question for 'content researchers'? 30) _____
A) How can managers make rational decisions based on all the relevant information?
B) What sort of strategy performs best under what conditions?
C) How can we construct a mathematical model of a complex world?
D) How does discourse shape what is actually going on?

Answer: B

Explanation: A)
B)
C)
D)

- 31) What is the difference between a mission and a vision? 31) _____
- A) A vision expresses why an organisation exists, while a mission specifies what an organisation is trying to achieve in the foreseeable future.
 - B) A mission specifies why the organisation exists, while the vision expresses what the organisation is trying to achieve in the foreseeable future.
 - C) A vision is what the organisations leaders would like to achieve, while a mission is the task they have accepted as more realistic.
 - D) The terms 'mission' and 'vision' refer to the same thing. The two terms are synonymous.

Answer: B

Explanation: A)
B)
C)
D)

- 32) In which of the categories of the *Exploring Corporate Strategy* model would you place the organisation's environment, purpose, culture and capability? 32) _____
- A) Strategic choices
 - B) Strategy in action
 - C) Strategic position

Answer: C

Explanation: A)
B)
C)

- 33) A group of managers is considering how their organisation can compete successfully in a particular market. What type of strategy are they devising? 33) _____
- A) Operational
 - B) Corporate
 - C) Business
 - D) Strategic

Answer: C

Explanation: A)
B)
C)
D)

- 34) Which of the following are roles that are likely to involve strategy development? Choose all that apply. 34) _____
- A) Team supervisor
 - B) Manager of a business unit in a multinational
 - C) In-house strategy specialist
 - D) Strategy consultant

Answer: B, C, D

Explanation: A)
B)
C)
D)

- 35) Which of the following would you not expect to see in an organisational mission statement? 35) _____
- A) An indication of the nature of the industry the organisation is in
 - B) A statement of what the organisation is trying to achieve
 - C) A quantified financial target
 - D) A statement of why the organisation exists

Answer: C

Explanation: A)
B)
C)
D)

- 36) Which type of strategy is concerned with the overall purpose and scope of an organisation? 36) _____
- A) Corporate-level strategy
 - B) Operational strategy
 - C) Business-level strategy
 - D) Strategic-business-level strategy

Answer: A

Explanation: A)
B)
C)
D)

- 37) Which of the following groups' interests are given greatest importance when developing strategy in business organisations? 37) _____
- A) Suppliers
 - B) Shareholders
 - C) Employees
 - D) Customers

Answer: B

Explanation: A)
B)
C)
D)

- 38) Which of the following statements is least likely to apply to strategic decisions? 38) _____
- A) They affect operational decisions.
 - B) They are simple in nature.
 - C) They are made in situations of uncertainty.
 - D) They involve considerable change.

Answer: B

Explanation: A)
B)
C)
D)

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 39) Strategy-as-practice researchers have built on sociological and psychological traditions to examine closely the actual practice of managers in strategy. 39) _____

Answer: True False

Explanation:

- 40) Operational level strategy is about how to compete successfully in particular markets. 40) _____

Answer: True False

Explanation:

- 41) Managers must communicate strategy to their teams and will achieve greater performance from them the more convincing they are in interpreting it. 41) _____
 Answer: True False
 Explanation:
- 42) A strategic business unit is a part of an organisation for which there is a distinct external market for goods or services that is different from another SBU. 42) _____
 Answer: True False
 Explanation:
- 43) Corporate governance is concerned with how the organisation serves its customers and deals with the environment. 43) _____
 Answer: True False
 Explanation:
- 44) Strategic management is not important in the public sector because the public sector is not concerned with creating competitive advantage. 44) _____
 Answer: True False
 Explanation:
- 45) A mission is the desired future state of the organisation. 45) _____
 Answer: True False
 Explanation:
- 46) In the private sector the overriding objective of strategy is to achieve value for money in service provision. 46) _____
 Answer: True False
 Explanation:
- 47) The analytical approach of specialised planning departments was poorly able to cope with the more dynamic and competitive world that emerged in the late 1970s. 47) _____
 Answer: True False
 Explanation:
- 48) Achieving sustainable competitive advantage is an overriding objective of strategy in the not-for-profit sector. 48) _____
 Answer: True False
 Explanation:
- 49) Strategic choices are concerned with the impact on strategy of the the external environment, an organisation's strategic capability and the expectations of stakeholders. 49) _____
 Answer: True False
 Explanation:
- 50) The strategic capability of the organisation is made up of resources and competences. 50) _____
 Answer: True False
 Explanation:

Answer Key
Testname: C1

- 1) B
- 2) B
- 3) B, C, D
- 4) C
- 5) A
- 6) D
- 7) B
- 8) D
- 9) D
- 10) C
- 11) A
- 12) A
- 13) A
- 14) D
- 15) A, C
- 16) A
- 17) A
- 18) B
- 19) A
- 20) C
- 21) E
- 22) A
- 23) A
- 24) C
- 25) A, B, C, D
- 26) C
- 27) D
- 28) C
- 29) D
- 30) B
- 31) B
- 32) C
- 33) C
- 34) B, C, D
- 35) C
- 36) A
- 37) B
- 38) B
- 39) TRUE
- 40) FALSE
- 41) TRUE
- 42) TRUE
- 43) FALSE
- 44) FALSE
- 45) FALSE
- 46) FALSE
- 47) TRUE
- 48) FALSE
- 49) FALSE
- 50) TRUE