

Sample Questions for Practice

Subject: Strategic Management

1. Proactive Organizations are those who
 - a) Anticipate the events and adapt themselves speedily
 - b) Anticipate events but act moderately fast
 - c) Stick to their plans irrespective of Change
 - d) Do not plan

2. Organic growth of the company means
 - a) Internal growth & expansion
 - b) Growth through acquisition
 - c) Growth through merger
 - d) No growth at all

3. In VUCA, A stands for
 - a) Ambition
 - b) Ambivalence
 - c) Ambiguity
 - d) Assertion

4. Frequent changes in Tax, Laws & regulations is a characteristic of
 - a) Uncertain Environment
 - b) Stable environment
 - c) Business- friendly Environment
 - d) Friendly environment

5. Unstable events with unknown durations in the market is the characteristic of
 - a) Stable Environment
 - b) Complex Environment
 - c) Volatile Environment
 - d) Friendly Environment

6. Nowadays consumers are health-conscious which is giving rise to increased demand of Organic products. Which factor of business environment is highlighted in the above statement.
 - a. Legal environment
 - b. Political environment
 - c. Economic environment
 - d. Social environment

7. What are the means by which long term objectives will be achieved?
 - a. Strategies
 - b. Policies
 - c. Strengths
 - d. Weakness

8. Divestment is what kind of strategy:

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- a. An asset reduction strategy
 - b. A weakness reduction strategy
 - c. A strength reduction strategy
 - d. A Cost reduction strategy
9. McDonalds is deciding whether to expand into manufacturing kitchen equipment in China. At what level is this decision likely to be made?
- a. Business
 - b. Corporate
 - c. Functional
 - d. International
10. Corporate Governance is concerned with the:
- a. Executive remuneration, disclosure of information, auditing and accounting procedures, and organizations' management structures
 - b. Elections to the board of directors
 - c. Relationships with national governments
 - d. Corporate level strategy
11. The value chain is subdivided into two main headings. These are 'Primary Activities' and:
- a. Peripheral activities
 - b. Support activities
 - c. Important activities
 - d. Outsources activities
12. The acronym SWOT stands for:
- a. Special Weapons for Operations and Timeliness
 - b. Strength, Weakness, Organisations and Tasks
 - c. Strengths, Weakness, Opportunities and Threats
 - d. Strengths, Weakness, Optimization and Transport
13. The two internal elements of SWOT are:
- a. Opportunities and Threats
 - b. Strengths and Weaknesses
 - c. Strengths and Opportunities
 - d. Weakness and Threats
14. Which refers to decline in the per unit cost of production as volume grows?
- a. Product Differentiation
 - b. Economic of scale
 - c. Switching Cost
 - d. Brand Identity
15. Which is not the generic strategy of Michael Porter?
- a. Cost Leadership

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- b. Growth Share Matrix
 - c. Differentiation
 - d. Focused strategy
16. What is a unified, comprehensive & integrated plan designed to assure that basic objectives of enterprise are achieved?
- a. Strategy
 - b. Execution
 - c. Monitoring
 - d. Management
17. Rivals firms, operating in the same industry rely on different _____ due to their strategic choice
- a. Mission
 - b. Goals & Objective
 - c. Business Definition
 - d. Business Model
 - e.
18. Best-worded _____ statement clearly & crisply illuminates direction in which organization is headed.
- a. Vision
 - b. Mission
 - c. Goals
 - d. Objective
19. Which of these refers to a strategy where the business seeks to sell its existing products into new market & this can be achieved by new product packaging, distribution channel etc?
- a. Market Penetration
 - b. Market Development
 - c. Product Development
 - d. Diversification
20. Which strategy is adopted by organization when if it chooses to focus on ways & means to reverse process of decline?
- a. Turnaround
 - b. Expansion
 - c. Stability
 - d. Stratification
21. Which is the first stage of turnaround strategy?
- a. Assessment of current problems
 - b. Implementation of emergency action plan
 - c. Restructuring the business
 - d. Returning to normal

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22. Which is a relationship between two or more businesses that enables each to achieve certain strategic objectives which neither would be able to achieve on its own?
- a. Diversification
 - b. Acquisition
 - c. Strategic Alliance
 - d. Merger
23. Implementation of project in pursuance of _____ typically results in increase in capital work in progress & current assets.
- a. Stability Strategy
 - b. Expansion Strategy
 - c. Turnaround Strategy
 - d. Divestment Strategy
24. The concept of TOWS matrix was developed by _____
- a. Igor H. Ansoff
 - b. William F. Gluek
 - c. Heinz Wehrich
 - d. Arthur D. Little
25. Which strategy has its objective to sell or liquidate the business because resources can be better used elsewhere?
- a. Build
 - b. Hold
 - c. Harvest
 - d. Divest
