**QUESTION 1**

1. A cost-focus strategy is a high-cost, broadly focused market strategy.

 True

 False

**10 points**

**QUESTION 2**

1. This is the process by which a firm manages the formulation and implementation of its strategy.

|  |  |  |
| --- | --- | --- |
|  |  | strategic management process |
|  |  | human resource management |
|  |  | benchmarking |
|  |  | brand extension strategy |

**10 points**

**QUESTION 3**

1. A differentiation-focus strategy

|  |  |  |
| --- | --- | --- |
|  |  | is the marketing of a differentiated product to a narrow market, often involving a unique product and a unique market. |
|  |  | is particularly effective for organizations in industries where there is limited possibility of product differentiation and where buyers are very price sensitive. |
|  |  | will not lead to customer brand loyalty. |
|  |  | are rarely vulnerable to different competitive threats. |

**10 points**

**QUESTION 4**

1. Strategic focus is seen when

|  |  |  |
| --- | --- | --- |
|  |  | sales drop internationally. |
|  |  | top management are considered ethical and honest. |
|  |  | an organization successfully invests in emerging markets. |
|  |  | an organization is very clear about its mission and vision and has a coherent, well-articulated strategy for achieving those.  |

**10 points**

**QUESTION 5**

1. Intended strategy is

|  |  |  |
| --- | --- | --- |
|  |  | strategy as conceived by the top management team. |
|  |  | the actual strategy that is implemented. |
|  |  | almost always realized. |
|  |  | a consequence of deliberate and emerging factors. |

**10 points**

**QUESTION 6**

1. A product's value is measured by

|  |  |  |
| --- | --- | --- |
|  |  | a product’s performance characteristics and by its attributes for which customers are willing to pay. |
|  |  | a firm's competitive advantage. |
|  |  | how well an organization pays its employees. |
|  |  | a company's core competencies. |

**10 points**

**QUESTION 7**

1. A differentiation strategy is more likely to generate higher profits than a

|  |  |  |
| --- | --- | --- |
|  |  | cost leadership strategy. |
|  |  | focused low-cost strategy. |

**10 points**

**QUESTION 8**

1. Firms pursuing a cost leadership type of strategy must be particularly efficient in engineering tasks, production operations, and physical distribution.

 True

 False

**10 points**

**QUESTION 9**

1. Michael Porter developed three generic strategies. These strategies are overall cost leadership, differentiation, and

|  |  |  |
| --- | --- | --- |
|  |  | focus on a particular market niche. |
|  |  | expansion into new markets. |
|  |  | entrepreneurship. |
|  |  | corporate mergers. |

**10 points**

**QUESTION 10**

1. A differentiation strategy involves marketing a unique product to a broad-based market.

 True

 False