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 Minzberg’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 subordinates 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.