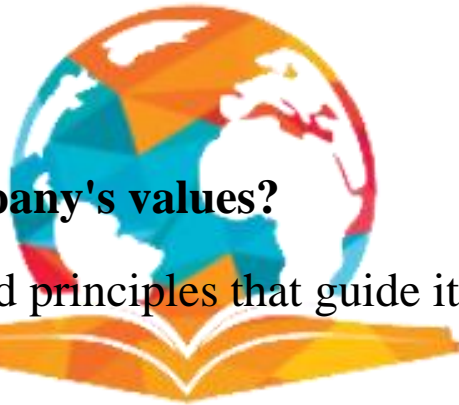


Business Policy and Strategy

MCQS



1-What are a company's values?

- A) Moral beliefs and principles that guide its behavior and decision-making
- B) Ethical beliefs and principles that guide its behavior and decision-making
- C) Core beliefs and principles that guide its behavior and decision-making
- D) Fundamental beliefs and principles that guide its behavior and decision-making

Answer: (C) Core beliefs and principles that guide its behavior and decision-making

2-What is the environment?

- A) The internal and external factors that can impact a company's operations and performance
- B) The context in which a company operates
- C) The background of a company
- D) The surroundings of a company

Answer: (A) The internal and external factors that can impact a company's operations and performance



3-What is a cost leadership strategy?

- A) A strategy in which a company differentiates itself from its competitors by offering unique and valuable products or services
- B) A strategy in which a company tries to be the low-cost provider in its industry
- C) A strategy in which a company focuses on a specific market or customer segment
- D) A strategy in which a company seeks to establish a unique position in a market or industry

Answer: (B) A strategy in which a company tries to be the low-cost provider

4-What is the first step in the formulation of business policy and strategy?

- A). Analysis of the external environment
- B). Analysis of the internal environment
- C). Selection of goals and objectives
- D). Development of action plans

Ans: (B) Analysis of the internal environment

5-What is the primary focus of corporate-level strategy?

- A.) Allocation of resources among business units
- B). Development of new products
- C.) Diversification into new markets
- D.) Cost reduction in existing business units

Ans (A) Allocation of resources among business units

6- Which of the following is NOT a commonly used generic business-level strategy?

- B). Differentiation
- C.) Market development
- D.) Diversification

Ans (C) Market development

7- What is the primary objective of a cost leadership strategy?

- A). To achieve the lowest cost structure in an industry
- B). To achieve superior quality compared to competitors
- C). To achieve a unique market position
- D). To achieve a strong market position through diversification

Ans: (A) To achieve the lowest cost structure in an industry



8- A differentiation strategy requires a firm to:

- A). Offer unique and valuable products
- B). Offer products that are similar to competitors at a lower price
- C). Offer products that are similar to competitors at a higher price
- D). Offer products that are similar to competitors at the same price

Ans:(A) Offer unique and valuable products

9-What is the objective of a focused (niche) strategy?

- A). To achieve a strong market position in a narrow market segment
- B). To achieve a broad market position
- C). To achieve a strong market position through diversification
- D). To achieve a low-cost structure in an industry

Ans:(A) To achieve a strong market position in a narrow market segment



10-What is the primary focus of a diversification strategy?

- A. Entering new industries with different products and markets
- B. Developing new products for existing markets
- C. Improving efficiency in existing business units
- D. Allocating resources among business units

Ans: (A) Entering new industries with different products and markets

11- Business policy refers to the overall plan of action that guides the decision-making and actions of a company and sets its ----- and outlines the methods by which it will achieve these objectives.

- a. plans

- b. strategies
- c. objectives
- d. targets

Answer: (C) Objectives

12- A company's ----- is a statement that defines its purpose and the customers it serves.

- a. vision statement
- b. mission statement
- c. value statement
- d. target statement



Answer: (B) Mission statement

13- A company's ----- is a brief statement that reflects its aspirations and the future it envisions for itself.

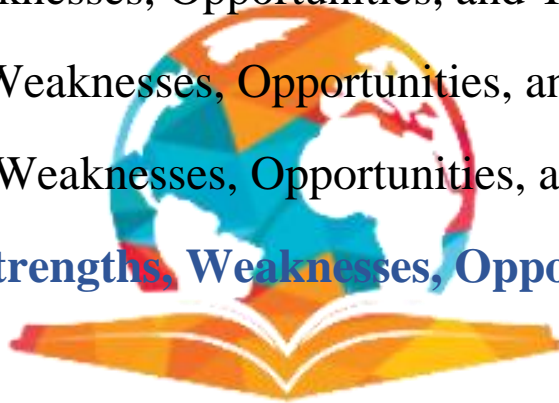
- a. goal statement
- b. vision statement
- c. mission statement
- d. target statement

Answer: (B) Vision statement

14- SWOT analysis stands for _____, Weaknesses, Opportunities, and Threats.

- a. Strengths, Weaknesses, Opportunities, and Trends
- b. Skills, Weaknesses, Opportunities, and Threats
- c. Strengths, Weaknesses, Opportunities, and Threats
- d. Successes, Weaknesses, Opportunities, and Trends

Answer: C) Strengths, Weaknesses, Opportunities, and Threats



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15- Business-level strategy refers to the actions a company takes to achieve its objectives in a specific _____.

- a. market
- b. industry
- c. sector
- d. field

Answer: (B) Industry

16- Corporate-level strategy deals with the overall scope of a company's operations, including the management of its multiple _____.

- a. departments
- b. divisions
- c. businesses
- d. units

Answer: (C) Businesses



17- The process of crafting and implementing business policies and strategies is known as _____ management.

- a. strategic
- b. tactical
- c. operational
- d. financial

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Answer: (A) Strategic

18- A company's values are its ----- beliefs and principles that guide its behavior and decision-making.

- a. moral

- b. ethical
- c. core
- d. fundamental

Answer: (C) Core

19- ----- refers to the internal and external factors that can impact a company's operations and performance.

- a. Environment
- b. Context
- c. Background
- d. Surroundings



Answer: (B) Cost leadership

20- A ----- strategy is one in which a company differentiates itself from its competitors by offering unique and valuable products or services.

- a. cost leadership
- b. differentiation
- c. focus
- d. niche

Answer: (B) Differentiation

