

Strategic Management Questions

1. Which one of the following is a guideline established to support efforts to achieve objectives?
 - A. Strategies
 - B. Objectives
 - C. Goals
 - D. Policies
2. Which one of the following is not true about strategic decisions?
 - A. Strategic decision-making involves uncertainty.
 - B. Not all future-oriented decisions are strategic.
 - C. Strategic decisions require irreversible commitments.
 - D. Strategic decisions are made under certainty.
3. In which stage of the strategic management process does an organization set the hierarchy of objectives?
 - A. Establishment of strategic intent
 - B. Formulation of strategies
 - C. Implementation of strategies
 - D. Strategic evaluation
4. Which of the following refers to the reason for an organization's existence?
 - A. Vision
 - B. Mission
 - C. Goal
 - D. Objective
5. Barriers to entry are likely to be high when:
 - A. Switching costs are low
 - B. Differentiation is low
 - C. Economies of scale are required
 - D. Access to distribution is easy
6. Buyer power is high when:
 - A. They have price knowledge
 - B. They have little information
 - C. Switching costs are high
 - D. Product differentiation is strong
7. XYZ firm wants to invest in a new industry and assess its attractiveness. Which analysis should be recommended?
 - A. Porter's Five Forces Analysis
 - B. PESTEL Analysis
 - C. Internal Environment Analysis
 - D. Value Chain Analysis
8. Large Ethiopian manufacturing firms facing security and economic challenges may need to adopt which strategy?
 - A. Growth strategy
 - B. Stability strategy
 - C. Retrenchment strategy
 - D. Liquidation strategy

9. _____ refers to what a company does especially well compared to its competitors.
- A. Core competencies
 - B. Resources
 - C. Capability
 - D. Competitive advantage
10. Which technique identifies critical operational activities that can be streamlined or outsourced?
- A. Scenario Planning
 - B. Stakeholder Analysis
 - C. Value Chain Analysis
 - D. Trend Analysis
11. _____ control involves evaluating inputs and taking corrective action before an operation begins.
- A. Feedforward
 - B. Concurrent control
 - C. Feedback control
 - D. All of the above
12. A company with high capacity and market demand should adopt which strategy?
- A. WT Strategies
 - B. ST Strategies
 - C. WO Strategies
 - D. SO Strategies
13. Developing complex software with global experts requires which structure?
- A. Divisional
 - B. Network
 - C. Functional
 - D. Matrix
14. A firm with one highly performing product line and weak others should consider:
- A. Expansion through Integration
 - B. Horizontal Integration
 - C. Expansion through Concentration
 - D. Expansion through Diversification
15. Which of the following is not a characteristic of the business environment?
- A. Multidimensional
 - B. Dynamic
 - C. Fully controllable
 - D. Affects business activities
16. The correct sequence in strategic management is:
- A. Strategic Intent → Formulation → Implementation → Evaluation → Feedback
 - B. Strategic Intent → Formulation → Evaluation → Implementation → Feedback
 - C. Formulation → Strategic Intent → Implementation → Evaluation → Feedback
 - D. Formulation → Implementation → Evaluation → Strategic Intent → Feedback
17. A framework for evaluating a firm's divisions or units is called:
- A. Corporate Insight Analysis
 - B. Company Productivity Analysis
 - C. SBU Knowledge Analysis
 - D. Business Portfolio Analysis

18. When firms can't grow in current industries, they adopt:
- A. Expansion through Concentration
 - B. Expansion through Diversification
 - C. Vertical Integration
 - D. Retrenchment Strategy
19. _____ answers "How can we best utilize resources to implement our business strategy?"
- A. Corporate-Level Strategy
 - B. Business-Level Strategy
 - C. Functional-Level Strategy
 - D. Operational-Level Strategy
20. In the BCG Matrix, which one of the following represents "Stars"?
- A. High industry growth and low market share
 - B. High market share and low market growth
 - C. High growth and high market share
 - D. Low growth and low market share
21. Which strategy involves taking up activities unrelated to a firm's existing business?
- A. Horizontal Integration
 - B. Forward Integration
 - C. Concentric Diversification
 - D. Conglomerate Diversification
22. What is synergy in strategy implementation?
- A. Reducing labor costs through downsizing
 - B. Alignment of top managers' personal goals
 - C. When combined units produce a higher ROI than individually
 - D. The elimination of inter-departmental collaboration
23. What is the main objective of strategic evaluation and control?
- A. To generate maximum revenue
 - B. To test the effectiveness of a strategy
 - C. To restructure the organization
 - D. To allocate financial resources
24. What is the main objective of a cost leadership strategy?
- A. Focus on high differentiation
 - B. Offer at a lowest possible price
 - C. Target small market segments
 - D. Maximize luxury branding
25. According to Michael Porter, a firm that targets a narrow segment and charges a premium for unique offerings is pursuing:
- A. Cost leadership
 - B. Differentiation
 - C. Focus strategy
 - D. Integrated strategy

26. One major difference between vision and mission is that a vision is:
- A. Short-term and tactical
 - B. Detailed and focused on operations
 - C. Actionable and current
 - D. Aspirational, and future-focused
27. Which of the following would best qualify as a goal rather than an objective?
- A. "Reduce student dropout by 15% in 2025"
 - B. "Train 50 managers by Quarter two"
 - C. "Improve innovation capacity over the next 5 years"
 - D. "Cut costs by 10% in logistics this month"
28. A business scanning the environment only during a crisis is using which approach?
- A. Systematic
 - B. Ad hoc
 - C. Processed
 - D. Formal