



## IDEA INSTITUTE OF MANAGEMENT & TECHNOLOGY

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### Strategic Management and Business Policy

9:00am to 11:00am

Semester – IV

June 6, 2010

#### SECTION A (ONE MARKS)

(1) What are the factors that lead to the awareness, dissemination and adoption of CSR practices among enterprises?

- (a) Knowledge about the relationship between CSR and business performance
- (b) Awareness and resources among SME's
- (c) Coherence in public policies
- (d) all of the above

Answer : D

(2) Which of the following is the correct statement?

(a) A strategy is an operational tool to achieve the goals, and thus, the corporate mission.

(b) Strategies do not attempt to outline exactly how the enterprise is to accomplish its objectives.

(c) Strategy provides a framework to guide thinking and action.

(d) all of the above

Answer : D

(3) What are the areas on which the CSR Commission focuses?

- (a) integrating CSR into community policies
- (b) fostering CSR among SMEs
- (c) promoting the development of CSR management skills
- (d) all of the above

Answer : D

(4) What are the factors that have to be examined to develop a BCP review schedule?

- (a) risk assessment
- (b) sector/industry trends
- (c) event experience
- (d) all of the above

Answer : D

(5) Kets de Vries describes Richard Branson and Percy Barnevik as what type of leaders?

- (a) Charismatic
- (b) Narcissistic
- (c) Egotistical
- (d) Transactional

Answer : A

(6) What does Goleman say regarding whether emotional intelligence can be learned?

- (a) It cannot be learned
- (b) It can only be learned at a young age
- (c) It can only be learned at a mature age
- (d) It can only be learned with effort

Answer : D

(7) What are the vision of network?

- (a) To enable people to find out about the enterprise priorities so that they can better appreciate, understand and conserve
- (b) To help individuals and organizations of all kinds to contribute data and to participate in the network so that the information is the best available keeping pace with changes in wildlife
- (c) both a and b
- (d) none of the above

Answer : C

(8) What are the activities to be undertaken by the promoters of the network?

- (a) Promote the recording and validation of business information by establishing minimum and acceptable standards of quality assurance
- (b) Encourage the intelligent interpretation of business information and make both the data and their interpretation in an accessible from a metadata for use in educational establishments of all kinds, or by other users
- (c) both a and b
- (d) none of the above

Answer : C

(9) In this alliance, two or more companies may get together to synergies their operations, seeking alliance for their products and service.

- (a) product and /or service alliance
- (b) promotional alliance
- (c) logistics alliance
- (d) pricing alliance

Answer : A

(10) In this alliance, two or more companies may come together to promote their product and services.

- (a) product and /or service alliance
- (b) promotional alliance
- (c) logistics alliance
- (d) pricing alliance

Answer : B

(11) What are the principles on which the promotion of CSR is done?

- (a) recognition of voluntary nature of CSR
- (b) need for credibility and transparency of CSR practices
- (c) attention to the needs and characteristics of SME's
- (d) all of the above

Answer : D

(12) It refers to the process of identifying opportunities to develop or acquire business that are not related to the company's current business.

- (a) Intensive growth
- (b) Integrative growth
- (c) Diversification growth
- (d) all of the above

Answer : C

- (13) As per the case study of BHEL, what was the mission of the company?
- (a) be innovative
  - (b) be strategic
  - (c) be the best
  - (d) all of the above

Answer : A

- (14) As per the case study of BHEL, what was the mission of the company?
- (a) To emerge as the most competitive layer in terms of price and quality
  - (b) To actively implement in-house and external R&D to develop innovative products and services.
  - (c) To understand the status of technology in engineering and management
  - (d) all of the above

Answer : D

- (15) What was the strategies that were opted by BHEL to achieve goals?
- (a) to develop reliable and resourceful network of customers
  - (b) to ensure that employees are committed
  - (c) To upgrade innovative R&D skills among technical human resource
  - (d) all of the above

Answer : D

- (16) What was the strategy of BHEL to achieve its set mission?
- (a) To promote a joint venture with a strategic partner, preferably a leading multi-national.
  - (b) To make key personnel more conscious of time, quality and cost
  - (c) both a and b
  - (d) None of the above

Answer : A

- (17) What was the policies of BHEL to control strategies?
- (a) To follow structured recruitment procedures
  - (b) To make training a compulsory element of employees' growth strategy
  - (c) To sell to buyer only if he is not a significant contributor to debt levels
  - (d) all of the above

Answer : D

- (18) What was the programmes of BHEL for the implementation of objectives?
- (a) To make all maintenance staff lives within factory premises
  - (b) To select people based on aptitude and attitude
  - (c) to work for ISO certification
  - (d) all of the above

Answer : C

- (19) What are the main provisions in TRIPS?
- (a) the general obligations under the TRIUPS agreement which relate to the provision of fair enforcement procedures
  - (b) civil remedies, including injunctions, damages, and provisional measures
  - (c) criminal procedures which are compulsory for intentional trade mark
  - (d) all of the above

Answer : D

It refers to the process of identifying opportunities to develop or acquire businesses that are related to the company's current businesses.

- (a) Intensive growth
- (b) Integrative growth
- (c) Diversification growth
- (d) all of the above

Answer : B

(21) Which of the following step is not included in the strategy formulation and implementation?

- (a) evaluation and control
- (b) generic strategy alternatives
- (c) identification of mission and objectives
- (d) none of the above

Answer : D

(22) Business activity or process that cannot be interrupted or unavailable for several business days without having a significant negative impact on the organization.

- (a) crisis management team
- (b) critical function
- (c) critical records
- (d) damage assessment

Answer : B

(23) The process used to appraise or determine the number of injuries and human loss, damage to public and private property and the status of the facilities and services resulting from a natural or human-caused disaster or emergency.

- (a) crisis management team
- (b) critical function
- (c) critical records
- (d) damage assessment

Answer : D

(24) Records or documents that, if document, destroyed, or lost, would cause considerable inconvenience to the organization and /or would require replacement or recreation at a considerable expense to the organization.

- (a) crisis management team
- (b) critical function
- (c) critical records
- (d) damage assessment

Answer : C

(25) What all is included in the financial due diligence?

- (a) last 3 years income statements of the firm
- (b) balance sheets
- (c) income statements
- (d) all of the above

Answer : D

(26) What all is included in the checklist for developing the plan?

- (a) if a major disaster occurred today, has your organization planned for survival?
- (b) has senior management approved the BCP?

(c) Does the senior management support the BCP?

(d) all of the above

Answer : D

(27) What are the approaches to achieve internal expansion?

- (a) penetrate existing markets
- (b) add new markets
- (c) add new products, and so on
- (d) all of the above

Answer : D

(28) It refers to the process of identifying opportunities to achieve further growth within the company's current businesses.

- (a) Intensive growth
- (b) Integrative growth
- (c) Diversification growth
- (d) all of the above

Answer : A

(29) What are the assumptions that have been made in formulating the business priorities?

- (a) It is assumed that the present way of working
- (b) The plan is not intended to represent all the work that could be undertaken
- (c) both a and b
- (d) none of the above

Answer : C

(30) In this alliance, the focus is on developing or extending logistics support.

- (a) product and /or service alliance
- (b) promotional alliance
- (c) logistics alliance
- (d) pricing alliance

Answer : C

(31) What are sections that should be included in the business plan?

- (a) executive summary
- (b) company and product description
- (c) market description
- (d) all of the above

Answer : D

(32) It measures the age, race, religion and family size.

- (a) demographics
- (b) geography
- (c) socioeconomic status
- (d) none of the above

Answer : A

(33) These measures based on location.

- (a) demographics
- (b) geography
- (c) socioeconomic status

(d) none of the above

Answer : B

(34) These measures are based on individual or household annual income.

- (a) demographics
- (b) geography
- (c) socioeconomic status
- (d) none of the above

Answer : C

(35) What all is required to prepare the financial statement for the strategic management?

- (a) start-up budget
- (b) cash flow projection
- (c) income statement
- (d) all of the above

Answer : D

(36) What are the things taken into consideration in the crisis communications strategy?

- (a) communications should be timely and honest
- (b) give bad news all at once-do not sugarcoat it.
- (c) both a and b
- (d) none of the above

Answer : C

(37) Which of the following objectives have cross-cutting themes?

- (a) data structure and tools
- (b) Co-ordination and promotion
- (c) Capacity building
- (d) all of the above

Answer : D

(38) What all is not included in the resource management?

- (a) the human element
- (b) accounting for all individuals
- (c) notification of next-of-kin
- (d) none of the above

Answer : D

(39) What are the effects of using a decision system?

(a) the management knows exactly how much credit it could take, for how long and in which interest rate.

- (b) a decision system allows for careful financial planning and tax planning.
- (c) both a and b
- (d) none of the above

Answer : C

(40) What are the rules for the process of due diligence?

- (a) the firm must appoint one due diligence coordinator
- (b) brief the workers
- (c) both a and b

(d) none of the above

Answer : C

(O) SECTION B

(41) measures the return on the assets.

- (a) SUE measure
- (b) ROE
- (c) Debt to equity
- (d) ROA

Answer : D

(42) Which of these questions is addressed by a mission statement?

- (a) What do we want to become?
- (b) What is our business?
- (c) How many employees must we have?
- (d) Who do we want to serve?

Answer : B

(43) \_\_\_measures the deviation of actual profits from expected profits.

- (a) SUE measure
- (b) ROE
- (c) Debt to equity
- (d) ROA

Answer : A

(44) Strategy-implementation activities include

- (a) conducting research.
- (b) measuring performance.
- (c) preparing a TOWS matrix.
- (d) establishing annual objectives.

Answer : D

(45) A management level financial analysis that identifies the impacts of losing an organization's resources.

- (a) alternate worksite
- (b) business continuity
- (c) business continuity plan
- (d) business impact analysis

Answer : D

(46) Any global, regional, or local natural-caused event or business interruption that runs the risk of escalating in intensity.

- (a) crisis
- (b) crisis management
- (c) crisis management center
- (d) crisis management planning

Answer : A

(47) Which of the following are correct statement?

(a) small business administration help to organize funding for all the needs of the latter.

- (b) SBA assist the entrepreneur in the preparation of business plans.

- (c) SBA reduce bureaucracy  
(d) all of the above

Answer : D

(48) What are the rules for offering Employee Stock Ownership Plans to employees?

(a) the company offers packages of different sizes, comprising shares and options and the employees bid for them in open tender.

(b) the company sells its shares to the employees on an equal basis and the worthies are then allowed to trade the shares between them

(c) the company could give one or more of the current shareholders the right to offer his shares to the employees or to a specific group of them

(d) all of the above

Answer : D

(49) \_\_\_ is a better choice when the firm is doing well, the environment is reality less volatile and the product /service has reached the stability or maturity stage of the life cycle.

(a) expansion strategy

(b) stability strategy

(c) retrenchment strategy

(d) combination strategy

Answer : B

(50) According to Markides (1999), a strategic position represents a company's answers to three s - who should the company target, what products/services should be offered, and:

(a) How the company can communicate its position to customers

(b) How the company can do this at the lowest cost

(c) How the company can achieve the biggest market share

(d) How the company can do this efficiently

Answer : D

(51) Procedures to detect erroneous data as they enter an application system and prevent the system from posting the invalid data are referred to as

(a) Data validation

(b) Data screening

(c) Data insulation

(d) Data limitation

Answer : A

(52) \_\_\_ measures the ratios.

(a) SUE measure

(b) ROE

(c) Debt to equity

(d) ROA

Answer : C

(53) Kay (1993) sees the strategy of an organization as matching internal capabilities with:

(a) The external environment

(b) Its external relationships

- (c) Its customer needs  
(d) The industry life cycle

Answer : B

(54) Organizations that are good at developing relevant capabilities to respond to a changing context are known as:

- (a) Knowing organizations  
(b) Stretch organizations  
(c) Learning organizations  
(d) Absorptive organizations

Answer : C

(55) It is generally agreed that the role of strategy is to:

- (a) Make best use of resources  
(b) Achieve competitive advantage  
(c) Make profits for the organization  
(d) Make the best products and services

Answer : B

(56) \_\_\_ measures the liquidity and coverage ratio.

- (a) ROS  
(b) ATO  
(c) Current ratio  
(d) none of the above

Answer : C

(57) The absence of a policy duly stamped does not affect the \_\_\_\_\_ of the contract but an unstamped policy cannot be admitted as

- (a) Evidence.....proof  
(b) Validity.....evidence  
(c) Either of the above  
(d) None of the above

Answer : B

(58) Process modeling is used for which of the following purposes?

- (a) Documenting  
(b) Summarising  
(c) Analysing  
(d) All of the above

Answer : D

(59) Following are the categories of general control (i) Access security control (ii) Application system development and maintenance controls (iii) Data center operational controls (iv) System software acquisition and maintenance controls

- (a) i, ii, iii) only  
(b) ii, iii, iv) only  
(c) iii, iv, i) only  
(d) All of the above

Answer : A

(60) What is "worm"

- (a) Write once read memory

- (b) Wrong over right method
- (c) Computer virus
- (d) None of the above

Answer : A

( ) SECTION C

- (61) Alfred Chandler believed that:

- (a) Strategy should be developed first and the organization tailored to meet the requirements of the strategy
- (b) Set the strategy according to the organization's strengths and weaknesses
- (c) strategy should be allowed to develop incrementally
- (d) Strategy should be allowed to evolve over time

Answer : A

- (62) The statement of an organization's aspirations can be found in the organization's:

- (a) Mission statement
- (b) Strategic objectives
- (c) Actions
- (d) Vision statement

Answer : D

- (63) A country that measures high on power distance would have which of the following characteristics?

- (a) People are accepting of unequal distribution of power
- (b) People are not accepting of unequal distribution of power
- (c) People like to have autonomy in their jobs
- (d) People do not like to have autonomy in their jobs

Answer : A

- (64) Which of the following activities is most likely to be a leadership activity?

- (a) Coping with organizational complexity
- (b) Formulating strategy
- (c) Problem solving to ensure strategy is implemented
- (d) Planning and budgeting

Answer : B

- (65) The perspective on strategy formulation that is associated with frameworks such as the SWOT analysis is known as:

- (a) The Learning School
- (b) The Cognitive School
- (c) The Design School
- (d) The Deliberate School

Answer : C

- (66) Drucker refers to an organization's assumptions about its environment and its internal strengths and weaknesses as its:

- (a) Theory of business
- (b) Organizational recipe
- (c) Values and beliefs
- (d) Core ideology

Answer : A

(67) Strategy formulation takes place at two levels. These are:

- (a) Conscious and sub-conscious
- (b) Implicit and explicit
- (c) Corporate and business
- (d) Business and operational

Answer : C

(68) What are the responsibilities after the construction is finished in respect to due diligence check?

- (a) When the advance -money is finished, it notifies the buyers
- (b) The money lent to the buyers remain with it
- (c) It can move into the apartments
- (d) It can rent the apartment

Answer : C

(69) Which of the following are included in the sequence of events in the credit card operations?

- (a) the merchant collects all the transaction vouchers and sends them to his bank
- (b) the credit card company credits the acquirer bank
- (c) the card holder presents his card to a merchant
- (d) all of the above

Answer : D

(70) .Which of the following are True?

- (a) The value of a stock is the sum of the income that a reasonable investor would expect to get in the future, discounted at the appropriate rate.
- (b) venture capital and risk capital funds, for instance, are purely strategic investors
- (c) a chargeback is a transaction disputed within the payment system
- (d) none of the above

Answer : B

(71) The marketing strategy emphasizes price as the key to good value; operations runs with tight cost control; development focuses on cost reduction. Which of Porter's competitive strategies is illustrated here?

- (a) Cost leadership
- (b) Differentiation
- (c) Differentiation focus
- (d) Divisionalisation

Answer : A

(72) Arrange the following in the order as they are required in strategy formulation:

(i) Strategic choice (ii) strategy variations (iii) environment scanning (iv) identification of mission and objectives

- (a) i, iii, ii, iv
- (b) ii, iii, iv, i
- (c) iv, iii, ii, i
- (d) iv, ii, iii, i

Answer : C

(73) Which of the given statement is False?



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(a) The principal target for the development of the Internet Gateway is the addition of content

(b) Once established, the business priorities need not be reviewed and updates  
(c) the strategic review of the Network is designed to move the development programme of the Network on from its initial "proof of concept" phase

(d) none of the above

Answer : B

(74) Relative deficiency or superiority is important information in performing which activity?

(a) External audit

(b) Allocating resources

(c) Internal audit

(d) Evaluating strategies

Answer : C

(75) Who is most responsible for developing, communicating, and enforcing the code of business ethics for a firm?

(a) Strategists

(b) Line managers

(c) Staff managers

(d) All managers

Answer : A

