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Chapter 2: Environmental and internal analysis: market information and intelligence

Test Bank

Type: multiple choice question
Title: Chapter 02 Question 01
1) Two areas of strategic marketing management process are: strategic analysis, strategic implementation. What is the third area?
a. Strategic action
Feedback: Three areas of strategic marketing management process are: strategic analysis, strategic implementation, and strategic choice.
Section reference: Introduction: how technology is reshaping the environment
b. Strategic direction
Feedback: Three areas of strategic marketing management process are: strategic analysis, strategic implementation, and strategic choice.
Section reference: Introduction: how technology is reshaping the environment
***c.** Strategic choice
Feedback: Three areas of strategic marketing management process are: strategic analysis, strategic implementation, and strategic choice.
Section reference: Introduction: how technology is reshaping the environment
d. Strategic decision
Feedback: Three areas of strategic marketing management process are: strategic analysis, strategic implementation, and strategic choice.
Section reference: Introduction: how technology is reshaping the environment

Type: multiple choice question
Title: Chapter 02 Question 02
2) What entails the strategic analysis area of strategic marketing management?
a. Tactical plans, leadership styles
Feedback: What entails the strategic analysis area of strategic marketing management is understanding the strategic position of the organization in terms of its external environment and internal resources.
Section reference: Introduction: how technology is reshaping the environment
***b.** Understanding the strategic position of the organization in terms of its external environment and internal resources
Feedback: What entails the strategic analysis area of strategic marketing management is understanding the strategic position of the organization in terms of its external environment and internal resources.
Section reference: Introduction: how technology is reshaping the environment
c. Direction of development, method of development
Feedback: What entails the strategic analysis area of strategic marketing management is understanding the strategic position of the organization in terms of its external environment and internal resources.
Section reference: Introduction: how technology is reshaping the environment
d. SMM
Feedback: What entails the strategic analysis area of strategic marketing management is understanding the strategic position of the organization in terms of its external environment and internal resources.
Section reference: Introduction: how technology is reshaping the environment

Type: multiple choice question
Title: Chapter 02 Question 03
3) Which of the following are NOT elements of the marketing environment?

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a. Economy, customers, corporate policy, management decision makers
Feedback: The firm's marketing environment involves two distinct levels: the (1) internal environment, consisting of variables within the organization, but not always within the long-run control of top management, and the (2) external environment, consisting of variables outside the organization and not typically within its short-run control.
Section reference: The two levels to the marketing environment
b. Technology, customers, competitors, distributers
Feedback: The firm's marketing environment involves two distinct levels: the (1) internal environment, consisting of variables within the organization, but not always within the long-run control of top management, and the (2) external environment, consisting of variables outside the organization and not typically within its short-run control.
Section reference: The two levels to the marketing environment
c. Economy, suppliers, management systems, financial resources
Feedback: The firm's marketing environment involves two distinct levels: the (1) internal environment, consisting of variables within the organization, but not always within the long-run control of top management, and the (2) external environment, consisting of variables outside the organization and not typically within its short-run control.
Section reference: The two levels to the marketing environment
*__d.__ None of the options given are correct.
Feedback: The firm's marketing environment involves two distinct levels: the (1) internal environment, consisting of variables within the organization, but not always within the long-run control of top management, and the (2) external environment, consisting of variables outside the organization and not typically within its short-run control.
Section reference: The two levels to the marketing environment

Type: multiple choice question
Title: Chapter 02 Question 04
4) What does the PESTLE framework help us to do?
a. Kill pests
Feedback: PESTLE framework is used for analysing the macro environment.
Section reference: Strategic analysis of the macro (remote) environment
*__b.__ Analyse the macro environment
Feedback: PESTLE framework is used for analysing the macro environment.
Section reference: Strategic analysis of the macro (remote) environment
c. Develop winning strategies
Feedback: PESTLE framework is used for analysing the macro environment.
Section reference: Strategic analysis of the macro (remote) environment
d. Develop a plan of action
Feedback: PESTLE framework is used for analysing the macro environment.
Section reference: Strategic analysis of the macro (remote) environment

Type: multiple choice question
Title: Chapter 02 Question 05
5) What does the acronym in the PESTLE framework stand for?
a. Police factors, socio-cultural factors, economic factors, travel factors
Feedback: PESTLE stands for political factors, economic factors, socio-cultural factors, technological factors, legal factors, and environmental factors.
Section reference: Strategic analysis of the macro (remote) environment
b. Police factors, socio-cultural factors, economic factors, technological factors
Feedback: PESTLE stands for political factors, economic factors, socio-cultural factors, technological factors, legal factors, and environmental factors.
Section reference: Strategic analysis of the macro (remote) environment
*__c.__ Political factors, economic factors, socio-cultural factors, technological factors, legal factors, environmental factors

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Feedback: PESTLE stands for political factors, economic factors, socio-cultural factors, technological factors, legal factors, and environmental factors.
Section reference: Strategic analysis of the macro (remote) environment
d. Police factors, socio-cultural factors, emotional factors, travel factors
Feedback: PESTLE stands for political factors, economic factors, socio-cultural factors, technological factors, legal factors, and environmental factors.
Section reference: Strategic analysis of the macro (remote) environment

Type: multiple choice question
Title: Chapter 02 Question 06
6) What is environmental scanning?
***a.** Is the process of gathering information about the various forces in the environment. It involves observation, perusal of secondary sources, such as business, trade, government and general interest publications, and marketing research.
Feedback: Environmental scanning is the process of gathering information about the various forces in the environment.
Section reference: Strategic analysis of the macro (remote) environment
b. Is the process of assessing and interpreting the information gathered through market intelligence.
Feedback: Environmental scanning is the process of gathering information about the various forces in the environment.
Section reference: Strategic analysis of the macro (remote) environment
c. Is the process of gathering information about the various forces in the environment. It involves observation, perusal of secondary sources, such as business, trade, government and general interest publications, and marketing research, and is also the process of assessing and interpreting the information gathered through market intelligence.
Feedback: Environmental scanning is the process of gathering information about the various forces in the environment.
Section reference: Strategic analysis of the macro (remote) environment
d. None of the options given are correct.
Feedback: Environmental scanning is the process of gathering information about the various forces in the environment.
Section reference: Strategic analysis of the macro (remote) environment

Type: multiple choice question
Title: Chapter 02 Question 07
7) The process of assessing and interpreting the information gathered through market intelligence and environmental scanning
is called
a. marketing research.
Feedback: The process of assessing and interpreting the information gathered through market intelligence and environmental scanning
is called environmental analysis.
Section reference: Environmental scanning and analysis
b. marketing strategy.
Feedback: The process of assessing and interpreting the information gathered through market intelligence and environmental scanning
is called environmental analysis.
Section reference: Environmental scanning and analysis
***c.** environmental analysis.
Feedback: The process of assessing and interpreting the information gathered through market intelligence and environmental scanning
is called environmental analysis.
Section reference: Environmental scanning and analysis
d. fiscal audit.

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Feedback: The process of assessing and interpreting the information gathered through market intelligence and environmental scanning
is called environmental analysis.
Section reference: Environmental scanning and analysis

Type: multiple choice question
Title: Chapter 02 Question 08
8) IKEA's experiment with housing trends in Europe in the 1990s was the result of
a. a well thought out global strategy.
Feedback: IKEA's experiment with housing trends in Europe in the late 1990s was presumably the result of its ability to identify a possible market opportunity and also its attempt to capitalize on its skills in developing kit-form products at reasonable prices to customers.
Section reference: Environmental scanning and analysis
b. its ability to identify a possible market opportunity.
Feedback: IKEA's experiment with housing trends in Europe in the late 1990s was presumably the result of its ability to identify a possible market opportunity and also its attempt to capitalize on its skills in developing kit-form products at reasonable prices to customers.
Section reference: Environmental scanning and analysis
*__c.__ its ability to identify a possible market opportunity and also its attempt to capitalize on its skills in developing kit-form products at reasonable prices for customers.
Feedback: IKEA's experiment with housing trends in Europe in the late 1990s was presumably the result of its ability to identify a possible market opportunity and also its attempt to capitalize on its skills in developing kit-form products at reasonable prices to customers.
Section reference: Environmental scanning and analysis
d. it did a detailed audit.
Feedback: IKEA's experiment with housing trends in Europe in the late 1990s was presumably the result of its ability to identify a possible market opportunity and also its attempt to capitalize on its skills in developing kit-form products at reasonable prices to customers.
Section reference: Environmental scanning and analysis

Type: multiple choice question
Title: Chapter 02 Question 09
9) Scenario analysis provides
a. a way to analyse past transactions.
Feedback: Scenario analysis provides a conceptual framework by which organizations can understand the external environment as it unfolds, accept the uncertainty as given, and use it to provide a description of two or more future scenarios.
Section reference: Environmental uncertainty and scenario analysis
b. a way to analyse customers' requirements.
Feedback: Scenario analysis provides a conceptual framework by which organizations can understand the external environment as it unfolds, accept the uncertainty as given, and use it to provide a description of two or more future scenarios.
Section reference: Environmental uncertainty and scenario analysis
*__c.__ alternative ways for investing in information to reduce environmental uncertainty.
Feedback: Scenario analysis provides a conceptual framework by which organizations can understand the external environment as it unfolds, accept the uncertainty as given, and use it to provide a description of two or more future scenarios.
Section reference: Environmental uncertainty and scenario analysis
d. a way to analyse competitors.
Feedback: Scenario analysis provides a conceptual framework by which organizations can understand the external environment as it unfolds, accept the uncertainty as given, and use it to provide a description of two or more future scenarios.
Section reference: Environmental uncertainty and scenario analysis

Type: multiple choice question

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Title: Chapter 02 Question 10
10) Scenario analysis helps managers to build
a. a financial information system.
Feedback: Scenario analysis helps managers to build a strategic monitoring system that enables the organization to formulate robust defensive strategies in times of uncertainty.
Section reference: Environmental uncertainty and scenario analysis
b. a production-based technology system.
Feedback: Scenario analysis helps managers to build a strategic monitoring system that enables the organization to formulate robust defensive strategies in times of uncertainty.
Section reference: Environmental uncertainty and scenario analysis
***c.** a strategic monitoring system that enables the organization to formulate robust defensive strategies in times of uncertainty.
Feedback: Scenario analysis helps managers to build a strategic monitoring system that enables the organization to formulate robust defensive strategies in times of uncertainty.
Section reference: Environmental uncertainty and scenario analysis
d. a human resources monitoring system.
Feedback: Scenario analysis helps managers to build a strategic monitoring system that enables the organization to formulate robust defensive strategies in times of uncertainty.
Section reference: Environmental uncertainty and scenario analysis

Type: multiple choice question
Title: Chapter 02 Question 11
11) The two types of scenario analysis and planning are
a. competitive scenarios and market scenarios.
Feedback: The two types of scenario analysis and planning are strategy-developing scenarios and decision-driven scenarios.
Section reference: Environmental uncertainty and scenario analysis
b. internal scenarios and external scenarios.
Feedback: The two types of scenario analysis and planning are strategy-developing scenarios and decision-driven scenarios.
Section reference: Environmental uncertainty and scenario analysis
***c.** strategy-developing scenarios and decision-driven scenarios.
Feedback: The two types of scenario analysis and planning are strategy-developing scenarios and decision-driven scenarios.
Section reference: Environmental uncertainty and scenario analysis
d. historical scenarios and present scenarios.
Feedback: The two types of scenario analysis and planning are strategy-developing scenarios and decision-driven scenarios.
Section reference: Environmental uncertainty and scenario analysis

Type: multiple choice question
Title: Chapter 02 Question 12
12) The 'micro' or competitive environment includes
a. political and economic factors.
Feedback: The 'micro' or competitive environment includes the forces or groups that directly affect, and are affected by, an organization's major operations.
Section reference: Strategic analysis of the micro (competitive) environment
b. technological and environmental factors.
Feedback: The 'micro' or competitive environment includes the forces or groups that directly affect, and are affected by, an organization's major operations.
Section reference: Strategic analysis of the micro (competitive) environment
c. internal resources and capabilities.
Feedback: The 'micro' or competitive environment includes the forces or groups that directly affect, and are affected by, an organization's major operations.
Section reference: Strategic analysis of the micro (competitive) environment

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*__d.__ the forces or groups that directly affect, and are affected by, an organization's major operations.
Feedback: The 'micro' or competitive environment includes the forces or groups that directly affect, and are affected by, an organization's major operations.
Section reference: Strategic analysis of the micro (competitive) environment

Type: multiple choice question
Title: Chapter 02 Question 13
13) Which of the following is NOT one of the ways to define an industry?
a. A group of firms producing similar products
Feedback: An industry can be defined in terms of four levels of competition (Kotler and Keller, 2012) based on brand competition, product competition, form competition, generic competition.
Section reference: Strategic analysis of the micro (competitive) environment
b. A group of competitors producing products that compete with each other
Feedback: An industry can be defined in terms of four levels of competition (Kotler and Keller, 2012) based on brand competition, product competition, form competition, generic competition.
Section reference: Strategic analysis of the micro (competitive) environment
c. A group of companies that satisfy varying needs of customers
Feedback: An industry can be defined in terms of four levels of competition (Kotler and Keller, 2012) based on brand competition, product competition, form competition, generic competition.
Section reference: Strategic analysis of the micro (competitive) environment
*__d.__ A club of like-minded entrepreneurs
Feedback: An industry can be defined in terms of four levels of competition (Kotler and Keller, 2012) based on brand competition, product competition, form competition, generic competition.
Section reference: Strategic analysis of the micro (competitive) environment

Type: multiple choice question
Title: Chapter 02 Question 14
14) What are the forces of Porter's five forces model?
a. Threat of potential entrants, bargaining power of sellers, bargaining power of suppliers, threat of substitutes, competitive rivalry
Feedback: Threat of potential entrants, bargaining power of buyers, bargaining power of suppliers, threat of substitutes, competitive rivalry
Section reference: Strategic analysis of the micro (competitive) environment
b. Threat of potential entrants, bargaining power of buyers, bargaining power of suppliers, threat of subsidiaries, competitive rivalry
Feedback: Threat of potential entrants, bargaining power of buyers, bargaining power of suppliers, threat of substitutes, competitive rivalry
Section reference: Strategic analysis of the micro (competitive) environment
c. Threat of potential entrants, bargaining power of buyers, bargaining power of suppliers, threat of substitutes, competitive fraternity
Feedback: Threat of potential entrants, bargaining power of buyers, bargaining power of suppliers, threat of substitutes, competitive rivalry
Section reference: Strategic analysis of the micro (competitive) environment
*__d.__ Threat of potential entrants, bargaining power of buyers, bargaining power of suppliers, threat of substitutes, competitive rivalry
Feedback: Threat of potential entrants, bargaining power of buyers, bargaining power of suppliers, threat of substitutes, competitive rivalry
Section reference: Strategic analysis of the micro (competitive) environment

Type: multiple choice question
Title: Chapter 02 Question 15
15) Which of the following is NOT true of the Porter's five forces model?
a. The collective strength of these forces determines the ultimate profit potential in the industry and the firms' ability to earn rates of ROI in excess of cost of capital.

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Feedback: In Porter's view, the state of competition in an industry depends on five competitive forces; the collective strength of these forces determining the ultimate profit potential of the industry and the ability of firms in an industry to earn rates of return on investment in excess of the cost of capital.
Section reference: Strategic analysis of the micro (competitive) environment
b. The stronger the force is, the more limited the companies are in raising prices and earning greater profits.
Feedback: In Porter's view, the state of competition in an industry depends on five competitive forces; the collective strength of these forces determining the ultimate profit potential of the industry and the ability of firms in an industry to earn rates of return on investment in excess of the cost of capital.
Section reference: Strategic analysis of the micro (competitive) environment
c. A strong force may be regarded as a threat as it reduces the company's bargaining power and is likely to affect profit.

Feedback: In Porter's view, the state of competition in an industry depends on five competitive forces; the collective strength of these forces determining the ultimate profit potential of the industry and the ability of firms in an industry to earn rates of return on investment in excess of the cost of capital.
Section reference: Strategic analysis of the micro (competitive) environment
*__d.__ All of the options given are correct.
Feedback: In Porter's view, the state of competition in an industry depends on five competitive forces; the collective strength of these forces determining the ultimate profit potential of the industry and the ability of firms in an industry to earn rates of return on investment in excess of the cost of capital.
Section reference: Strategic analysis of the micro (competitive) environment

Type: multiple choice question
Title: Chapter 02 Question 16
16) What is NOT a critique of Porter's five forces?
a. That Porter's list is not an exhaustive one.
Feedback: Although widely used, Porter's five forces model has been subject to several criticisms, the principal one being of Porter's methodology in that many of his points do not appear to be justified.
Section reference: Strategic analysis of the micro (competitive) environment
b. That there could be a sixth force.
Feedback: Although widely used, Porter's five forces model has been subject to several criticisms, the principal one being of Porter's methodology in that many of his points do not appear to be justified.
Section reference: Strategic analysis of the micro (competitive) environment
c. That Porter gives no indication of how to operationalize any analysis.
Feedback: Although widely used, Porter's five forces model has been subject to several criticisms, the principal one being of Porter's methodology in that many of his points do not appear to be justified.
Section reference: Strategic analysis of the micro (competitive) environment
*__d.__ All the options given are correct.
Feedback: Although widely used, Porter's five forces model has been subject to several criticisms, the principal one being of Porter's methodology in that many of his points do not appear to be justified.
Section reference: Strategic analysis of the micro (competitive) environment

Type: multiple choice question
Title: Chapter 02 Question 17
17) A strategic group is
***a.** a group of firms pursuing the same or similar strategy with similar resources.

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Feedback: Strategic group is a group of firms pursuing the same or similar strategy with similar resources.
Section reference: Strategic analysis of the micro (competitive) environment
b. a group of firms pursuing the different strategy with similar resources.
Feedback: Strategic group is a group of firms pursuing the same or similar strategy with similar resources.
Section reference: Strategic analysis of the micro (competitive) environment
c. a group of firms pursuing the same strategy with different resources.
Feedback: Strategic group is a group of firms pursuing the same or similar strategy with similar resources.
Section reference: Strategic analysis of the micro (competitive) environment
d. a group of competitors that fight against each other.
Feedback: Strategic group is a group of firms pursuing the same or similar strategy with similar resources.
Section reference: Strategic analysis of the micro (competitive) environment

Type: multiple choice question
Title: Chapter 02 Question 18
18) What is 'benchmarking'?
a. It is an internal soul searching exercise.
Feedback: It is a continuous process of measuring products, services, and practices against those offered by leading competitors.
Section reference: Competitor analysis
b. It is a one-off analysis of competitors.
Feedback: It is a continuous process of measuring products, services, and practices against those offered by leading competitors.
Section reference: Competitor analysis
*__c.__ It is a continuous process of measuring products, services, and practices against those offered by leading competitors.
Feedback: It is a continuous process of measuring products, services, and practices against those offered by leading competitors.
Section reference: Competitor analysis
d. None of the options given are correct.
Feedback: It is a continuous process of measuring products, services, and practices against those offered by leading competitors.
Section reference: Competitor analysis

Type: multiple choice question
Title: Chapter 02 Question 19
19) Which of the following is NOT a common reaction profile of competitors?
a. Laid back competitors
Feedback: Common reaction profile of competitors are laid back competitors, selective competitor, tiger competitor, and stochastic competitor.
Section reference: Competitor analysis
b. Selective competitor
Feedback: Common reaction profile of competitors are laid back competitors, selective competitor, tiger competitor, and stochastic competitor.
Section reference: Competitor analysis
c. Tiger competitor
Feedback: Common reaction profile of competitors are laid back competitors, selective competitor, tiger competitor, and stochastic competitor.
Section reference: Competitor analysis
*__d.__ Innocent competitor
Feedback: Common reaction profile of competitors are laid back competitors, selective competitor, tiger competitor, and stochastic competitor.

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Section reference: Competitor analysis

Type: multiple choice question
Title: Chapter 02 Question 20
20) Calof and Wright (2008) stated that the objective of any competitive intelligence system is
***a.** to help organizations sustain and develop distinct competitive advantages by using the organization and its networks to develop actionable insights about the various components of the business environment.
Feedback: Calof and Wright (2008) stated that the objective of any competitive intelligence system is to help organizations sustain and develop distinct competitive advantages by using the organization and its networks to develop actionable insights about the various components of the business environment.
Section reference: Competitive intelligence
b. to spy on other competitors in the market.
Feedback: Calof and Wright (2008) stated that the objective of any competitive intelligence system is to help organizations sustain and develop distinct competitive advantages by using the organization and its networks to develop actionable insights about the various components of the business environment.
Section reference: Competitive intelligence
c. to collect data about consumers.
Feedback: Calof and Wright (2008) stated that the objective of any competitive intelligence system is to help organizations sustain and develop distinct competitive advantages by using the organization and its networks to develop actionable insights about the various components of the business environment.
Section reference: Competitive intelligence
d. to collect some government statistics about the market.
Feedback: Calof and Wright (2008) stated that the objective of any competitive intelligence system is to help organizations sustain and develop distinct competitive advantages by using the organization and its networks to develop actionable insights about the various components of the business environment.
Section reference: Competitive intelligence

Type: multiple choice question
Title: Chapter 02 Question 21
21) Some of the components of the resource-based approach to analysing the internal environment are
a. human resource only.
Feedback: Some of the components of the resource-based approach to analysing the internal environment are human resources, intangible resources, and physical resources.
Section reference: Strategic analysis of the internal environment
b. intangible resource only.
Feedback: Some of the components of the resource-based approach to analysing the internal environment are human resources, intangible resources, and physical resources.
Section reference: Strategic analysis of the internal environment
c. physical resource only.
Feedback: Some of the components of the resource-based approach to analysing the internal environment are human resources, intangible resources, and physical resources.
Section reference: Strategic analysis of the internal environment
***d.** All of the options given are correct.
Feedback: Some of the components of the resource-based approach to analysing the internal environment are human resources, intangible resources, and physical resources.
Section reference: Strategic analysis of the internal environment

Type: multiple choice question
Title: Chapter 02 Question 22

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22) What does the Porter's Value Chain Model help us to do?
a. Help analyse a firm's unique advantage
Feedback: The Porter's Value Chain Model helps us to analyse a firm's competitive advantage and its core competencies.
Section reference: Value chain approach to internal analysis
b. Help analyse a firm's selling points
Feedback: The Porter's Value Chain Model helps us to analyse a firm's competitive advantage and its core competencies.
Section reference: Value chain approach to internal analysis
***c.** Help analyse a firm's competitive advantage and its core competencies
Feedback: The Porter's Value Chain Model helps us to analyse a firm's competitive advantage and its core competencies.
Section reference: Value chain approach to internal analysis
d. Help analyse firm's marketing environment
Feedback: The Porter's Value Chain Model helps us to analyse a firm's competitive advantage and its core competencies.
Section reference: Value chain approach to internal analysis

Type: multiple choice question
Title: Chapter 02 Question 23
23) Using Porter's Value Chain analysis competitive advantage can arise from
a. providing buyer value similar to competitors.
Feedback: Competitive advantage can arise from either providing buyer value comparable to competitors but performing value chain activities more efficiently, or performing value chain activities in unique ways that create greater buyer value than competitors and hence command a premium price.
Section reference: Value chain approach to internal analysis
b. performing value chain activities in the same ways that create identical buyer value like competitors.
Feedback: Competitive advantage can arise from either providing buyer value comparable to competitors but performing value chain activities more efficiently, or performing value chain activities in unique ways that create greater buyer value than competitors and hence command a premium price.
Section reference: Value chain approach to internal analysis
c. differentiation-based advantage.
Feedback: Competitive advantage can arise from either providing buyer value comparable to competitors but performing value chain activities more efficiently, or performing value chain activities in unique ways that create greater buyer value than competitors and hence command a premium price.
Section reference: Value chain approach to internal analysis
***d.** providing buyer value comparable to competitors but performing value chain activities more efficiently, or performing value chain activities in unique ways that create greater buyer value than competitors and hence command a premium price.
Feedback: Competitive advantage can arise from either providing buyer value comparable to competitors but performing value chain activities more efficiently, or performing value chain activities in unique ways that create greater buyer value than competitors and hence command a premium price.
Section reference: Value chain approach to internal analysis

Type: multiple choice question
Title: Chapter 02 Question 24
24) Which of the following is NOT an example of primary activities in Porter's Value Chain analysis?
a. Inbound logistics

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Feedback: Firm infrastructure is not an example of primary activities in Porter's Value Chain analysis.
Section reference: Value chain approach to internal analysis
b. Operation
Feedback: Firm infrastructure is not an example of primary activities in Porter's Value Chain analysis.
Section reference: Value chain approach to internal analysis
c. Marketing and sales
Feedback: Firm infrastructure is not an example of primary activities in Porter's Value Chain analysis.
Section reference: Value chain approach to internal analysis
***d.** Firm infrastructure
Feedback: Firm infrastructure is not an example of primary activities in Porter's Value Chain analysis.
Section reference: Value chain approach to internal analysis

Type: multiple choice question
Title: Chapter 02 Question 25
25) Which of the following is NOT an example of support activities in Porter's Value Chain analysis?
a. Technology development
Feedback: Operation is not a support activity in Porter's Value Chain analysis.
Section reference: Value chain approach to internal analysis
b. Technology development
Feedback: Operation is not a support activity in Porter's Value Chain analysis.
Section reference: Value chain approach to internal analysis
***c.** Operation
Feedback: Operation is not a support activity in Porter's Value Chain analysis.
Section reference: Value chain approach to internal analysis
d. Firm infrastructure
Feedback: Operation is not a support activity in Porter's Value Chain analysis.
Section reference: Value chain approach to internal analysis

Type: multiple choice question
Title: Chapter 02 Question 26
26) What does the PIMS programme attempt to do?
a. Analyse the profitability of organizations
Feedback: The PIMS programme tries to discover empirical principles that determine which strategy variables, and under which conditions, produce what results in terms of return on investment (ROI) and cash flow.
Section reference: Performance analysis approach
b. Analyse how organizations react to environmental changes
Feedback: The PIMS programme tries to discover empirical principles that determine which strategy variables, and under which conditions, produce what results in terms of return on investment (ROI) and cash flow.
Section reference: Performance analysis approach
***c.** Discover empirical principles that determine which strategy variables, and under which conditions, produce what results in terms of return on investment (ROI) and cash flow
Feedback: The PIMS programme tries to discover empirical principles that determine which strategy variables, and under which conditions, produce what results in terms of return on investment (ROI) and cash flow.
Section reference: Performance analysis approach
d. Identify the highflyer organizations

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Feedback: The PIMS programme tries to discover empirical principles that determine which strategy variables, and under which conditions, produce what results in terms of return on investment (ROI) and cash flow.
Section reference: Performance analysis approach

Type: multiple choice question
Title: Chapter 02 Question 27
27) What is SWOT analysis used for?
a. Studying internal organizational capabilities
Feedback: SWOT analysis is used for integrating internal analysis and external analysis to get a strategic fit.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
b. Studying external challenges
Feedback: SWOT analysis is used for integrating internal analysis and external analysis to get a strategic fit.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
***c.** Integrating internal analysis and external analysis to get a strategic fit
Feedback: SWOT analysis is used for integrating internal analysis and external analysis to get a strategic fit.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
d. None of the options given are correct.
Feedback: SWOT analysis is used for integrating internal analysis and external analysis to get a strategic fit.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses

Type: multiple choice question
Title: Chapter 02 Question 28
28) What does SW stand for in SWOT?
a. Strong, Weak
Feedback: SW stands for strengths and weaknesses in SWOT.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
b. Straight, Weakness
Feedback: SW stands for strengths and weaknesses in SWOT.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
***c.** Strengths, Weaknesses
Feedback: SW stands for strengths and weaknesses in SWOT.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
d. None of the options given are correct.
Feedback: SW stands for strengths and weaknesses in SWOT.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses

Type: multiple choice question
Title: Chapter 02 Question 29
29) What does OT stand for in SWOT?
***a.** Opportunities, Threats
Feedback: OT stands for opportunities and threats in SWOT.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
b. Opportunism, Threat
Feedback: OT stands for opportunities and threats in SWOT.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
c. Opportunity, Treat
Feedback: OT stands for opportunities and threats in SWOT.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
d. None of the options given are correct.
Feedback: OT stands for opportunities and threats in SWOT.

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Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses

Type: multiple choice question
Title: Chapter 02 Question 30
30) What is the difference between SWOT analysis and the TOWS matrix?
a. SWOT is more effective than TOWS.
Feedback: Both use the same inputs, but TOWS integrates them more strategically.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
***b.** Both use the same inputs, but TOWS integrates them more strategically.
Feedback: Both use the same inputs, but TOWS integrates them more strategically.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
c. TOWS is more effective than SWOT.
Feedback: Both use the same inputs, but TOWS integrates them more strategically.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
d. TOWS focuses on action; SWOT does not.
Feedback: Both use the same inputs, but TOWS integrates them more strategically.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses

Type: multiple choice question
Title: Chapter 02 Question 31
31) In the SO quadrant of the SWOT/TOWS matrix what should the company do?
a. Develop strategies to overcome organizational weakness
Feedback: A company needs to develop strategy to leverage organizational strengths to maximize environmental opportunity in SO quadrant.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
b. Develop strategy to overcome organizational weakness in light of environmental threats
Feedback: A company needs to develop strategy to leverage organizational strengths to maximize environmental opportunity in SO quadrant.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
***c.** Develop strategy to leverage organizational strengths to maximize environmental opportunity
Feedback: A company needs to develop strategy to leverage organizational strengths to maximize environmental opportunity in SO quadrant.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
d. Develop strategy to leverage organizational strengths to maximize environmental threats
Feedback: A company needs to develop strategy to leverage organizational strengths to maximize environmental opportunity in SO quadrant.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses

Type: multiple choice question
Title: Chapter 02 Question 32
32) In the WT quadrant of the SWOT matrix what should the company do?
a. Develop strategies to overcome organizational weakness
Feedback: A company needs to Develop strategy to overcome organizational weakness in light of environmental threats in WT quadrant.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
***b.** Develop strategy to overcome organizational weakness in light of environmental threats
Feedback: A company needs to Develop strategy to overcome organizational weakness in light of environmental threats in WT quadrant.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
c. Develop strategy to leverage organizational strengths to maximize environmental opportunity
Feedback: A company needs to Develop strategy to overcome organizational weakness in light of environmental threats in WT quadrant.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
d. Develop strategy to leverage organizational strengths to maximize environmental threats

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Feedback: A company needs to Develop strategy to overcome organizational weakness in light of environmental threats in WT quadrant.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses

Type: multiple choice question
Title: Chapter 02 Question 33
33) The biggest criticism of the use of the SWOT analysis is the
a. typewriter approach.
Feedback: The biggest criticism of the use of the SWOT analysis is the balance sheet approach.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
b. trial balance approach.
Feedback: The biggest criticism of the use of the SWOT analysis is the balance sheet approach.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
c. fiscal approach.
Feedback: The biggest criticism of the use of the SWOT analysis is the balance sheet approach.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses
*__d.__ balance sheet approach.
Feedback: The biggest criticism of the use of the SWOT analysis is the balance sheet approach.
Section reference: 'Strategic fit'—the conclusion of external and internal strategic analyses

Type: multiple choice question
Title: Chapter 02 Question 34
34) Which of the following is Not an option in the functions of competitor intelligence system?
a. Summaries of the data
Feedback: The competitive intelligence system first identifies the vital types of competitive information and the best sources of this information. The system then continuously collects the data from the field. The information should be checked for validity and reliability before key information is communicated to relevant decision-makers.
Section reference: Competitive intelligence
b. Ranking the data by the reliability of the source
Feedback: The competitive intelligence system first identifies the vital types of competitive information and the best sources of this information. The system then continuously collects the data from the field. The information should be checked for validity and reliability before key information is communicated to relevant decision-makers.
Section reference: Competitive intelligence
*__c.__ Files on competitors
Feedback: The competitive intelligence system first identifies the vital types of competitive information and the best sources of this information. The system then continuously collects the data from the field. The information should be checked for validity and reliability before key information is communicated to relevant decision-makers.
Section reference: Competitive intelligence
d. Proforma financial statements on competitors under different scenarios
Feedback: The competitive intelligence system first identifies the vital types of competitive information and the best sources of this information. The system then continuously collects the data from the field. The information should be checked for validity and reliability before key information is communicated to relevant decision-makers.
Section reference: Competitive intelligence

Type: multiple choice question
Title: Chapter 02 Question 35
35) What does PIMS stand for?
a. Profit and Income for Markets Systems
Feedback: PIMS stands for Profit Impact of Market Strategy.
Section reference: Performance analysis approach
*__b.__ Profit Impact of Market Strategy

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Feedback: PIMS stands for Profit Impact of Market Strategy.
Section reference: Performance analysis approach
c. Profit Impact on Managerial Strategy
Feedback: PIMS stands for Profit Impact of Market Strategy.
Section reference: Performance analysis approach
d. Profit and Income of Market Strategy
Feedback: PIMS stands for Profit Impact of Market Strategy.
Section reference: Performance analysis approach

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