Test Bank for Business Driven Technology 8th Baltzan

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***Business Driven Technology, 8e* (Baltzan)**
Chapter 2 Identifying Competitive Advantages

1) A leadership plan that achieves a specific set of goals or objectives is a business strategy.

Answer: TRUE
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

2) When a company is the first to market with a competitive advantage, it gains a particular benefit known as competitive intelligence.

Answer: FALSE
Explanation: When a company is the first to market with a competitive advantage, it gains a particular benefit known as a first-mover advantage.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

3) To combat business challenges, leaders communicate and execute business strategies (from the Greek word *stratus* for army and *ago* for leading).

Answer: TRUE
Difficulty: 2 Medium
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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4) Businesses rarely need to update business strategies as the business environment remains relatively stable.

Answer: FALSE
Explanation: Businesses constantly need to update business strategies as the business environment rapidly changes.
Difficulty: 2 Medium
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

5) Increasing sales, decreasing costs, entering new markets, or developing new products or services are all examples of successful business strategies.

Answer: TRUE
Difficulty: 2 Medium
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

6) Increasing costs and decreasing sales are examples of business strategies.

Answer: FALSE
Explanation: Decreasing costs and increasing sales are examples of business strategies.
Difficulty: 2 Medium
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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7) A first-mover advantage is the process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed.

Answer: FALSE
Explanation: Competitive intelligence is the process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

8) FedEx created a first-mover advantage by developing its customer self-service software, which allows people to request parcel pickups, print mailing slips, and track parcels online.

Answer: TRUE
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

9) A SWOT analysis will evaluate potential internal strengths, internal weaknesses, and external opportunities.

Answer: TRUE
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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10) A SWOT analysis evaluates an organization's strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.

Answer: TRUE
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

11) A SWOT analysis evaluates an organization's strengths, weaknesses, objectives, and threats.

Answer: FALSE
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

12) A SWOT analysis evaluates an organization's strengths, worries, opportunities, and technologies to identify significant influences that work for or against business strategies.

Answer: FALSE
Explanation: A SWOT analysis evaluates an organization's strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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13) In a SWOT analysis, strengths and weaknesses originate inside an organization, or internally. Opportunities and threats originate outside an organization, or externally, and cannot always be anticipated or controlled.

Answer: TRUE
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

14) In a SWOT analysis, potential internal strengths are helpful when they identify all key strengths associated with the competitive advantage, including cost advantages, new and/or innovative services, special expertise and/or experience, proven market leader, and improved marketing campaigns.

Answer: TRUE
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

15) In a SWOT analysis, potential internal weaknesses are harmful when they identify all key areas that require improvement. Weaknesses focus on the absence of certain strengths, including absence of an Internet marketing plan, damaged reputation, problem areas for service, outdated technology, and employee issues.

Answer: TRUE
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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16) In a SWOT analysis, potential external opportunities are helpful when they identify all significant trends along with how the organization can benefit from each, including new markets, additional customer groups, legal changes, innovative technologies, population changes, and competitor issues.

Answer: TRUE
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

17) In a SWOT analysis, potential external threats are harmful when they identify all threats or risks detrimental to your organization, including new market entrants, substitute products, employee turnover, differentiating products, shrinking markets, adverse changes in regulations, and economic shifts.

Answer: TRUE
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

18) Competitive advantages provide the same product or service either at a lower price or with additional value that can fetch premium prices.

Answer: TRUE
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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19) Mark Peterson identified the Porter's Five Forces Model which analyzes the competitive forces within a business environment.

Answer: FALSE
Explanation: Michael Porter identified the Porter's Five Forces Model which analyzes the competitive forces within a business environment.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

20) Porter's Five Forces Model outlines the process for a sales strategy.

Answer: FALSE
Explanation: Porter's Five Forces Model analyzes the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

21) With the Five Forces Model, companies should watch the forces in the market. If the forces are strong, competition generally increases, and if the forces are weak, competition typically decreases.

Answer: TRUE
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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22) There are many challenges to changing doctors, including transferring medical records and losing the doctor–patient relationship along with the doctor's knowledge of the patient's history. Changing doctors provides a great example of switching costs.

Answer: TRUE
Explanation: Switching costs are costs that make customers reluctant to switch to another product or service. Switching costs include financial as well as intangible values.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

23) Supplier power is one of Porter's five forces and it measures the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services).

Answer: TRUE
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

24) Polaroid had a unique competitive advantage for many years until it forgot to observe competitive intelligence. The firm went bankrupt when people began taking digital pictures. Polaroid provides a great example of Porter's supplier power.

Answer: FALSE
Explanation: This is an example of Porter's threat of substitute products or services.
Difficulty: 3 Hard
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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25) Product differentiation occurs when a company develops unique differences in its products or services with the intent to influence demand.

Answer: TRUE
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

26) Buyer power is the ability of buyers to affect the price they must pay for an item.

Answer: TRUE
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

27) Rivalry among existing competitors refers to the ability of buyers to affect the price they must pay for an item.

Answer: FALSE
Explanation: Buyer power is the ability of buyers to affect the price they must pay for an item.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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28) The threat of substitute products or services refers to the power of customers to purchase alternatives.

Answer: TRUE
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

29) The threat of substitute products or services refers to the power of competitors to enter a new market.

Answer: FALSE
Explanation: The threat of substitute products or services refers to the power of customers to purchase alternatives.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

30) Tiffany & Company competes in the marketplace by offering high-cost custom jewelry. Tiffany & Company is following a broad market and cost leadership strategy.

Answer: FALSE
Explanation: Tiffany & Company is following a focused market with high cost differentiation strategy.
Difficulty: 3 Hard
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

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31) Porter has identified three generic business strategies including focused, broad cost leadership, and switching strategy.

Answer: FALSE
Explanation: Porter has identified three generic business strategies: (1) broad cost leadership, (2) broad differentiation, and (3) focused strategy.
Difficulty: 1 Easy
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

32) According to Porter's three generic strategies, Walmart is following a business strategy that focuses on broad market and low cost.

Answer: TRUE
Explanation: An example of a business that uses the business strategy "broad market and low cost" is Walmart.
Difficulty: 2 Medium
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

33) According to Porter it is recommended to adopt only one of the three generic strategies.

Answer: TRUE
Difficulty: 2 Medium
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

34) Buyer power is included as one of Porter's three generic strategies.

Answer: FALSE
Explanation: Buyer power is included as one of Porter's five forces.
Difficulty: 2 Medium
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

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35) Value chain analysis views a firm as a series of business processes that each adds value to the product or service.

Answer: TRUE
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

36) A standardized set of activities that accomplishes a specific task is called a supply chain component.

Answer: FALSE
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

37) The value chain will group a company's activities into two categories: primary value activities and support value activities.

Answer: TRUE
Difficulty: 2 Medium
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

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38) A business process is a standardized set of activities that accomplishes a specific task, such as processing a customer's order.

Answer: TRUE
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

39) Primary value activities are standardized activities that accomplish a specific task, such as processing a customer's order.

Answer: FALSE
Explanation: A business process is a standardized set of activities that accomplishes a specific task, such as processing a customer's order.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

40) Inbound logistics and operations are part of the primary value activities.

Answer: TRUE
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

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41) Inbound logistics and operations are part of the support value activities.

Answer: FALSE
Explanation: Inbound logistics and operations are part of the primary value activities.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

42) Firm infrastructure and human resource management are part of the primary value activities.

Answer: FALSE
Explanation: Firm infrastructure and human resource management are part of the support value activities.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

43) Firm infrastructure and human resource management are part of the support value activities.

Answer: TRUE
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

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44) Feedback is information that returns to its original transmitter and modifies the transmitter's actions. What would the original transmitter include?
A) Input, Transform, Output.
B) Input, Transform, Outnumber.
C) Output, Input, Performer.
D) Input, Process, Transform.

Answer: A
Explanation: Feedback is information that returns to its original transmitter and modifies the transmitter's actions. The original transmitter includes input – transform – output.
Difficulty: 2 Medium
Topic: The Challenge and MIS Solution
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

45) MIS is a business function. Which of the following does MIS perform to help aid the company in decision making and problem solving?
A) Moves information about people.
B) Moves processes across the company to improve systems.
C) Moves information about products.
D) All of the choices are correct.

Answer: D
Explanation: MIS is a business function, which moves information about people, products, and processes across the company to facilitate decision making and problem solving.
Difficulty: 1 Easy
Topic: The Challenge and MIS Solution
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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46) In terms of system thinking, what is data entered in a computer?
A) Input
B) Output
C) Process
D) Feedback

Answer: A
Explanation: Input is data entered in a computer.
Difficulty: 1 Easy
Topic: The Challenge and MIS Solution
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

47) In terms of system thinking, what controls to ensure correct processes?
A) Input
B) Output
C) Process
D) Feedback

Answer: D
Explanation: Feedback is the controls that ensures correct processing.
Difficulty: 1 Easy
Topic: The Challenge and MIS Solution
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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48) In terms of system thinking, what is the resulting information from the computer program?
A) Input
B) Output
C) Process
D) Feedback

Answer: B
Explanation: Output is the resulting information from the computer program.
Difficulty: 1 Easy
Topic: The Challenge and MIS Solution
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

49) In terms of system thinking, what is the computer program that processes the data?
A) Input
B) Output
C) Process
D) Feedback

Answer: C
Explanation: Process is the computer program that processes the data.
Difficulty: 1 Easy
Topic: The Challenge and MIS Solution
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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50) In terms of system thinking, what is input?
A) Data entered in a computer
B) Controls to ensure correct processes
C) The resulting information from the computer program
D) The computer program that processes the data

Answer: A
Explanation: Input is data entered in a computer.
Difficulty: 1 Easy
Topic: The Challenge and MIS Solution
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

51) In terms of system thinking, what is output?
A) Data entered in a computer
B) Controls to ensure correct processes
C) The resulting information from the computer program
D) The computer program that processes the data

Answer: C
Explanation: Output is the resulting information from the computer program.
Difficulty: 1 Easy
Topic: The Challenge and MIS Solution
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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52) In terms of system thinking, what is feedback?
A) Data entered in a computer
B) Controls to ensure correct processes
C) The resulting information from the computer program
D) The computer program that processes the data

Answer: B
Explanation: Feedback is controls to ensure correct processes.
Difficulty: 1 Easy
Topic: The Challenge and MIS Solution
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

53) In terms of system thinking, what is process?
A) Data entered in a computer
B) Controls to ensure correct processes
C) The resulting information from the computer program
D) The computer program that processes the data

Answer: D
Explanation: Process is the computer program that processes the data
Difficulty: 1 Easy
Topic: The Challenge and MIS Solution
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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54) A system is a collection of parts that link to achieve a common purpose. Systems thinking is a way of monitoring _____.
A) The entire system.
B) A division within the sales role.
C) The executive team.
D) The company's competitors.

Answer: A
Explanation: A system is a collection of parts that link to achieve a common purpose, where systems thinking is a way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on each part.
Difficulty: 2 Medium
Topic: The Challenge and MIS Solution
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

55) MIS can be an important enabler of business success and innovation. Which of the below statements is accurate when referring to MIS?
A) MIS equals business success and innovation.
B) MIS represents business success and innovation.
C) MIS is not a valuable tool that leverages talent.
D) MIS is a valuable tool that can leverage the talents of people who know how to use and manage it effectively.

Answer: D
Explanation: MIS does not mean that equal, or represent business success and innovation. It is a valuable tool that can leverage the talents of people who know how to use and manage it effectively.
Difficulty: 2 Medium
Topic: The Challenge and MIS Solution
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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56) What is a way of monitoring the entire system in a company, by viewing the multiple inputs being processed to produce outputs?
A) Feedback thinking.
B) Systems thinking.
C) Output management.
D) Operational thinking.

Answer: B
Explanation: Systems thinking is a way of monitoring the entire system by viewing multiple inputs being processed or transformed to produce outputs while continuously gathering feedback on each part.
Difficulty: 1 Easy
Topic: The Challenge and MIS Solution
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

57) Which of the following statements is true?
A) MIS equals business success.
B) MIS equals business innovation.
C) MIS represents business success and innovation.
D) MIS enables business success and innovation.

Answer: D
Explanation: MIS is an important enabler of business success and innovation.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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58) What is the name of a company's internal computer department?
A) Management information systems (MIS)
B) Information systems (IS)
C) Information technology (IT)
D) All of the choices are correct

Answer: D
Explanation: Typical organizations have an internal MIS department often called Information Technology (IT), Information Systems (IS), or Management Information Systems (MIS).
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

59) What are material items or products that customers will buy to satisfy a want or need?
A) Goods
B) Services
C) Production
D) Productivity

Answer: A
Explanation: Goods are material items or products that customers will buy to satisfy a want or need.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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60) What are tasks performed by people that customers will buy to satisfy a want or need?
A) Goods
B) Services
C) Production
D) Productivity

Answer: A
Explanation: Services are tasks performed by people that customers will buy to satisfy a want or need.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

61) What is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services?
A) Goods
B) Services
C) Production
D) Productivity

Answer: C
Explanation: Production is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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62) What is the rate at which goods and services are produced based upon total output given total inputs?
A) Goods
B) Services
C) Production
D) Productivity

Answer: D
Explanation: Productivity is the rate at which goods and services are produced based upon total output given total inputs.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

63) What are goods?
A) Material items or products that customers will buy to satisfy a want or need
B) Tasks performed by people that customers will buy to satisfy a want or need
C) The process where a business takes raw materials and processes them or converts them into a finished product for its goods or services
D) The rate at which goods and services are produced based upon total output given total inputs

Answer: A
Explanation: Goods are material items or products that customers will buy to satisfy a want or need.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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64) What are services?
A) Material items or products that customers will buy to satisfy a want or need
B) Tasks performed by people that customers will buy to satisfy a want or need
C) The process where a business takes raw materials and processes them or converts them into a finished product for its goods or services
D) The rate at which goods and services are produced based upon total output given total inputs

Answer: B
Explanation: Services are tasks performed by people that customers will buy to satisfy a want or need.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

65) What is production?
A) Material items or products that customers will buy to satisfy a want or need
B) Tasks performed by people that customers will buy to satisfy a want or need
C) The process where a business takes raw materials and processes them or converts them into a finished product for its goods or services
D) The rate at which goods and services are produced based upon total output given total inputs

Answer: C
Explanation: Production is the process where a business takes raw materials and processes them or converts them into a finished product for its goods or services.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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66) What is productivity?
A) Material items or products that customers will buy to satisfy a want or need
B) Tasks performed by people that customers will buy to satisfy a want or need
C) The process where a business takes raw materials and processes them or converts them into a finished product for its goods or services
D) The rate at which goods and services are produced based upon total output given total inputs

Answer: D
Explanation: Productivity is the rate at which goods and services are produced based upon total output given total inputs.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

67) Cars, groceries, and clothing belong in which category?
A) Goods
B) Services
C) Production
D) Productivity

Answer: A
Explanation: Cars, groceries, and clothing belong in the goods category.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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68) Teaching, waiting tables, and cutting hair belong in which category?
A) Goods
B) Services
C) Production
D) Productivity

Answer: B
Explanation: Teaching, waiting tables, and cutting hair belong in the services category.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

69) Which of the following is considered a good?
A) Cars
B) Groceries
C) Clothing
D) All of the choices are correct

Answer: D
Explanation: Cars, groceries, and clothing belong in the goods category.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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70) Which of the following is considered a service?
A) Teaching
B) Waiting tables
C) Cutting hair
D) All of the choices are correct

Answer: D
Explanation: Teaching, waiting tables, and cutting hair belong in the services category.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

71) Which of the following is considered a good?
A) Cars
B) Teaching
C) Waiting tables
D) All of the choices are correct

Answer: A
Explanation: Cars, groceries, and clothing belong in the goods category.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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72) Which of the following is considered a service?
A) Cars
B) Groceries
C) Cutting hair
D) All of the choices are correct

Answer: C
Explanation: Teaching, waiting tables, and cutting hair belong in the services category.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

73) Which of the following is considered a good?
A) Milk and eggs
B) Managing a team
C) Selling groceries
D) All of the choices are correct

Answer: A
Explanation: Milk and eggs are groceries. Cars, groceries, and clothing belong in the goods category.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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74) Which of the following is considered a service?
A) Selling groceries
B) Managing a team
C) Cutting hair
D) All of the choices are correct

Answer: D
Explanation: Selling groceries, managing a team, teaching, waiting tables, and cutting hair belong in the services category.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

75) The lettuce, tomatoes, patty, bun, and ketchup are included in which category of making a hamburger?
A) Input
B) Process
C) Output
D) All of the choices are correct

Answer: A
Explanation: Lettuce, tomatoes, patty, bun, and ketchup are all included in the input category of making a hamburger.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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76) Cooking a patty and putting the ingredients together are included in which category of making a hamburger?
A) Input
B) Process
C) Output
D) All of the choices are correct

Answer: B
Explanation: Cooking a patty and putting the ingredients together are all included in the process category of making a hamburger.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

77) The actual hamburger is included in which category of making a hamburger?
A) Input
B) Process
C) Output
D) All of the choices are correct

Answer: C
Explanation: The hamburger is the output in the process of making a hamburger.
Difficulty: 1 Easy
Topic: The Solution: MIS
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Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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78) Assume you are in the business of producing and selling hamburgers. If you could produce more hamburgers with the same input what would happen to your productivity and profits assuming the price of your hamburgers remains the same?
A) Increase in productivity, decrease in profits
B) Increase in productivity, increase in profits
C) Decrease in productivity, decrease in profits
D) Decrease in productivity, increase in profits

Answer: B
Explanation: If you could produce more hamburgers with the same input and the price of your hamburgers remains the same productivity would increase and profits would increase.
Difficulty: 3 Hard
Topic: The Solution: MIS
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

79) Assume you are in the business of producing and selling t-shirts. If you could produce more t-shirts with the same input what would happen to your productivity and profits assuming the price of your t-shirts remains the same?
A) Increase in productivity, decrease in profits
B) Increase in productivity, increase in profits
C) Decrease in productivity, decrease in profits
D) Decrease in productivity, increase in profits

Answer: B
Explanation: If you could produce more t-shirts with the same input and the price of your t-shirts remains the same productivity would increase and profits would increase.
Difficulty: 3 Hard
Topic: The Solution: MIS
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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80) Assume you are in the business of producing and selling cars. If you could produce more cars with the same input what would happen to your productivity and profits assuming the price of your cars remains the same?
A) Increase in productivity, decrease in profits
B) Increase in productivity, increase in profits
C) Decrease in productivity, decrease in profits
D) Decrease in productivity, increase in profits

Answer: B
Explanation: If you could produce more cars with the same input and the price of your cars remains the same productivity would increase and profits would increase.
Difficulty: 3 Hard
Topic: The Solution: MIS
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

81) Which four elements are included in systems thinking?
A) Output, Process, Feedback, and Accounting.
B) Process, Output, Operations, and Accounting.
C) Input, Process, Output, and Feedback.
D) Input, Output, Sales, and Feedback.

Answer: C
Explanation: The systems thinking process includes input, process, output, and feedback.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
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Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
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82) MIS is a business function, like accounting or sales, which moves information about people, products, and processes across the company to facilitate decision making and problem solving. What does MIS stand for?
A) Management Information Strategy.
B) Management Intelligence System.
C) Management Information System.
D) Management Information Strategist.

Answer: C
Explanation: Management Information System.
Difficulty: 1 Easy
Topic: The Solution: MIS
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

83) Shelby Black runs a very successful hair salon in downtown Los Angeles. One of Shelby's tasks is to input positive and negative customer reviews into her computer system. What type of information is Shelby gathering?
A) Feedback.
B) Processing.
C) Output management.
D) Sales processing.

Answer: A
Explanation: Feedback is information that returns to its original transmitter (input, transform, or output) and modifies the transmitter's actions.
Difficulty: 2 Medium
Topic: The Solution: MIS
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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84) Which of the following is not a typical way that a company would duplicate a competitive advantage?
A) Acquiring the new technology.
B) Copying the business operations.
C) Hiring away key employees.
D) Carrying large product inventories.

Answer: D
Explanation: Ways that companies duplicate competitive advantages include acquiring new technology, copying the business operations, and hiring away key employees.
Difficulty: 2 Medium
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

85) When a company is the first to market with a competitive advantage, this is called a first-mover advantage. All of the following companies were first-movers except _____.
A) FedEx - online self-service software.
B) Apple - iPad.
C) Apple - iPod.
D) Microsoft - Bing Search Engine.

Answer: D
Explanation: Fist-mover advantage is an advantage that occurs when a company can significantly increase its market share by being first with a competitive advantage. Google was first to market with search engine technology.
Difficulty: 3 Hard
Topic: Identifying Competitive Advantages
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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86) A first-mover advantage occurs when a company is the first to market with a competitive advantage. All of the following companies were first-movers except _____.
A) FedEx - online self-service software
B) Apple - iPad
C) Apple - iPod
D) Microsoft - Bing Search Engine

Answer: D
Explanation: First-mover advantage is an advantage that occurs when a company can significantly increase its market share by being first with a competitive advantage. Google was first to market with search engine technology.
Difficulty: 3 Hard
Topic: Identifying Competitive Advantages
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

87) A business strategy achieves a specific set of goals which include _____.
A) Developing new products or services; attracting new competition
B) Increasing costs; attracting new competition
C) Entering new markets; developing new products or services
D) All of these

Answer: C
Explanation: A business strategy is a leadership plan that achieves a specific set of goals or objectives such as developing new products or services, entering new markets, entering new markets, increasing sales, and decreasing costs.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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88) Which of the following is a tool a manager can use to analyze competitive intelligence and identify competitive advantages?
A) The three generic strategies.
B) The threat of substitute buyer power.
C) Differentiated costs.
D) Supplier loyalty.

Answer: A
Explanation: Managers utilize common tools to analyze competitive intelligence and develop competitive advantages including: (1) the five forces model, (2) the three generic strategies, (3) value chain analysis, and (4) SWOT analysis.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

89) Identifying competitive advantages can be difficult, which explains why most competitive advantages are typically
A) temporary.
B) satisfactory.
C) terminated.
D) unsuccessful.

Answer: A
Explanation: Competitive advantages are typically temporary.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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90) Updating business strategies is a continuous undertaking as internal and external environments _____.
A) Become less competitive
B) Remain stagnant
C) Rapidly change
D) Become more consistent

Answer: C
Explanation: Updating business strategies is a continuous undertaking as internal and external environments rapidly change.
Difficulty: 2 Medium
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

91) Which of the following represents a reason why competitive advantages are typically temporary?
A) The competitor will hire away your key employees.
B) The competitor quickly seeks ways to duplicate your business operations.
C) The competitor will purchase new technology.
D) All of these.

Answer: D
Explanation: Competitive advantages are typically temporary because competitors often quickly seek ways to duplicate them by acquiring new technology, copying the business operations, and hiring away key employees.
Difficulty: 2 Medium
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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92) What is a competitive advantage?
A) A product that an organization's customers place a lesser value on than similar offerings from a competitor.
B) A feature of a product or service on which customers place a lesser value than they do on similar offerings from a supplier.
C) A service that an organization's customers place a lesser value on than similar offerings from a supplier.
D) A feature of a product or service on which customers place a greater value than they do on similar offerings from competitors.

Answer: D
Explanation: This is the definition of competitive advantage.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

93) All of the following are common tools used in industry to analyze and develop competitive advantages, except _____.
A) Five Forces Model
B) Three Generic Strategies
C) Competitive analysis model
D) Value chain analysis

Answer: C
Explanation: A competitive analysis model is not discussed in this text.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
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Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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94) The process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed is the definition of _____.
A) Feedback
B) Information
C) Competitive intelligence
D) Data

Answer: C
Explanation: Competitive intelligence is the process of gathering information about the competitive environment, including competitors' plans, activities, and products, to improve a company's ability to succeed.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

95) What is a person or group that has an interest or concern in an organization?
A) Stakeholder
B) Business strategy
C) Supplier
D) Partner

Answer: A
Explanation: A stakeholder is a person or group that has an interest or concern in an organization.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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96) Which group of stakeholders' primary interests include reliable contracts, ethical materials handling, and responsible production?
A) Partners/Suppliers
B) Shareholders/Investors
C) Community
D) Government

Answer: A
Explanation: Partners/suppliers' primary interests are in reliable contracts, ethical materials handling, and responsible production.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

97) Which group of stakeholders' primary interests include adhering to regulations/laws, increasing employment, and ethical taxation reporting?
A) Partners/Suppliers
B) Shareholders/Investors
C) Community
D) Government

Answer: D
Explanation: Government primary interests include adherence to regulations/laws, increase in employment, and ethical taxation reporting.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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98) Which group of stakeholders' primary interests include maximizing profits, growing market share, and high return on investment?
A) Partners/Suppliers
B) Shareholders/Investors
C) Community
D) Government

Answer: B
Explanation: Shareholders/investors' primary interests include maximizing profits, growing market share, and receiving high return on investment.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

99) Which group of stakeholders' primary interests include exceptional customer service, high-quality products, and ethical dealings?
A) Partners/Suppliers
B) Shareholders/Investors
C) Community
D) Customers

Answer: D
Explanation: Customers' primary interests include exceptional customer service, high-quality products, and ethical dealings.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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100) Which group of stakeholders' primary interests include fair compensation, job security, and ethical conduct/treatment?
A) Employees
B) Shareholders/Investors
C) Community
D) Customers

Answer: A
Explanation: Employees' primary interests include fair compensation, job security, and ethical conduct/treatment.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

101) Which group of stakeholders' primary interests include professional associations, ethical recycling, and increasing employment?
A) Employees
B) Shareholders/Investors
C) Community
D) Customers

Answer: C
Explanation: Community primary interests include professional associations, ethical recycling, and increasing employment.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
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Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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102) A _____ features a product or service on which customers place a greater value than they do on similar offerings from competitors.
A) Competitive advantage
B) Competitor advantage
C) Power advantage
D) First mover advantage

Answer: A
Explanation: A competitive advantage features a product or service on which customers place a greater value than they do on similar offerings from competitors.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

103) Which of the following evaluates a project's position?
A) SWOT Analysis
B) The Five Forces Model
C) Value Chain Analysis
D) Three Generic Strategies

Answer: A
Explanation: A SWOT Analysis evaluates a project's position.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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Access Complete Test Bank for Business Driven Technology 8th Baltzan

104) What is a SWOT analysis?
A) Evaluation of an organization's strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.
B) Analysis of the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry.
C) View of a firm as a series of business processes, each of which adds value to the product or service.
D) Generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service.

Answer: A
Explanation: A SWOT analysis evaluates an organization's strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

105) What evaluates industry attractiveness?
A) SWOT Analysis
B) The Five Forces Model
C) Value Chain Analysis
D) Three Generic Strategies

Answer: B
Explanation: The five forces model evaluates industry attractiveness.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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Access Complete Test Bank for Business Driven Technology 8th Baltzan

106) What is Porter's Five Forces Model?
A) Evaluation of an organization's strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.
B) Analysis of the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry.
C) View of a firm as a series of business processes, each of which adds value to the product or service.
D) Generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service.

Answer: B
Explanation: The five forces model analyzes the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

107) Which business tool assists in executing business strategy?
A) SWOT Analysis
B) The Five Forces Model
C) Value Chain Analysis
D) Three Generic Strategies

Answer: C
Explanation: The value chain analysis executes business strategy.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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108) What is a value chain analysis?
A) Evaluation of an organization's strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies
B) Analysis of the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry
C) View of a firm as a series of business processes, each of which adds value to the product or service
D) Generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service

Answer: C
Explanation: Value chain analysis, which views a firm as a series of business processes, each of which adds value to the product or service.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

109) Which strategy below helps an organization choose its business focus?
A) SWOT Analysis
B) The Five Forces Model
C) Value Chain Analysis
D) Three Generic Strategies

Answer: D
Explanation: The three generic strategies chooses the business focus.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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110) What are Porter's three generic strategies?
A) Evaluation of an organization's strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies
B) Analysis of the competitive forces within the environment in which a company operates to assess the potential for profitability in an industry
C) View of a firm as a series of business processes, each of which adds value to the product or service
D) Generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service

Answer: D
Explanation: Porter's three generic strategies are generic business strategies that are neither organization nor industry specific and can be applied to any business, product, or service.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

111) What is included in a SWOT analysis?
A) Strengths, weaknesses, organizations, and technology.
B) Strengths, weaknesses, opportunities, and threats.
C) Success, willingness, opportunities, and technology.
D) Success, weaknesses, organizations, and threats.

Answer: B
Explanation: SWOT includes strengths, weaknesses, opportunities, and threats.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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112) Which of the following statements is correct when considering a SWOT analysis?
A) Strengths and weaknesses originate inside an organization.
B) Opportunities and threats originate inside an organization.
C) Strengths and threats originate inside an organization.
D) Opportunities and weaknesses organization outside an organization.

Answer: A
Explanation: Strengths and weaknesses originate inside an organization.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

113) Which of the following statements is correct when considering a SWOT analysis?
A) Strengths and weaknesses originate outside an organization.
B) Opportunities and threats originate outside an organization.
C) Strengths and threats originate inside an organization.
D) Opportunities and weaknesses organization outside an organization.

Answer: B
Explanation: Opportunities and threats originate outside an organization.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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114) Which of the following are included as potential internal strengths in a SWOT analysis that are helpful to an organization?
A) Core competencies, market leaders, cost advantages, excellent management.
B) Lack of strategic direction, obsolete technologies, lack of managerial talent, outdated product line.
C) Expanded product line, increase in demand, new markets, new regulations.
D) New entrants, substitute products, shrinking markets, costly regulatory requirements.

Answer: A
Explanation: Internal strengths include core competencies, market leaders, cost advantages, excellent management.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

115) Which of the following are included as potential internal weaknesses in a SWOT analysis that are harmful to an organization?
A) Core competencies, market leaders, cost advantages, excellent management.
B) Lack of strategic direction, obsolete technologies, lack of managerial talent, outdated product line.
C) Expanded product line, increase in demand, new markets, new regulations.
D) New entrants, substitute products, shrinking markets, costly regulatory requirements.

Answer: B
Explanation: Internal weaknesses that are harmful to an organization include lack of strategic direction, obsolete technologies, lack of managerial talent, and outdated product line.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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116) Which of the following are included as potential external opportunities in a SWOT analysis that are helpful to an organization?
A) Core competencies, market leaders, cost advantages, excellent management.
B) Lack of strategic direction, obsolete technologies, lack of managerial talent, outdated, product line.
C) Expanded product line, increase in demand, new markets, new regulations.
D) New entrants, substitute products, shrinking markets, costly regulatory requirements.

Answer: C
Explanation: Potential external opportunities that are helpful include expanded product line, increase in demand, new markets, new regulations.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

117) Which of the following are included as potential external weaknesses in a SWOT analysis that are harmful to an organization?
A) Core competencies, market leaders, cost advantages, excellent management.
B) Lack of strategic direction, obsolete technologies, lack of managerial talent, outdated, product line.
C) Expanded product line, increase in demand, new markets, new regulations.
D) New entrants, substitute products, shrinking markets, costly regulatory requirements.

Answer: D
Explanation: External weaknesses that are harmful to an organization include new entrants, substitute products, shrinking markets, costly regulatory, requirements.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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118) Where would you categorize strengths in a SWOT analysis?
A) Internal, helpful
B) Internal, harmful
C) External, helpful
D) External, harmful

Answer: A
Explanation: Strengths are internal and helpful.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

119) Where would you categorize weaknesses in a SWOT analysis?
A) Internal, helpful
B) Internal, harmful
C) External, helpful
D) External, harmful

Answer: B
Explanation: Weaknesses are internal and harmful.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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120) Where would you categorize opportunities in a SWOT analysis?
A) Internal, helpful
B) Internal, harmful
C) External, helpful
D) External, harmful

Answer: C
Explanation: Opportunities are external and helpful.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

121) Where would you categorize threats in a SWOT analysis?
A) Internal, helpful
B) Internal, harmful
C) External, helpful
D) External, harmful

Answer: D
Explanation: Threats are external and harmful.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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122) Which of the following describes a stakeholder?
A) A leadership plan that achieves a specific set of goals or objectives.
B) A feature of a product or service on which customers place a greater value.
C) A person or group that has an interest or concern in an organization.
D) Information about a competitive environment.

Answer: C
Explanation: A stakeholder is a person or group that has an interest or concern in an organization.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

123) There are many different stakeholders found in an organization. Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. Which of the following is a main concern for customers?
A) Exceptional customer service
B) Fair compensation
C) Professional associations
D) Reliable contracts

Answer: A
Explanation: Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. Customers of an organization are generally concerned with exceptional customer service, high-quality products, and ethical dealing.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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124) There are many different stakeholders found in an organization. Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. Which of the following is a main concern for employees?
A) Exceptional customer service
B) Fair compensation
C) Professional associations
D) Reliable contracts

Answer: B
Explanation: Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. Employees of an organization are generally concerned with fair compensation, job security, and ethical conduct/treatment.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

125) There are many different stakeholders found in an organization. Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. Which of the following is a main concern for the community?
A) Exceptional customer service
B) Fair compensation
C) Professional associations
D) Reliable contracts

Answer: C
Explanation: Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. The community around an organization is generally concerned with professional associations, ethical recycling, and increase in employment.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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Access Complete Test Bank for Business Driven Technology 8th Baltzan

126) There are many different stakeholders found in an organization. Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. Which of the following is a main concern for partners/suppliers?
A) Exceptional customer service
B) Fair compensation
C) Professional associations
D) Reliable contracts

Answer: D
Explanation: Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. Partners/suppliers of an organization are generally concerned with reliable contracts, ethical materials handling, and responsible production.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

127) There are many different stakeholders found in an organization. Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. Which of the following is a main concern for the government?
A) Maximize profits
B) Adhere to regulations/laws
C) Exceptional customer service
D) Reliable contracts

Answer: B
Explanation: Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. The government is generally concerned that organizations adhere to regulations/laws, increase employment, and ethically report taxation.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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128) There are many different stakeholders found in an organization. Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. Which of the following is a main concern for shareholders/investors?
A) Maximize profits
B) Adhere to regulations/laws
C) Exceptional customer service
D) Reliable contracts

Answer: A
Explanation: Stakeholders drive business strategies, and depending on the stakeholder's perspective, the business strategy can change. Shareholders/investors are generally concerned that organizations maximize profits, grow the market share, and have a high return on investment.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

129) There are many different stakeholders found in an organization with common business interests. Depending on the stakeholder's perspective, the business strategy can change. Which of the following is not a main concern for shareholders/investors?
A) Maximize profits
B) Grow market share
C) Job security
D) High return on investment

Answer: C
Explanation: Shareholders/investors are generally concerned that organizations maximize profits, grow the market share, and have a high return on investment. It is not uncommon to find stakeholders' business strategies have conflicting interests such as investors looking to increase profits by eliminating employee jobs.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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130) What does a SWOT analysis do?
A) Evaluates an organization's strengths, weaknesses, objectives, and threats
B) Evaluates an organization's strengths, weaknesses, opportunities, and threats
C) Evaluates an organization's supporters, weaknesses, opportunities, and technology
D) Evaluates an organization's systems, warehouses, outputs, and technology

Answer: B
Explanation: A SWOT analysis evaluates an organization's strengths, weaknesses, opportunities, and threats to identify significant influences that work for or against business strategies.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

131) In a SWOT analysis, strengths and weaknesses originate _____ an organization.
A) Outside (externally)
B) Inside (internally)
C) Both "Outside (externally) and Inside (internally)"
D) None of these

Answer: B
Explanation: Strengths and weaknesses originate inside an organization, or internally. Opportunities and threats originate outside an organization, or externally, and cannot always be anticipated or controlled.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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Access Complete Test Bank for Business Driven Technology 8th Baltzan

132) In a SWOT analysis, opportunities and threats originate _____ an organization.
A) Inside (internally)
B) Outside (externally)
C) Both "Inside (internally) and Outside (externally)"
D) None of these

Answer: B
Explanation: Strengths and weaknesses originate inside an organization, or internally. Opportunities and threats originate outside an organization, or externally, and cannot always be anticipated or controlled.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

133) In a SWOT analysis, which of the following could you discover as potential internal strengths (helpful)?
A) Cost advantages
B) Damaged reputation
C) New markets
D) Competitor issues

Answer: A
Explanation: Potential internal strengths (helpful) identify all key strengths associated with the competitive advantage, including cost advantages.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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134) In a SWOT analysis, which of the following could you discover as potential inner weaknesses (harmful)?
A) Cost advantages
B) Damaged reputation
C) New markets
D) Competitor issues

Answer: B
Explanation: Potential internal weaknesses (harmful) identify all key areas that require improvement, including a damaged reputation.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

135) In a SWOT analysis, which of the following could you discover as potential external opportunities (helpful)?
A) Cost advantages.
B) Damaged reputation.
C) New markets.
D) Improved marketing campaigns.

Answer: C
Explanation: Potential internal weaknesses (harmful) identify all significant trends along with how the organization can benefit from each, including new markets.
Difficulty: 1 Easy
Topic: Identify the Four Key Areas of SWOT
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

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136) Managers use four common tools to analyze competitive intelligence and develop competitive advantages. Which of the following is not one of these tools?
A) The three generic strategies
B) The Five Forces Model
C) First-mover advantage
D) SWOT analysis

Answer: C
Explanation: Managers use four common tools to analyze competitive intelligence and develop competitive advantages: SWOT Analysis, the Five Forces Model, the three generic strategies, and value chain analysis.
Difficulty: 1 Easy
Topic: Identifying Competitive Advantages
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

137) The Mifflin Cable store in Buffalo is currently offering a fabulous marketing strategy for potential new cable and Internet customers. Mifflin Cable offers new customers who purchase a cable and Internet package a DVR, modem, and all other necessary equipment with a two year contract. In terms of Porter's Five Forces what is Mifflin Cable attempting to achieve with this marketing strategy?
A) Increase buyer power
B) Increase substitute products
C) Decrease supplier power
D) Decrease buyer power

Answer: D
Explanation: Mifflin Cable is attempting to decrease buyer power by offering products at a lower price or competing on price.
Difficulty: 3 Hard
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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138) Kelly Howard works for Beulah's Boutiques selling high-end jeans and purses. Clothing Retail Services is the current market leader in Kelly's city. Kelly has recently been approached by Scott Jeans Co. with an opportunity to run its corporate nationwide marketing and sales division. Kelly decides to jump at the opportunity! Scott Jeans is attempting to gain a competitive _____ by stealing its competitor's key employees.
A) Power
B) Entry barrier
C) Advantage
D) Loyalty

Answer: C
Explanation: Ways that companies duplicate competitive advantages include acquiring the new technology, copying business processes, and hiring away employees.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: automatic

139) The banking industry has implemented several competitive advantages including ATM's, online bill pay services, and electronic statements. Of course, these competitive advantages were quickly duplicated by any competitor that wanted to remain in the banking industry. These were all examples of _____ competitive advantages.
A) Acquiring new technology products and services
B) Hiring new employees
C) Reducing expenses
D) Gaining invaluable feedback from customers

Answer: A
Explanation: The banking industry, for example, has utilized competitive advantage by all now offering ATM's, online bill pay services, and e-statements are all examples of ways they duplicated each other by acquiring new technology products and services.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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140) Michael Porter defined the Five Forces Model and the potential pressures that can hurt sales. Which of the following is not one of the potential pressures that can hurt sales?
A) Suppliers can drive down profits by charging more for supplies
B) New market entrants can steal potential investment capital
C) Substitute products can steal customers
D) Competition can steal customers

Answer: A
Explanation: Michael Porter defined the Five Forces Model. Before formally presenting his model, he identified pressures that can hurt potential sales, which include the following: (1) knowledgeable customers can force down prices by pitting rivals against each other, (2) influential suppliers can drive down profits by charging higher prices for supplies, (3) competition can steal customers, (4) new market entrants can steal potential investment capital, and (5) substitute products can steal customers.
Difficulty: 3 Hard
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

141) Toby Bertram is an incoming freshman at your college. Toby is frustrated by the cost of books, tuition, and expenses, and he also needs to purchase a rather expensive laptop. In an effort to save money, Toby begins a Facebook group finding other college students who need to purchase laptops. Soon, Toby's Facebook group has close to 100,000 students. Toby decides to collectively approach different computer companies to see if his group qualifies for a special discount. What business strategy is Toby using to purchase laptops?
A) Collecting business intelligence
B) Decreasing entry barriers
C) Purchasing a substitute product
D) Increasing buyer power

Answer: D
Explanation: Buyer power is one of Porter's Five Forces, which measures the ability of buyers to affect the price they must pay for an item. Toby's group is attempting to increase its buyer power.
Difficulty: 3 Hard
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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142) What are costs that make customers reluctant to switch to another product or service?
A) Support activities
B) Switching costs
C) Loyalty rewards
D) Value chain activities

Answer: B
Explanation: Switching costs are costs that make customers reluctant to switch to another product or service.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

143) Angela Lewis owns and operates one of the most successful local book stores in Buffalo, called The Bookworm. Each time a customer purchases their 10th book at The Bookworm, they receive a $5 off coupon. What is Angela attempting to create with her $5 off marketing program?
A) Reducing buyer power with a loyalty program
B) Increasing buyer power with a loyalty program
C) Decreasing supplier power with a differentiated product
D) Creating a substitute product

Answer: A
Explanation: One way to reduce buyer power is with a loyalty program, which is a program to reward customers based on their spending.
Difficulty: 3 Hard
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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Access Complete Test Bank for Business Driven Technology 8th Baltzan

144) What includes all parties involved, directly or indirectly, in obtaining raw materials or a product?
A) Support chain
B) Supply chain
C) System chain
D) Supply choice

Answer: B
Explanation: Supply chain includes all parties involved, directly or indirectly, in obtaining raw materials or a product.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

145) Which of the following represents a company in a supply chain?
A) Customer and competitor.
B) Supplier and competitor.
C) Knowledge worker and supplier.
D) Supplier and customer.

Answer: D
Explanation: In a typical supply chain, a company will be both a supplier and a customer.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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Access Complete Test Bank for Business Driven Technology 8th Baltzan

146) In the center of Porter's Five Forces Model is competition. Which of the following represents the four outer boxes?
A) Buyer power, systems power, threat of false entrants, and threat of substitute products or services
B) Buyer power, systems power, threat of new entrants, and threat of substitute products or services
C) Buyer power, supplier power, threat of new entrants, and threat of substitute products or services
D) Business power, supplier power, threat of new entrants, and threat of powerful services

Answer: C
Explanation: The four competitive forces that work among the power of competitors are buyer power, supplier power, threat of new entrants, and threat of substitute products or services.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

147) Jim Novak is on the executive board for BioMed pharmaceuticals. The company produces the number one selling cancer fighting drug on the market. Due to its incredible success, BioMed pharmaceuticals has decided to increase the cost of the drug from $9 a pill to $16 a pill. Which force is BioMed pharmaceutical using to increase its drug price?
A) Supplier power
B) Buyer power
C) Threat of false entrants
D) Business power

Answer: A
Explanation: Supplier power is one of Porter's five forces, and measures the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services).
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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148) What is one of the most common ways a company can decrease supplier power?
A) Charge lower prices.
B) Charge higher prices.
C) Use MIS to find and create alternative products.
D) Companies cannot impact supplier power.

Answer: C
Explanation: Using MIS to find alternative products is one way of decreasing supplier power.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

149) If a supplier has high power, what can it do to influence its industry?
A) Charge higher prices.
B) Shift costs to industry participants.
C) Limit quality or services.
D) All of these.

Answer: D
Explanation: If the supplier power is high, the supplier can influence the industry by (1) charging higher prices, (2) limiting quality or services, and (3) shifting costs to industry participants.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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150) How can a company reduce the threat of substitute products or services?
A) Market the product to less than 10 customers
B) Ignore competitive forces
C) Offer additional value through wider product distribution
D) Offer less value making the product far more generic and similar to the competition

Answer: C
Explanation: One way a company can reduce the threat of substitute products or services is to offer additional value through wider product distribution.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

151) Which one of Porter's five forces is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market?
A) Threat of new entrants.
B) Threat of substitute products or services.
C) Threat of buyer power.
D) Supply chain competition.

Answer: A
Explanation: Threat of new entrants is one of Porter's five forces, high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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152) Michael Helms is the CEO of Dunder Mountain, which is a retail store that sells camping, hunting , and sporting gear. Michael and his executive team are meeting to brainstorm new ideas on how to grow the business. One idea is to mimic a competitor's product that is attempting to sell a new product in a different industry. After performing a Porter's Five Forces analysis, Michael determines that all of the forces are high in this new industry. What should Michael do?
A) Explode into the market with an overflow of the product.
B) Contemplate other products to introduce at the same time in this new market.
C) Compare the competitor's prices and offer his product lower in this new market.
D) Not introduce the product because all five forces are strong and this would be a highly risky business strategy.

Answer: D
Explanation: When the five forces are all strong or high, it is a poor business strategy, when the forces are low, this is a great time to execute the business strategy.
Difficulty: 3 Hard
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

153) What is a feature of a product or service that customers have come to expect and entering competitors must offer the same if they want to survive?
A) Significant barrier
B) Entry barrier
C) Product differentiation
D) Entry chain

Answer: B
Explanation: Entry barrier is a feature of a product or service that customers have come to expect and entering competitors must offer the same for survival.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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154) Which of the following represents a typical supply chain?
A) Company - Customers - Suppliers
B) Company - Suppliers - Customers
C) Suppliers - Company - Customers
D) Suppliers - Customers - Company

Answer: C
Explanation: A traditional business supply chain operates like this: supplier - company - customers.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

155) Imagine you are creating a new product to sell in an up-and-coming market. Which of the below statements indicates that it would be easy for you as the new entrants to compete in this market?
A) The threat of new entrants' force is high in the up-and-coming market.
B) The threat of new entrants' force is low in the up-and-coming market.
C) The threat of new entrants' force is impossible to define in the up-and-coming market.
D) All of these depending on the time of year.

Answer: A
Explanation: The threat of new entrants is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market.
Difficulty: 3 Hard
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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156) Imagine you are creating a new product to sell in an up-and-coming market. Which of the following statements indicates that it would be difficult for you to enter this new market?
A) The threat of new entrants' force is high in the up-and-coming market
B) The threat of new entrants' force is low in the up-and-coming market
C) The threat of new entrants' force is high during the summer months in the up-and-coming market
D) All of these depending on the time of year

Answer: B
Explanation: The threat of new entrants is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

157) Which of the following offers an example where Porter's five forces are mostly strong and competition is high?
A) A dog walking business
B) A ski resort
C) A professional hockey team
D) All of these

Answer: A
Explanation: With Porter's five forces model, these are all examples of strong forces, where it increases competition: (1) a single consumer purchasing milk, (2) a company that makes pencils, (3) coffee from McDonalds, (4) a dog walking business, and (5) a coffee shop.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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158) Which of the following offers an example where Porter's five forces are mostly weak and competition is low?
A) An international hotel chain purchasing milk
B) A coffee shop
C) A single consumer purchasing milk
D) A dog walking business

Answer: A
Explanation: With Porter's five forces model, these are all examples of weak forces, where it decreases competition: (1) an international hotel chain purchasing milk, (2) a company that makes airline engines, (3) cancer drugs from a pharmaceutical company, (4) a professional hockey team, and (5) Department of Motor Vehicles.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

159) Some industries' competition is much more intense than others. Retail grocery stores such as Kroger, Safeway, and Albertson's in the United States experience fierce competition and offer similar marketing campaigns to compete. What is this an example of in terms of Porter's Five Forces?
A) Rivalry among new entrants
B) Rivalry among existing competitors
C) Threat of substitute products or services
D) Buyer power

Answer: B
Explanation: Some industries' competition is much more intense than others. Retail grocery stores such as Kroger, Safeway, Albertson's, and Ralph's in the United States have fierce competition and similar programs to compete with each other.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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160) Amazon.com uses a customer profiling system whenever a customer visits its website. Using this system, Amazon can offer products tailored to that particular customer's profile and buying pattern. What is Amazon using to achieve this competitive advantage?
A) Rivalry
B) Buyer power
C) Product differentiation
D) Substitute product

Answer: C
Explanation: Product differentiation is an advantage that occurs when a company develops unique differences in its products with the intent to influence demand.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

161) Your boss, Pam Anderson, has asked you to analyze the music industry using Porter's Five Forces Model. Which of the following represents supplier power in the music industry?
A) Established record labels like EMI, Sony, Universal
B) Walmart, Target, iTunes
C) Game systems like Wii, social networks like Facebook
D) Taylor Swift, Beyoncé, The Beatles, The Stones.

Answer: A
Explanation: An example of supplier power in the music industry includes established record labels like EMI, Sony, and Universal.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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162) Your boss, Pam Anderson, has asked you to analyze the music industry using Porter's Five Forces Model. Which of the following represents buyer power in the music industry?
A) Established record labels like EMI, Sony, Universal
B) Walmart, Target, iTunes
C) Independent record labels
D) Game systems like Wii, social networks like Facebook

Answer: B
Explanation: Buyer power in the music industry includes Walmart, Target, and iTunes who purchase music from record labels to sell online and in their stores.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

163) Your boss, Pam Anderson, has asked you to analyze the music industry using Porter's Five Forces Model. Which of the following represents the threat of substitute products or services in the music industry?
A) Established record labels like EMI, Sony, Universal
B) Independent record labels
C) Game systems like Wii, social networks like Facebook
D) Taylor Swift, Beyoncé, The Beatles, The Stones

Answer: C
Explanation: Game systems like Wii and social networks offer alternatives or substitute products to purchasing music for a consumer.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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164) Your boss, David Ferrell, has asked you to analyze the soft drink industry using Porter's Five Forces Model. Which of the following represents supplier power in the soft drink industry?
A) Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.
B) Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.
C) Zevia Natural Diet Soda begins selling directly over the Internet.
D) Vitamin water, fruit juice, and coffee are all beverage options available to consumers.

Answer: A
Explanation: Supplier power in the soft drink industry is represented by Pepsi.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

165) Your boss, David Ferrell, has asked you to analyze the soft drink industry using Porter's Five Forces Model. Which of the following represents buyer power in the soft drink industry?
A) Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.
B) Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.
C) Zevia Natural Diet Soda begins selling directly over the Internet.
D) Vitamin water, fruit juice, and coffee are all beverage options available to consumers.

Answer: B
Explanation: Buyer power in the soft drink industry is represented by Walmart.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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166) Your boss, David Ferrell, has asked you to analyze the soft drink industry using Porter's Five Forces Model. Which of the following represents a threat of a new entrant in the soft drink industry?
A) Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.
B) Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.
C) Zevia Natural Diet Soda begins selling directly over the Internet.
D) Vitamin water, fruit juice, and coffee are all beverage options available to consumers.

Answer: C
Explanation: Zevia Natural Diet Soda represents a new entrant in the soft drink industry.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

167) Your boss, David Ferrell, has asked you to analyze the soft drink industry using Porter's Five Forces Model. Which of the following represents a substitute product in the soft drink industry?
A) Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.
B) Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.
C) Zevia Natural Diet Soda begins selling directly over the Internet.
D) Vitamin water, fruit juice, and coffee are all beverage options available to consumers.

Answer: D
Explanation: Vitamin water, fruit juice, or coffee are all substitute products to a soft drink.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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Access Complete Test Bank for Business Driven Technology 8th Baltzan

168) What is buyer power?
A) The ability of buyers to affect the price they must pay for an item.
B) The suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services).
C) High when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market.
D) High when there are many alternatives to a product or service and low when there are few alternatives from which to choose.

Answer: A
Explanation: Buyer power is the ability of buyers to affect the price they must pay for an item.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

169) What is supplier power?
A) The ability of buyers to affect the price they must pay for an item
B) The suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services)
C) High when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market
D) High when there are many alternatives to a product or service and low when there are few alternatives from which to choose

Answer: B
Explanation: Supplier power is the suppliers' ability to influence prices.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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170) What is threat of substitute products or services?
A) The ability of buyers to affect the price they must pay for an item
B) The suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services)
C) High when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market
D) High when there are many alternatives to a product or service and low when there are few alternatives from which to choose

Answer: D
Explanation: Threat of substitute products or services is high when there are many alternatives to a product or service and low when there are few alternatives from which to choose.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

171) What is threat of new entrants?
A) The ability of buyers to affect the price they must pay for an item
B) The suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services)
C) High when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market
D) High when there are many alternatives to a product or service and low when there are few alternatives from which to choose

Answer: C
Explanation: Threat of new entrants is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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172) What is rivalry among existing competitors?
A) The ability of buyers to affect the price they must pay for an item
B) The suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services)
C) High when it is easy for new competitors to enter a market and low when there are significant entry barriers to joining a market
D) High when competition is fierce in a market and low when competitors are more complacent

Answer: D
Explanation: Rivalry is high when competition is fierce in a market and low when competitors are more complacent.
Difficulty: 1 Easy
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

173) Your boss, David Ferrell, has asked you to analyze the soft drink industry using Porter's Five Forces Model. Which of the following represents rivalry in the soft drink industry?
A) Pepsi requires stores that carry Pepsi products to commit to minimum orders of 1,000 cases.
B) Walmart negotiates a lower cost per bottle from Coke in exchange for premium shelf space in every Walmart store.
C) Zevia Natural Diet Soda begins selling directly over the Internet.
D) Coke and Pepsi submit bids to the owner of a football stadium for the exclusive sale of their products during games.

Answer: D
Explanation: The rivalry between Coke and Pepsi is famous in the soft drink industry.
Difficulty: 2 Medium
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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174) Porter identified three generic strategies that a business could follow after identifying a market it wanted to enter. Which of the following is not included as one of Porter's three generic strategies?
A) Broad differentiation
B) Supplier cost differentiation
C) Focused strategy
D) Broad cost leadership

Answer: B
Explanation: Porter has identified three generic business strategies for entering a new market: (1) broad cost leadership, (2) broad differentiation, and (3) focused strategy.
Difficulty: 1 Easy
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

175) When analyzing Porter's three generic strategies for entering a market, if you have a focused strategy what market should you target?
A) A niche market
B) A broad market
C) Neither niche nor broad markets
D) Both niche and broad markets

Answer: A
Explanation: When analyzing Porter's three generic strategies for entering a market, if you have a focused strategy you should target a narrow market, niche market, or a unique market.
Difficulty: 2 Medium
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

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Access Complete Test Bank for Business Driven Technology 8th Baltzan

176) Which of the following offers an example of a company operating in a narrow focused-market operating as the low-cost provider?
A) Walmart
B) Tiffany & Co.
C) Neiman Marcus
D) Payless Shoes

Answer: D
Explanation: Payless competes by offering a specific product (narrow market) shoes at low prices. Their strategy is to be the low-cost provider of shoes.
Difficulty: 1 Easy
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

177) Broad differentiation, broad cost leadership, and _____ create the three generic strategies identified by Porter.
A) Narrow market leadership
B) High cost versus low cost
C) Focused strategy
D) None of these

Answer: C
Explanation: The three strategies proposed by Porter are (1) broad cost leadership, (2) broad differentiation, and (3) focused strategy.
Difficulty: 1 Easy
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

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178) Mindy Novak is writing a paper and he must determine which of Porter's three generic strategies Beulah's Boutiques has implemented. Mindy finds out that Beulah's Boutiques offers specialty products found only in boutiques around the world to affluent customers. What would Mindy determine Beulah's Boutiques is using as its generic strategy?
A) Broad market, low cost
B) Narrow market, high cost
C) Broad market, high cost
D) Narrow market, low cost

Answer: B
Explanation: Beulah's Boutiques competes using a narrow market and high cost focus.
Difficulty: 3 Hard
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

179) According to Porter, companies that wish to dominate broad markets should operate using a _____ strategy.
A) Cost leadership with a low cost
B) Differentiation with a low cost
C) Cost leadership with a high cost
D) All of these

Answer: A
Explanation: According to Porter, broad markets should utilize cost leadership with a low cost and differentiation with a high cost.
Difficulty: 2 Medium
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

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180) Which of the following demonstrates a company that has implemented a low cost, broad market strategy?
A) Neiman Marcus
B) Payless Shoes
C) The Sharper Image
D) Walmart

Answer: D
Explanation: Walmart competes by offering a broad range of products at low prices. Its business strategy is to be the low-cost provider of goods for the cost-conscious consumer.
Difficulty: 1 Easy
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

181) If a business is following a focused strategy, then its competitive scope is _____.
A) Broad market
B) Narrow market
C) Broad range products
D) Broad range of services

Answer: B
Explanation: When you have a market segment, its competitive scope should be a narrow market, and the cost strategy should be a focused strategy.
Difficulty: 1 Easy
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

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182) When applying Porter's three generic strategies, Tiffany & Co. has a competitive scope and cost strategy that is _____.
A) Broad market - high cost strategy
B) Narrow market - low cost strategy
C) Narrow market - high cost strategy
D) Broad market - low cost strategy

Answer: C
Explanation: Tiffany & Co. competes by offering a differentiated product, jewelry, at high prices. Its business strategy allows it to be a high-cost provider of premier designer jewelry to affluent consumers.
Difficulty: 1 Easy
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

183) When analyzing the book store industry, some of today's businesses compete with different business strategies and cost strategies. Which of the following is using a broad market competitive scope along with a low cost strategy?
A) Amazon.com
B) Any local independent book store that specializes in antique books
C) Barnes & Noble
D) Borders books.

Answer: A
Explanation: Amazon.com competes by offering a broad range of differentiated products at low prices.
Difficulty: 3 Hard
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: automatic

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184) Which of the following is similar to focused strategy versus broad strategy?
A) Large market versus leadership
B) Large market versus uniqueness
C) Niche market versus large market
D) Niche market versus generic.

Answer: C
Explanation: Focused strategies versus broad strategies is synonymous to niche market versus large markets.
Difficulty: 2 Medium
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

185) Your boss, Penny Dirks, has asked you to analyze the airline industry using Porter's three generic strategies. Which of the following companies are using a cost leadership strategy?
A) Southwest, Horizon, Frontier, JetBlue.
B) British Airways, Singapore Airlines, Virgin Atlantic.
C) Sky Taxi – a rent by the hour personal plane service.
D) All of the choices are correct

Answer: A
Explanation: Southwest, Horizon, Frontier, and JetBlue all use cost leadership business strategies.
Difficulty: 2 Medium
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

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186) Your boss, Penny Dirks, has asked you to analyze the airline industry using Porter's three generic strategies. Which of the following companies are using a differentiation strategy?
A) Southwest, Horizon, Frontier, JetBlue.
B) British Airways, Singapore Airlines, Virgin Atlantic.
C) Sky Taxi – a rent by the hour personal plane service.
D) All of the choices are correct.

Answer: B
Explanation: British Airways, Singapore Airlines, and Virgin Atlantic all compete using differentiation strategies.
Difficulty: 2 Medium
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

187) Your boss, Penny Dirks, has asked you to analyze the airline industry using Porter's three generic strategies. Which of the following companies are using a focused strategy?
A) Southwest, Horizon, Frontier, JetBlue.
B) British Airways, Singapore Airlines, Virgin Atlantic.
C) Sky Taxi – a rent by the hour personal plane service.
D) All of the choices are correct.

Answer: C
Explanation: Sky Taxi is using a focused-strategy targeting individuals that want to hire private planes.
Difficulty: 2 Medium
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: automatic

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188) When reviewing Porter's value chain analysis, which of the following provides customer support after the sale of goods and services?
A) Inbound logistics
B) Outbound logistics
C) Operations
D) Service

Answer: D
Explanation: The service activity within the primary value activities will provide customer support after the sale of goods and services.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

189) Which of the following represents procurement as part of the support value activities in a value chain analysis?
A) Purchases inputs such as raw materials, resources, equipment, and supplies
B) Applies MIS to processes to add value
C) Distributes goods and services to customers
D) Promotes, prices, and sells products to customers

Answer: A
Explanation: Procurement is the process of the support value activity that purchases inputs such as raw materials, resources, equipment, and supplies.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

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190) What includes support value activities and primary value activities and is used to determine how to create the greatest possible value for customers?
A) Supplier power
B) Operations management
C) Porter's Five Forces Model
D) Value chain analysis

Answer: D
Explanation: The support activity firm infrastructure coupled with the primary value activity of outbound logistics is a part of value chain analysis.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

191) What is a standardized set of activities that accomplishes a specific task?
A) Business strategy
B) Business outcome
C) Business process
D) Knowledge process

Answer: C
Explanation: A business process is a standardized set of activities that accomplishes a specific task.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

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192) Which of the following analyzes a company's business processes and is useful for determining how to create the greatest possible value for customers?
A) Product analysis
B) Primary supplier power
C) Value chain analysis
D) Buyer chain analysis

Answer: C
Explanation: The value chain analysis views a firm as a series of business processes that each add value to the product or service.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

193) The goal of value chain analysis is to identify processes in which the firm can add value for the customer and create a competitive advantage for itself, with a _____ or _____.
A) Focused strategy, product differentiation
B) Focused strategy, cost advantage
C) Cost advantage, primary value activities
D) Cost advantage, product differentiation

Answer: D
Explanation: The goal of value chain analysis is to identify processes in which the firm can add value for the customer and create a competitive advantage for itself, with a cost advantage or product differentiation.
Difficulty: 2 Medium
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

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194) What are the two main categories in a value chain analysis?
A) Primary value activities and secondary value activities
B) Primary value activities and support value activities
C) Primary value activities and strengthening value activities
D) None of these

Answer: B
Explanation: The value chain groups a firm's activities into two categories, primary value activities and support value activities.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

195) Which of the following is not considered a category within the primary value activities in a value chain analysis?
A) Inbound logistics
B) Firm infrastructure
C) Operations
D) Service

Answer: B
Explanation: Primary value activities are found at the bottom of the value chain, these include business processes that acquire raw materials and manufacture, deliver, market, sell, and provide after-sales services.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

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196) Which of the following is not considered a category within the support value activities in a value chain analysis?
A) Technology development
B) Outbound logistics
C) Human resource management
D) Firm infrastructure

Answer: B
Explanation: Support value activities are found along the top of the value chain and includes business processes, such as firm infrastructure, human resource management, technology development, and procurement that support the primary value activities.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

197) What is the support value activity that provides employees with training, hiring, and compensation?
A) Procurement
B) Operations resource management
C) Human resource management
D) Firm infrastructure

Answer: C
Explanation: Human resource management provides employee training, hiring, and compensation.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

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198) Todd Wallace works as the chief knowledge officer for Pennsylvania Lumber Company. He has been given the responsibility to create a product or service that will bring an added value to its customers to increase the company's revenue. Todd determines that the best value he can add is by creating a service that offers free next day shipping on any order over $50. Where in the value chain is Todd adding value?
A) The primary value activity outbound logistics
B) The primary value activity inbound logistics
C) The primary value activity marketing and sales
D) The primary value activity operations

Answer: A
Explanation: Outbound logistics distributes goods and services to customers.
Difficulty: 3 Hard
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

199) When evaluating the value chain, all of the following are included in the primary value activities except _____.
A) Inbound activities
B) Operations
C) Service
D) MIS development

Answer: D
Explanation: The primary value activities include (1) inbound logistics, (2) operations, (3) outbound logistics, (4) marketing and sales, and (5) service.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

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200) When evaluating the value chain, which of the following is included in the support value activities?
A) Inbound activities
B) Marketing and sales
C) Firm infrastructure
D) Finance and sales

Answer: C
Explanation: The support value activities found along the top of the value chain include (1) firm infrastructure, (2) human resource management, (3) technology development, and (4) procurement.
Difficulty: 1 Easy
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Remember
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

201) Which of the following decisions does a firm need to make as soon as it has identified the activities from the value chain that are bringing the highest added value to their customers?
A) Target high value-adding activities to further enhance their value
B) Target low value-adding activities to increase their value
C) Perform some combination of the two
D) All of these

Answer: D
Explanation: When a firm has identified the activities from the value chain that are bringing the highest added value to their customers, they need to make decisions regarding the competitive advantage by determining whether to (1) target high value-adding activities to further enhance their value, (2) target low value-adding activities to increase their value, and (3) perform some combination of the two.
Difficulty: 2 Medium
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Understand
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

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202) MIS can add value to both primary activities and support activities in the value chain. Which of the following is not an example of a company adding value by the use of MIS in a primary activity?
A) Scottrade Corp. creating an online system for employees to track paychecks, benefits, wellness rewards program, and other employee benefit items
B) A system for the sales and marketing departments to track specific sales targets and follow up processes
C) An easy electronic survey, similar to SurveyMonkey, to be sent to the customer right after a service was completed
D) Royal Crest Dairy using their custom order and delivery system through an easily accessible Web portal for the customer to track delivery status

Answer: A
Explanation: MIS can add value to both primary and support activities within a business. All are primary activities except Scottrade Corp. creating an online system for employees to track paychecks, benefits, wellness rewards program, and other employee benefit items. This is a support value activity.
Difficulty: 3 Hard
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

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203) MIS can add value to both primary and support activities within a business. Which of the following is not an example of a company adding value by the use of MIS in a support activity?
A) Netflix creating a business strategy for the video rental market that delivers videos via the mail
B) The human resources department creates a tracking system to efficiently reward employees based on their performance
C) Scottrade Corp. creating an online system for employees to track paychecks, benefits, wellness rewards program, and other employee benefit items
D) The University of Forks creates a program to automatically order office supplies such as pens and pads of paper for its employees

Answer: A
Explanation: MIS can add value to both primary and support activities within a business. All are support activities except for the example, Netflix creating a business strategy for the video rental market that makes renting a movie simplified with their inexpensive, no late fee, quick mail delivery system. This is a primary value activity.
Difficulty: 3 Hard
Topic: Value Chain Analysis - Executing Business Strategies
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-04 Demonstrate how a company can add value by using Porters value chain analysis.
Gradable: automatic

204) Explain why competitive advantages are temporary.

Answer: A competitive advantage is a feature of a product or service on which customers place a greater value than they do on similar offerings from competitors. Competitive advantages provide the same product or service either at a lower price or with additional value that can fetch premium prices. Unfortunately, competitive advantages are typically temporary because competitors often quickly seek ways to duplicate them. In turn, organizations must develop a strategy based on a new competitive advantage. Ways that companies duplicate competitive advantages include acquiring the new technology, copying business processes, and hiring away employees.
Difficulty: 3 Hard
Topic: Identifying Competitive Advantages
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-01 Explain why competitive advantages are temporary along with the four key areas of a SWOT analysis.
Gradable: manual

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205) Describe Porter's Five Forces Model and explain each of the five forces.

Answer: Porter's Five Forces Model analyzes the competitive forces within the environment in which a company operates, to assess the potential for profitability in an industry. Buyer power is the ability of buyers to affect the price they must pay for an item. Supplier power is the suppliers' ability to influence the prices they charge for supplies (including materials, labor, and services). Threat of substitute products or services is high when there are many alternatives to a product or service and low when there are few alternatives from which to choose. Threat of new entrants is high when it is easy for new competitors to enter a market and low when there are significant entry barriers to entering a market. Rivalry among existing competitors is high when competition is fierce in a market and low when competition is more complacent.
Difficulty: 3 Hard
Topic: The Five Forces Model - Evaluating Industry Attractiveness
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-02 Describe Porters Five Forces Model and explain each of the five forces.
Gradable: manual

206) Compare Porter's three generic strategies.

Answer: Organizations typically follow one of Porter's three generic strategies when entering a new market: (1) broad cost leadership, (2) broad differentiation, and (3) focused strategy. Broad strategies reach a large market segment. Focused strategies target a niche market. Focused strategies concentrate on either cost leadership or differentiation.
Difficulty: 3 Hard
Topic: The Three Generic Strategies - Choosing a Business Focus
Bloom's: Analyze
Accessibility: Keyboard Navigation
Learning Outcome: 02-03 Compare Porters three generic strategies.
Gradable: manual

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