



## Global Strategy And Leadership – Module 1 Quiz

*Here are some easy questions just to test you have understood the main points within this module.*

### Questions

#### Question 1

According to Porter (1980) there are two overall strategic approaches. One is to differentiate the product. Which of the following best describes Porter's (1980) other strategic approach?

- A Target a niche market.
- B Be a low cost producer.
- C Increase market penetration.
- D Focus on new product development.

#### Question 2

In Henry Mintzberg's *The Rise and Fall of Strategic Planning*, which of the following is his main criticism of Porter's analysis of strategy?

- A Porter's low cost producer strategy must be a possible option.
- B Porter's approach to strategy is too deliberate and rigid.
- C Differentiating products is a position that organisations cannot take.
- D A flexible approach to strategy will likely fail in a volatile market.

#### Question 3

Which of the following is the best description of operational effectiveness?

- A Doing activities that differ from competitors.
- B Delivering more activities for extended periods of time.
- C Performing similar activities better than rivals perform them.
- D Transforming activities that differ from rivals or are delivered in a different way.



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### Question 4

Which of the following type of concept is the productivity frontier?

- A political.
- B economic.
- C operational.
- D technological.

### Question 5

Which of the following statements about globalisation best describes the increasing complexity in strategy?

- A increased access to cheap labour.
- B increase in currency exchange trading.
- C reduction in the number of large multinational corporations.
- D increased opportunities to trade with ease in new markets.

### Question 6

Which of the following options correctly lists the order of steps in the strategic planning process?

Item I Where are we going by when?

Item II Where are we today?

Item III How do we implement the strategy?

Item IV How are we going to get there?

- A I, II, III, IV
- B II, I, IV, III
- C II, IV, I, III
- D IV, II, I III



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### Question 7

Which step in the strategic planning process is to 'Develop an overarching vision and supporting mission to drive the strategic direction of the organisation?'

- A Where are we today?
- B Where are we going by when?
- C How are we going to get there?
- D How do we implement the strategy?

### Question 8

Which of the following best describes the difference between management and leadership?

- A Managers get others to do and leaders get others to want to do.
- B Leaders run a company and managers implement their strategic plans.
- C Leaders have charisma and vision and managers have attention to detail.
- D Managers develop strategy and leaders communicate and sell that to others.

### Question 9

Which of the following best describes the classical view of ethics?

- A Leaders and managers should display ethical behaviour in their roles.
- B Companies should only pursue profit maximisation through open competition.
- C Companies should ensure shareholders returns are always greater than all other stakeholders.
- D Leaders should ensure their company complies with the law and the morality of society.

### Question 10

Which of the following approaches to strategy is most likely to be followed by a newly established company operating in a complex and ambiguous environment?

- A rational.
- B systemic.
- C processual.
- D evolutionary.



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### Solutions

**Question 1:** Correct answer is B

Explanation

- Option A This is incorrect because it is describing another position inside the organisation's industry and not a characteristic of the industry.
- Option B This is correct because it is describing the option that is a characteristic of an industry which is the other factor in Porter's proposed theory.
- Option C This is incorrect because it is part of Ansoff's product matrix and is not related to Porter.
- Option D This is incorrect because new product development is neither a characteristic of an industry nor a strategic position inside an industry.

**Question 2:** Correct answer is B

Explanation

- Option A This is incorrect because it is describing one of Porter's two options and thus Mintzberg is agreeing with Porter.
- Option B This is correct because Mintzberg believed that strategy must be flexible and every changing and not deliberate and rigid.
- Option C This is incorrect because differentiating products or services in a unique way is one of Porter's two options so Mintzberg is agreeing with Porter.
- Option D This is incorrect because a flexible strategy is Mintzberg's view and not Porter's.

**Question 3:** Correct answer is C

Explanation

- Option A This is incorrect because it is describing an aspect of true competitive strategy.
- Option B This is incorrect because history tells us that delivering more activities alone is not operationally effective for companies.
- Option C This is correct because this is describing how a company can run better operations than competitors and therefore be more effective.
- Option D This is incorrect because this is a description of true competitive strategy.



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**Question 4:** Correct answer is B

Explanation

Option A This is incorrect because it has nothing to do with external political factors.

Option B This is correct because it is describing a company's position in the market.

Option C This is incorrect because operational effectiveness is only one axis of the frontier.

Option D This is incorrect because the productivity aspect is not related to technology alone.

**Question 5:** Correct answer is D

Explanation

Option A This is incorrect because access to cheap labour has been always available and is not a direct result of globalisation.

Option B This is incorrect because although increasing currency trading might be part of globalisation it does not influence the complexity of strategy.

Option C This is incorrect because globalisation has seen an increase and not decrease in the number of large multi-national companies.

Option D This is correct because new trading markets are a direct result of globalisation and also require organisations to develop more complex strategies to operate in those new markets.

**Question 6:** Correct answer is B

Explanation

Option A This is incorrect because before you can articulate your new vision or mission you need to know where you are today.

Option B This is correct because you assess today, set your goals, articulate your strategy to reach those goals, and implement the plan.

Option C This is incorrect because before articulating the strategy you need to know what your strategic goals is.

Option D This is incorrect because before you can decide on the strategic direction you need to know where you are today.



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**Question 7:** Correct answer is B

Explanation

- Option A This is incorrect because you need to have already completed the first step of where you are today.
- Option B This is correct because you develop the vision and mission when deciding on where the company is going and by when.
- Option C This is incorrect because you should already have a vision and mission before you start developing your roadmap and projects.
- Option D This is incorrect because it is too late to be developing a vision and mission if you are at the final step of implementation.

**Question 8:** Correct answer is A

Explanation

- Option A This is correct because managers have direct sub-ordinates whereas leaders rely on convincing others above or below them to follow a path.
- Option B This is incorrect because leadership is not about running an operation and managers do more than just implement a plan.
- Option C This is incorrect because these two statements generalise the characteristic too much. Not all leaders may have charisma nor all good managers have attention to detail.
- Option D This is incorrect because strategy is not necessarily developed and communicated by a specific position category in each organisation.

**Question 9:** Correct answer is B

Explanation

- Option A This is incorrect because the pursuit of profits means that leaders and managers have no need to focus on social responsibility or morality.
- Option B This is correct because companies' primary role is to return value to shareholders and the best way to do this is through increasing profits.
- Option C This is incorrect because giving more value to one stakeholder over another is not an ethical issue.
- Option D This is incorrect because leaders aiming to increase profits only would not focus on compliance or morality.



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**Question 10:** Correct answer is C

Explanation

- Option A This is incorrect because a rational approach is likely to be explicit and deliberate in a known environment.
- Option B This is incorrect because this focus on social and cultural processes are more likely to relate to an established company than a new one.
- Option C This is correct because new companies work in imperfect and vague environments where their strategy will likely be continually changing.
- Option D This is incorrect because market forces alone do not drive the strategy of a new business.