

MGT603 - STRATEGIC MANAGEMENT (Session - 7)
MIDTERM EXAMINATION

Question No: 1 (Marks: 1) - Please choose one
Internal and external environment generally set the _____

- Strategies
- **Goals (page#01)**
- Both of the options given
- None of the options given

Question No: 2 (Marks: 1) - Please choose one
_____ are individuals who are most responsible for the success or failure of an organization

- Managers
- Internal auditors
- **Strategists (page#06)**
- None of the mentioned options

Question No: 3 (Marks: 1) - Please choose one
_____ includes all those factors which affect the organization and itself affected by the organization.

- Social environment
- **Task environment (page#08)**
- PEST analysis
- None of the mentioned options

Question No: 4 (Marks: 1) - Please choose one
Objectives should not be _____

- Measurable
- Realistic
- **Qualitative (page#09)**
- Understandable

Question No: 5 (Marks: 1) - Please choose one
A clear _____ is needed before alternative strategies can be formulated and implemented.

- **Mission statement (page#20)**
- Vision statement
- Strategy
- None of the mentioned options

Question No: 6 (Marks: 1) - Please choose one
The process of performing an external audit must involve _____

- **As many managers and employees as possible (page#28)**

- As less as possible managers and employees
- Just manger not employees
- None of the mentioned options

Question No: 7 (Marks: 1) - Please choose one

Compared to _____, the process of performing an _____ provides more opportunity for participants to understand how their jobs, departments, and divisions fit into the whole organization.

- **External audit, internal audit (page#50)**
- Internal audit, External audit
- Organizational analysis, industrial analysis
- None of the mentioned options

Question No: 8 (Marks: 1) - Please choose one

Which of the following is true about organizing?

- **Determining who does what and who reports to whom (page#56)**
- An essential bridge between the present and the future that increases the likelihood of achieving desired results
- A process of influencing people to accomplish specific objectives
- None of the mentioned options

Question No: 9 (Marks: 1) - Please choose one

The investment decision is also called _____

- **Capital budgeting (page#64)**
- Financing decision
- Dividend decisions
- None of the mentioned options

Question No: 10 (Marks: 1) - Please choose one

What refers to a strategy of seeking ownership of or increased control over a firm's competitors?

- Forward integration
- Conglomerate diversification
- Backward integration
- **Horizontal integration (page#84)**

Question No: 11 (Marks: 1) - Please choose one

All organizations develop a systematic structure that defines and limits the behavior of their members.

True

False

Question No: 12 (Marks: 1) - Please choose one

In evaluation phase of strategic management annual objectives are especially important.

True (not sure)

False

Question No: 13 (Marks: 1) - Please choose one

The decision-making model consists of four styles: directive, analytic, behavioral, and group interaction.

True

False

Question No: 14 (Marks: 1) - Please choose one

Staffing is the basic duty of a manager.

True (page#53)

False

Question No: 15 (Marks: 1) - Please choose one

An organization should use backward integration strategy only if it compete in a no-growth or a slow-growth industry.

True

False (page#82-83) (not sure)

Question No: 16 (Marks: 5)

Given below is the mission statement of a company. You are required to evaluate the statement based on the following criteria specified. Justify your answer.

Criteria

- Philosophy
- Self concept
- Products and services
- Market
- Concern for public image

Mission Statement

“GEO informs and entertains while celebrating cultures and prompting dialogue in the spirit of "live and let live".

Question No: 17 (Marks: 5)

Suppose according to the IFE matrix, the weighted score of a certain company is 2.20. How that company will interpret this score in terms of its internal factors.

Question No: 18 (Marks: 5)

State the name of Michael porter’s generic strategies and define any two of them.

Question No: 19 (Marks: 10)

Define the following terms

- Horizontal integration
- Product development
- Concentric diversification
- Retrenchment
- Joint venture

PREPARED BY: NO NAME

MGT603 - STRATEGIC MANAGEMENT (Session - 7) **MIDTERM EXAMINATION**

Question No: 1 (Marks: 1) - Please choose one
Vision and mission statements can often found

- At the back of annual report
- In the front of annual reports
- **In executive summary (not sure)**
- In annexure

Question No: 2 (Marks: 1) - Please choose one
Carefully prepared statements of vision and mission are widely recognized as

- The last step of strategic management
- Middle level steps in strategic management
- **The first step in strategic management (not sure)**
- None of the mentioned options

Question No: 3 (Marks: 1) - Please choose one
Environmental changes

- **Should change a mission statement**
- Should not change a mission statement
- Should not have any effect on organization
- None of the mentioned options

Question No: 4 (Marks: 1) - Please choose one
Industry analysis is also referred to as

- Internal strategic management audit
- **External strategic management audit (not sure)**
- Strengths and weakness analysis
- None of the mentioned options

Question No: 5 (Marks: 1) - Please choose one
_____ can be the most important part of an external audit for firms that depend heavily on government contracts.

- Environmental forecasts
- Demographic forecasts
- Technological forecasts
- **Political forecasts (page#36)**

Question No: 6 (Marks: 1) - Please choose one

Forward integration is used by firms to gain control or ownership of:

- Customers
- Suppliers
- **Distributors (page#80)**
- None of the mentioned options

Question No: 7 (Marks: 1) - Please choose one

_____ **can be the most important force impacting competitive advantage.**

- The bargaining power of consumers
- The bargaining power of suppliers
- The bargaining power of distributors
- **None of the mentioned options (not sure)**

Question No: 8 (Marks: 1) - Please choose one

Forecasts are educated assumptions about

- Customers
- Political issues
- **Future trends and events**
- None of the mentioned options

REF: DAVID chapter 3

Question No: 9 (Marks: 1) - Please choose one

Quantitative forecasts become _____ as historical relationships become less stable.

- Less accurate
- More accurate
- More constant
- None of the mentioned options

Question No: 10 (Marks: 1) - Please choose one

Globalization is a process of worldwide integration of _____ activities

- Strategy formulation
- Strategy implementation
- Strategy evaluation
- **All of the above mentioned options**
- **REF:DAVID Chapter#03**

Question No: 11 (Marks: 1) - Please choose one

The critical success factors in a Competitive Profile Matrix are often _____ as those in an EFE Matrix.

- Different
- **Same**

- Identical
- None of the mentioned options

Question No: 12 (Marks: 1) - Please choose one

Intensity of competition _____ in lower-return industries.

- **Is lowest (not sure)**
- Is non-existent
- Is highest
- Is not important

Question No: 13 (Marks: 1) - Please choose one

A _____ is a standardized, detailed set of techniques and behaviors that manage anxieties but seldom produce intended, technical consequences of practical importance.

- **Ritual (page#51)**
- Rite
- Metaphor
- None of the mentioned options

Question No: 14 (Marks: 1) - Please choose one

The only certain thing about the future of any organization is _____.

- Customer
- **Change (page#55)**
- Culture
- Stakeholder

Question No: 15 (Marks: 1) - Please choose one

_____ is the management function that is most important for the _____ stage of the strategic management process.

- **Controlling, implementation (page#53)(not sure)**
- Evaluation, formulation
- Controlling, evaluation
- None of the mentioned options

Question No: 16 (Marks: 5)

There are four basic steps of controlling functions of management. Identify these steps.

Question No: 17 (Marks: 5)

Suppose a company is using strategy of providing rapid and frequent introduction of new products. What possible advantages and disadvantages it may has?

Question No: 18 (Marks: 5)

Staffing comes under the strategy implementation phase. What types of activities are included in staffing of an organization?

Question No: 19 (Marks: 10)

As a strategic manager of a company ABC, you are required to prepare a document containing all the information about doing internal audit. What components will you include in it?

1. TWOS Matrix (Threats-Opportunities-Weaknesses-Strengths)
2. SPACE Matrix (Strategic Position and Action Evaluation)
3. BCG Matrix (Boston Consulting Group)
4. IE Matrix (Internal and external)
5. GS Matrix (Grand Strategy)
6. UPS (united parcel service)

PREPARED BY: NO NAME

MGT603 - STRATEGIC MANAGEMENT (Session - 7)
MIDTERM EXAMINATION

1. Which of the following is often considered the first step in strategic planning?

- ▶ Devising a mission statement
- ▶ **Developing a vision statement (page#06)**
- ▶ Setting annual objectives
- ▶ Formulating set of strategies

2. The objectives set by a manager should have which of the following characteristics?

- ▶ Should spell out how fast the company's strategy is to be implemented
- ▶ **Should be challenging and congruent among organizational units (page#09)**
- ▶ Should include long-range performance targets but not short-range targets
- ▶ Should include financial performance targets but not strategic performance targets

3. “Ethnic balance changes due to the migration of the people from different areas to different areas. This affects the ethical behavior very much”, this is the effect of which of the following forces?

- ▶ Economic forces
- ▶ **Social, cultural, and demographic forces (page#31)**
- ▶ Technological forces
- ▶ Competitive forces

4. Which of the following is TRUE about anti-trust legislation?

- ▶ The is the law intended to protect the ozone layer in the environment
- ▶ This is the law intended to regulate the tax rates in the economy
- ▶ **This is the law intended to promote free competition in the market**
- ▶ This is the law intended to regulate and register the patents

5. Supplier bargaining power is not likely to pose strong competitive pressure when which of the following situation is prevailing?

- ▶ Buying firms are looking for suppliers with superior just-in-time supply capabilities and low prices
- ▶ The suppliers furnish a critical part or component that is in relatively short supply
- ▶ Buying firms collaborate closely with their key suppliers to achieve mutual benefits
- ▶ The products of alternative suppliers are highly differentiated, making the cost of switching relatively high

6. In Porter's Five Forces, the 'threat of new entrants' relates to which factor?

- ▶ **Barriers to entry**
- ▶ Substitutes
- ▶ Switching cost
- ▶ Buyer power

7. Which of these strategies is effective when the number of suppliers is small and the number of competitors is large?

- ▶ Conglomerate diversification
- ▶ Forward integration
- ▶ **Backward integration (page#82)**
- ▶ Horizontal diversification

8. Which of the following should be created first and foremost by a strategist?

- ▶ **Strategy**
- ▶ Objectives
- ▶ Vision
- ▶ Mission

9. A mission statement should “reconcile interests among diverse stakeholders”. What does it mean?

- ▶ All shareholders must be satisfied
- ▶ Shareholders should be given preference over customers

▶ **Firm will devote attention to meeting claims of various stakeholders**

▶ Firm will devote its attention towards the maximization of shareholders value

10. Which strategy would be effective when the stockholders of a firm can minimize their losses by selling the organization's assets?

▶ **Liquidation (page#95)**

- ▶ Integration
- ▶ Differentiation
- ▶ Diversification

11. As managers move up the organization, they perform which of the management function more?

- ▶ Leading
- ▶ Controlling
- ▶ Organizing
- ▶ **Planning**

12. All of the following statements are true about a firm's mission statement EXCEPT:

A mission statement directly contributes positively to financial performance (page#25)

A mission statement does not directly contribute positively to financial performance
A mission statement should not provide useful criteria for selecting among alternative strategies

Primary reason to develop a mission statement is not to attract the customers

13. Which one variable falls under the category of the Social, Cultural, Demographic, and Environmental Variable?

Propensity of people to spend

Buying habits (page#34)

Level of disposable income

Income differences by region

14. Which of the following is a collection of firms that offers similar products or services such as IBM, Apple, and Dell

Concentration

Industry

Corporation

Alliances

15. The business strategy decided upon by ABC Corporation is one that engages it in production of goods that are low in cost as compared to its competitors. ABC Company is perusing which one of the following strategy?

Differentiation strategy

Focus strategy

Niche strategy

Cost leadership strategy (page#85 topic)

16. Which of the following can be considered as a factor of internal strengths and weaknesses of an organization?

▶ Technological changes

▶ Production/operations (page#08)

▶ Demographics

▶ Competitive trends

17. Smoothies Tire & Rubber Co. is selling its North American tire business to Avinza International, is an example of which type of strategy?

▶ Related diversification

▶ Retrenchment

▶ Divestiture

▶ Liquidation

18. Which of the following are developed in strategy implementation phase of strategic management?

Vision and mission

Annual objectives (page#04)

Strengths and weaknesses

Opportunities and threats

Explain concentric diversification strategy with the help of two examples of local or multinational firms operating in Pakistan?

1. List down and explain five steps that comprise an effective framework for conducting an EFE Matrix.

Question # 1 Total Marks: 1

According to Freund, Which one of the following should NOT be the characteristics of key external factors?

Select correct option:

- Measurable
- **Relatively few in number**
- Applicable to all competing firms
- Important to achieve long-term objectives

Question # 2 Total Marks: 1

When a merger or acquisition is not desired by both the parties of merger, then it is known as:

Select correct option:

- Divestiture
- **Takeover (not sure)**
- Outsourcing
- Integration

Question # 3 of 10 (Start time: 09:32:05 PM) Total Marks: 1

Which of the following environment includes all those factors which affect the organization and itself affected by the organization?

-
- External environment
- Social environment
- **Task environment (page#08)**
- Internal environment

Question # 4 of 10 (Start time: 09:32:41 PM) Total Marks: 1

Internal analysis involves gathering and analyzing the information about all areas of a firm EXPECT:

- Research & development
- Management information system
- **Marketing**
- Competitors

Question # 5 Total Marks: 1

Which of the following is a strategy in which companies create a co-owned business that operates for their mutual benefit?

- Retrenchment
- Divestiture
- **Joint venture**
- Liquidation

Question # 6 Total Marks: 1

The mission statement answers which of the following question?

- **What is our business?**
- How can we improve ourselves?
- What do we want to become?
- Who are our stakeholders?

Question # 7 Total Marks: 1

Principles of conduct that guide decision-making are known as:

- Human rights
- **Business ethics**
- The constitution
- Social responsibility

Question # 8 Total Marks: 1

According to Porter, which strategy offers products or services to a small range of customers at the lowest price available on the market?

- Low cost
- Best value
- **Cost focus**
- Differentiation

Question # 9 of 10 (Start time: 09:35:36 PM) Total Marks: 1

All of the following would be considered as opportunities for a business, EXCEPT:

- Removal of international trade barriers
- Emergence of unfulfilled customer need
- Emergence of substitute products
- Loosening of regulations

Question # 10 of 10 (Start time: 09:36:01 PM) Total Marks: 1

"Other than ranking strategies to achieve the prioritized list, there is only one analytical technique which is designed to determine the relative attractiveness of feasible alternative actions". This technique is known as:

- **SPACE (not sure)**
- QSPM
- IFE
- CPM

Question # 10 Total Marks: 1

Which of the following is a standardized, detailed set of techniques and behaviors that manage anxieties, but seldom produce intended, technical consequences of practical results?

- Folktales
- Rites
- **Rituals**
- Values

Question # 9 Total Marks: 1

Which of the following is NOT a characteristic of well-constructed goals?

- Address important issues
- **Easy to remember**
- Precise and measurable
- Challenging but realistic

Question # 8 Total Marks: 1

A joining of two companies through one company buying more than one half of the other company's stocks is known as:

Select correct option:

- Monopolization
- **A spin-off**
- An acquisition
- A merger

Question # 9 Total Marks: 1

A firm's division with a high relative market share position in a low-growth industry can be referred to which of the following category?

Select correct option:

- Star
- **Cash cow (page#103)**
- Question mark
- Dog

Question # 10 Total Marks: 1

Which of the following is the first step in the controlling function of management?

- Take corrective actions
- Restrict breaks employees take
- Evaluate expense reports
- **Establish performance standards (page#59)**

Question # 11

Total Marks: 1

Conglomerate diversification is another name for which of the following?

- Related diversification
- **Unrelated diversification**
- Portfolio diversification
- Acquisition diversification

Question # 12 **Total Marks: 1**

External forces directly affects all of the following EXCEPT:

- Market segmentation strategies
- Types of products/services offered
- **Management structure of organization**
- Choice of businesses to acquire or sell

Question # 13 **Total Marks: 1**

Of the following, which one would NOT be considered one of the components of a mission statement?

Select correct option:

- The target market for XYZ is oil and gas producers as well as producers of chemicals
- **XYZ shall hire only those individuals who have with sufficient educational levels so as to be of benefit to our customers**
- The customers of XYZ shall include global and local consumers of gas and oil products and domestic users of nontoxic chemicals
- The technologies utilized by XYZ shall focus upon development of alternative sources of gas and oil so as to remain competitive within the industry

Question # 2 of 10 **Total Marks: 1**

Which of the following strategy generally entails large research and development expenditures?

- Market penetration
- Retrenchment
- Forward integration
- **Product development**

Question # 12 **Total Marks: 1**

Reasons due to which some firms do “No Strategic Planning” incorporate all of the following EXCEPT:

- Wastage of time
- Fire-fighting

- Content with success
- **Privileged reward structures**

PREPARED BY: NO NAME

Question # 19

Total Marks: 1

Which of the following is not a key question that can reveal internal strengths and weaknesses of the marketing department?

- Does the firm have an effective sales organization?
- Are markets segmented effectively?
- Are the firm's products and services priced appropriately?
- **Does the firm have good liquidity?**

Question # 20

Total Marks: 1

Which stage of the "Strategy Formulation Framework" includes an External Factor Evaluation Matrix and a Competitive Profile Matrix?

- Input stage
- **Output stage**
- Matching stage
- Decision stage

Question # 17

Total Marks: 1

Financial ratios are helpful in analyzing the relationship among which of the following?

- All assets and liabilities
- Profits and costs
- **All functional areas of business**
- Sales and profitability

Question # 25

Total Marks: 1

All of the following are included in the five functions of the management process EXCEPT:

- Planning
- Organizing
- Leading
- **Delegating**

Question # 25

Total Marks: 1

Which of the followings best describes the Horizontal integration?

Select correct option:

- A firm takes over a supplier
- A firm takes over a distributor
- **A firm takes over a competitor**
- A firm takes over a manufacturer

Question # 24 Total Marks: 1

All of the following would be considered as weaknesses to a business EXCEPT:

- Maturing markets
- **Limited industry expertise**
- Brand name
- Limited financial resources

Question # 28 Total Marks: 1

In Competitive Profile Matrix, the rating 4 indicates what?

- Major weakness
- **Major strength**
- Minor strength
- Minor weakness

Question # 22 Total Marks: 1

Choose the economic variable from the list.

- Attitudes toward business
- Attitudes toward product quality
- Population changes by race
- **Stock market trends**

Question # 22 Total Marks: 1

Which of the following identified that “strategic management encourages forward thinking, favorable attitudes towards change and discipline to the management of business”?

- Greeley
- Greenly**
- Greenley
- Greenwich

Question # 23 Total Marks: 1

Which of the following can be the weakness of an organization?

Price war

Poor location of business

Increased trade barriers
Innovative substitute product

Question # 23 **Total Marks: 1**

A joining of two companies through one company buying more than one half of the other company's stocks is known as:

Monopolization

A spin-off

An acquisition

A merger

Question # 23 **Total Marks: 1**

Assigning rating 3 to an internal factor in IFE matrix indicates what?

Major weakness

Minor weakness

Minor strength

Major strength

Question # 24 **Total Marks: 1**

Which of the following are two positive-rated dimensions on SPACE Matrix?

FS and CA

CA and ES

FS and IS (not sure)

IS and ES

Question # 24 **Total Marks: 1**

Which of the following is NOT included in the strategic management model?

Measure and evaluate performance.

Perform internal research to identify customers.

Establish long-term objectives.

Develop mission and vision statements.

Question # 25 **Total Marks: 1**

Which management function includes breaking tasks into jobs, combining jobs to form departments and delegating authority?

Motivating

Staffing

Organizing

Planning

Question # 25 Total Marks: 1

Developing a vision and a mission statement is important because of the following reasons EXCEPT:

They are useful for large firms only

They establish organizational culture

They are the basis for allocating resources

They translate objectives into work structure

Question No: 1 (Marks: 1) - Please choose one

Within the operations function, which one of the following is a long-term management decision?

- ▶ Control decision
- ▶ Non-operational decision
- ▶ **Strategic decision**
- ▶ Tactical decision

Question No: 25 (Marks: 1) - Please choose one

Which one of the following forms of productivity has units of output per dollar input?

- ▶ **Capital**
- ▶ Energy
- ▶ Labor
- ▶ Machine

Question No: 3 (Marks: 1) - Please choose one

Which one of the following is a measure of productivity that involves measuring inputs and outputs using a common unit of measurement?

- ▶ Multifactor
- ▶ Partial
- ▶ Single
- ▶ Total

Question No: 4 (Marks: 1) - Please choose one

The major business function consisting of research and development, product design, manufacturing, marketing, distribution, and customer service is refers to:

- ▶ Value chain
- ▶ The transformation process

▶ Quality control

▶ **Life cycle (page#38)**

Question No: 5 (Marks: 1) - Please choose one

A business process is a logical set of tasks or activities that:

▶ Are specific to the operations function

▶ Are specific to the marketing function

▶ **Are interdependent with other processes (not sure)**

▶ Have exactly the same performance measures for any process

Question No: 6 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute value?

▶ $(\text{Quality} + \text{Speed} - \text{Flexibility}) / \text{Cost}$

▶ **$(\text{Quality} + \text{Speed} + \text{Flexibility}) / \text{Cost}$ (not sure)**

▶ $(\text{Quality} + \text{Speed} - \text{Cost}) / \text{Flexibility}$

▶ $(\text{Quality} + \text{Speed} + \text{Cost}) / \text{Flexibility}$

Question No: 7 (Marks: 1) - Please choose one

Which one the following formula or function can be used to measure the performance?

▶ Flexibility + profit+ operations

▶ Work + profit + value

▶ **Quality + speed + flexibility (not sure)**

▶ Profit + Incentives + standards

Question No: 8 (Marks: 1) - Please choose one

Which of the following statements corresponds to an order-winning characteristic?

▶ A factor which may be significant in other parts of the organization

▶ **A factor which gives an organization a competitive edge**

▶ A factor which serves as a minimum standard for purchase

▶ A factor which increases the profitability of the organization

Question No: 9 (Marks: 1) - Please choose one

As a manager, you have defined the purpose of the forecasts. What should be the next step in forecasting process?

▶ Choose a forecasting technique.

▶ Determine the purpose of the forecast.

▶ **Set up a time horizon or a time limit. (not sure)**

▶ Collect and analyze the appropriate data.

Question No: 10 (Marks: 1) - Please choose one

Which one of the following forecasting technique is based on historical data?

- ▶ Judgmental
- ▶ Associative
- ▶ **Time series**
- ▶ Qualitative

REF: Time series - uses historical data assuming the future will be like the past and depend on developing relationships between variables that can be expressed to predict future values.

Question No: 11 (Marks: 1) - Please choose one

Which one of the following forecasting techniques use subjective inputs from consumer surveys, sales staff, managers and experts?

- ▶ Time series
- ▶ Quantitative
- ▶ **Judgmental**
- ▶ Associative

Ref: judgmental - uses subjective inputs meaning that a judgmental forecast rely on analysis of subjective inputs obtained from various sources, such as consumer surveys, the sales staff, managers and executives, and panels of experts. These insights are not available publicly.

Question No: 12 (Marks: 1) - Please choose one

Which of the following approaches favors adopting a “go for it” strategy?

- ▶ Maximin
- ▶ **Maximax (not sure)**
- ▶ Minimax regret
- ▶ Laplace

Question No: 14 (Marks: 1) - Please choose one

Which one of the following is NOT a step of decision making process?

- ▶ Develop alternatives
- ▶ Monitor results
- ▶ **Consider risk averseness strategies**
- ▶ Specify criteria for decision

**Ref: 1. Specify Objectives and the Criteria for decision making
2. Develop Alternatives**

3. Analyze and compare alternatives.
4. Select the best alternative.
5. Implement the chosen Alternative
6. Monitor the results to ensure the desired results are achieved.

Question No: 16 (Marks: 1) - Please choose one

Which one of the following statement is TRUE about cost-volume relationship?

- ▶ **It represents the relationship between cost, revenue and volume of output.**
- ▶ It represents the relationship between cost and volume of output.
- ▶ It represents the relationship between cost and revenue.
- ▶ It represents the relationship between inputs, cost and volume of output.

Ref: Cost Volume Relationship focuses on relationships between costs, revenue and volume of output. The primary purpose of cost volume analysis is to estimate the income of an organization.

Question No: 17 (Marks: 1) - Please choose one

Which one of the following formulae can be used to compute break even point?

- ▶ $Q = VC / (R - VC)$
- ▶ **$Q = FC / (R - VC)$ (not sure)**
- ▶ $Q = VC / (R + FC)$
- ▶ $Q = FC / (R + VC)$

Question No: 19 (Marks: 1) - Please choose one

Which of the following terms of financial analysis are important for the organization to proceed with a capacity alternative decision?

- ▶ Cash flow and fixed cost
- ▶ Present value and fixed cost
- ▶ **Cash flow and present value**
- ▶ Cash flow and profit

Ref: Operations manager along with managerial accountant often work to calculate what cash flow or present value in terms of rupees is available for the organization to proceed with a capacity alternative decision.

Question No: 20 (Marks: 1) - Please choose one

Which of the following is a system designed to coordinate all activities and information needed to complete business processes?

- ▶ **Enterprise resource planning**
- ▶ Supply chain management
- ▶ New product development
- ▶ Customer relationship management

Ref: It is an enterprise-wide information system designed to coordinate all the resources, information, and activities needed to complete business processes such as order fulfillment or billing.

Question No: 21 (Marks: 1) - Please choose one
Which of the following is NOT a characteristic of product layouts?

- ▶ High material handling costs
- ▶ Sequential arrangement of machines
- ▶ Standardized output
- ▶ **Continuous production system**

Ref: The work is divided into a series of standardized tasks, permitting specialization of both labor and equipment.. So, its not a continuous production system.

Question No: 22 (Marks: 1) - Please choose one
Which one of the following layout types is associated with car assembly?

- ▶ Fixed position layout
- ▶ Process layout
- ▶ **Product layout**
- ▶ Hybrid layout

Ref: In a product layout, resources are arranged sequentially, based on the routing of the products. In theory, this sequential layout allows the entire process to be laid out in a straight line, which at times may be totally dedicated to the production of only one product or product version. The flow of the line can then be subdivided so that labor and equipment are utilized smoothly throughout the operation. For longer operating times, the worker may have to walk alongside the work as it moves until he or she is finished and can walk back to the workstation to begin working on another part (this essentially is how automobile manufacturing works).

Question No: 23 (Marks: 1) - Please choose one
In exponential smoothing model, α denotes:

- ▶ **Smoothing constant (not sure)**
- ▶ Actual forecast
- ▶ Forecast error
- ▶ Previous forecast

Question No: 24 (Marks: 1) - Please choose one
Which one of the following designs resists modifications?

- ▶ **Frozen design**

- ▶ Product design
- ▶ Service design
- ▶ Robust design

Question No: 25 (Marks: 1) - Please choose one
Which one of the following is TRUE about Taguchi approach?

▶ **To test the robustness of a design**

- ▶ To articulate the “voice of the customer”
- ▶ To reduce the degree of automation
- ▶ To create a concurrent design

Question No: 26 (Marks: 1) - Please choose one
Which one of the following refers to using some of the components of old products in the manufacturing of new products?

- ▶ Manufacturability
- ▶ **Remanufacturing**
- ▶ Robust design
- ▶ Automation

Question No: 27 (Marks: 1) - Please choose one
Which one of the following is a curve showing failure rate over time?

- ▶ Cost curve
- ▶ **Bath tub curve**
- ▶ Fish bone diagram
- ▶ Reliability curve

Question No: 30 (Marks: 1) - Please choose one
Which one of the following is an example of regional factors that affect location decisions?

- ▶ Transportation
- ▶ Quality of life
- ▶ Development support
- ▶ **Location of new markets**

Question No: 31 (Marks: 1) - Please choose one
Which one of the following is an example of site related factors that affect location decision?

► **Transportation**

- Quality of life
- Location of new markets
- Location of raw materials

Question No: 33 (Marks: 1) - Please choose one

Which one of the following is used to produce gasoline and petroleum products?

- Job shop
- Batch processing
- Assembly line

► **Continuous processing**

Question No: 34 (Marks: 1)

The type of processing structure that is used for producing discrete products at higher volume is:

- Continuous Flow
- **Assembly Line**
- Batch
- Job shop

Ref: http://highered.mcgraw-hill.com/sites/0073403296/student_view0/chapter7/multiple_choice_quiz.html

Question No: 35 (Marks: 1) - Please choose one

An example of a business/industry that uses batch flow process structure is:

- Commercial printer
- **Heavy equipment**
- Automobile assembly
- Sugar refinery

Ref: <http://highered.mcgraw-hill.com/novella/QuizProcessingServlet>

Question No: 36 (Marks: 1) - Please choose one

Services differ from manufacturing in all the following ways EXCEPT:

- Customers typically interact directly with the service delivery process.
- Consumption and production take place simultaneously.
- Services are intangible.
- **Services can be stored.**

THANKS