# Test Bank for Strategic Healthcare Management Planning and Execution 2nd Walston

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1. There is almost alwa
There is almost always an optimal structure for an organization.

a. True
*b. False

2. One primary reason c
One primary reason companies use a corporate legal structure is to limit personal liability.

*a. True
b. False

3. Corporations can onl
Corporations can only be for-profit and have stockholders.

a. True
*b. False

4. In a corporation, th
In a corporation, the primary degree of competition lies at the corporate level of the organization.

a. True
*b. False

5. The extent and degre
The extent and degree of division of labor usually have little impact on strategy.

a. True
*b. False

6. Tension almost alway
Tension almost always exists between the need to integrate and need to differentiate functional activities in an organization.

*a. True
b. False

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7. Organizations that e
Organizations that employ wider spans of control always have a decentralized decision-making function.

a. True
*b. False

8. Type of industry inf
Type of industry influences the span of control in organizations in the industry.

*a. True
b. False

9. Multidivisional orga
Multidivisional organizations can duplicate functions and increase costs.

*a. True
b. False

10. Matrix structures ar
Matrix structures are more common in organizations that are focused on innovation and projects than they are in other organizations.

*a. True
b. False

11. Chain of command
Chain of command

a. defines the span of control in an organization
b. provides a clear understanding of the locus of decision making
*c. defines the formal line of authority and reporting relationships
d. provides direction on the type of structure optimal for an organization

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12. Which of the followi
Which of the following is not a primary function of corporate strategy?

*a. Developing new products and services
b. Deciding which businesses to compete in
c. Deciding how businesses should be integrated
d. Allocating capital among business units

14. An appropriate span
An appropriate span of control may depend on all of the following except

*a. the gender of the leader
b. the degree of centralization of decision making
c. the skills and abilities of subordinates
d. the culture of the organization

15. Hospitals traditiona
Hospitals traditionally have had which type of organizational structure?

a. Matrix
b. Multidivisional
*c. Functional
d. Corporate

16. A functional organiz
A functional organization's primary advantage is its

a. ability to integrate activities easily
*b. high level of skills and expertise and ability to capture economies of scale
c. ability to decrease its need for information technology for communication
d. ability to lower the unit price of goods and services

17. Silos are a problem
Silos are a problem that often exist in which type of organizational structure?

a. Matrix
b. Multidivisional

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*c. Functional
d. Corporate

18. If a company has gro
If a company has grown significantly and is expanding internationally, which organizational structure might it consider adopting?

a. Matrix
*b. Multidivisional
c. Functional
d. Corporate

19. Accountable care org
Accountable care organizations may require organizational structures that

*a. integrate decision making among physicians and hospital personnel
b. include insurance products and managers
c. include functional structures
d. minimize the influence of allied health professionals

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1. Influences from the
Influences from the societal environment do not affect healthcare greatly.

a. True
*b. False

2. Chronic disease is a
Chronic disease is and will be a critical factor in designing healthcare strategies.

*a. True
b. False

3. Women have much high
Women have much higher utilization of obstetrics than men do.

*a. True
b. False

4. Patient origin studi
Patient origin studies enable organizations to better understand where their patients live.

*a. True
b. False

5. The healthcare indus
The healthcare industry is one of the most heavily regulated sectors in the United States.

*a. True
b. False

6. Major advances in he
Major advances in healthcare information technology are predicted to be made in the twenty-first century.

*a. True
b. False

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7. It is reasonably eas
It is reasonably easy to determine the boundaries of different industries.

a. True
*b. False

8. People working for a
People working for a company is an example of a market.

*a. True
b. False

9. Industries cannot ex
Industries cannot exist without appropriate markets.

*a. True
b. False

10. Monopolistic competi
Monopolistic competition involves just one large organization.

a. True
*b. False

11. Many markets exhibit
Many markets exhibit actual perfect competition.

a. True
*b. False

12. Most healthcare syst
Most healthcare systems in the United States exist in oligopolistic market structures.

*a. True
b. False

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13. History has shown th
History has shown that monopolists frequently make good decisions that directly benefit their customers.

a. True
*b. False

14. The four-firm concen
The four-firm concentration ratio is more accurate and more often used than other measures of market concentration.

a. True
*b. False

15. Which is not part of
Which is not part of the societal environment?

a. General economic conditions
b. Population growth
c. Government laws
*d. Product development

17. Patient or customer
Patient or customer origin studies identify

a. the birthplace of critical customer segments
b. the percentage of minority populations using a facility
*c. the proportion of customers or patients coming from different zip codes
d. the combination of minorities and gender differences among all patients

18. Which would not be c
Which would not be considered medical technology?

a. New medical procedures
*b. Newly hired personnel
c. New medications
d. Different ways to complete a surgery

19. A healthcare industr
A healthcare industry includes

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a. an exchange locale
b. groups of buyers in a specific location
*c. groups of sellers of products that are close substitutes
d. a series of exchanges that transfer a product to a new owner

20. What do markets gene
What do markets generally not exchange?

a. Information
b. Products
c. Money
*d. Effort

21. Market power is best
Market power is best described as

a. the ability of a market to direct the course of legislation
*b. the ability to influence prices
c. the ability to influence which buyers and sellers exist
d. the ability to organize product and services in a cost-effective manner

22. In which market stru
In which market structure would there be the most market power?

*a. Monopoly
b. Oligopoly
c. Monopolistic competition
d. Perfect competition

23. Perfect competition
Perfect competition is distinct from the other market structures in that its products

*a. are undifferentiated
b. are distinguished on the basis of quality
c. are of low quality
d. change more rapidly

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24. In which market stru 2
In which market structure is price of greatest strategic consideration?

a. Monopoly
b. Oligopoly
c. Monopolistic competition
*d. Perfect competition

25. Physician practices
Physician practices in the United States could best be considered to exist in which market structure?

a. Monopoly
b. Oligopoly
*c. Monopolistic competition
d. Perfect competition

26. Oligopolies do not e
Oligopolies do not exhibit

a. domination by a few firms
b. high entry and exit barriers
*c. easy ability to raise prices
d. frequent governmental controls

27. Monopolists' primary
Monopolists' primary strategic focus is on

a. price
b. differentiating their products and services
c. increasing their market share
*d. keeping potential competitors out of the market

28. In which market stru 3
In which market structure can consumers most easily find substitutes?

a. Monopoly
*b. Perfect competition
c. Monopolistic competition
d. Oligopoly

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29. Market concentration
Market concentration can be determined by using which two formulas?

*a. Herfindahl-Hirschman Index and four-firm concentration ratio
b. Heckman Index and four-firm concentration ratio
c. FTC ratio and four-firm concentration ratio
d. FTC ratio and six-firm market ratio

30. Which of the followi
Which of the following is not a phase of the product life cycle?

a. Maturity
b. Decline
c. Growth
*d. Deficit

31. In which phase of th
In which phase of the product life cycle might it be best to enter a market?

a. Emerging
*b. Growth
c. Maturity
d. Decline

32. What is not correct
What is not correct regarding the product life cycle?

*a. It may not apply to fad products.
b. Products can skip stages.
c. The duration of each stage can vary dramatically.
d. Changing technologies and consumer demand affect it.

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