

University of Palestine



Instructor Name: Dr. Ismael Abu-Jarad
Student No. : \_\_\_\_\_
Student Name: \_\_\_\_\_
College Name: \_\_\_\_\_
Major : \_\_\_\_\_

Course No: MGNE3313
Course: Strategic Management
Date: 25/10/2017
No. of Questions: (3)
Time: hours

1st Midterm Exam
2017/2018
Total Mark: \_\_\_\_/ 15%

Question One: 15 Marks

Write [T] for true or [F] for false in the box below to indicate whether the following sentences are true or false.

- 1) One of the benefits of strategic management is a clearer sense of vision for the firm.
2) To be effective, strategic management must be a formal process.
3) As more industries become global, strategic management is becoming less important in positioning a company for long-term competitive advantage.
4) The internal environment includes the variables of opportunities and threats.
5) A strategy minimizes competitive advantage and maximizes competitive disadvantage.
6) Performance results are monitored at the strategy formulation phase of the strategic management process.
7) A strategic decision is rare, consequential, and directive.
8) Environmental scanning is the monitoring, evaluating, and disseminating of information from the external and internal environments to key people within the corporation.
9) A corporation uses environmental scanning to avoid strategic surprise.
10) Political-legal forces regulate the values, mores, and customs of society.
10) Industry analysis was popularized by Michael Porter.
11) Today's organizations must scan the natural environment for factors that might previously have been taken for granted.
12) The growing health consciousness is an example of a political-legal force.
13) The origin of competitive advantage lies in the ability to identify and respond to environmental change well in advance of competition.
14) An entry barrier means that there is an obstruction that makes it easy for a company to enter an industry.
15) A substitute product is a product that appears to be similar to other products, but cannot satisfy the same needs as another product.

Table with 15 columns numbered 1 to 15, used for marking true/false answers.

**1) The emphasis of strategic management is on**

- A) monitoring and evaluating external opportunities and threats in light of a corporation's strengths and weaknesses.
- B) first line managers.
- C) the short-run performance of the corporation.
- D) an examination of the organization's internal environment.
- E) an investigation of competitor actions.

**2) When an organization is evaluating its strategic position, which is NOT one of the strategic questions that an organization must ask itself?**

- A) Where is the organization now?
- B) How can functional and operational areas be improved?
- C) If no changes are made, where will the organization be in one year?
- D) If the evaluation is negative, what specific actions should management take?
- E) If no changes are made, where will the organization be in 10 years?

**3) The integrated internationalization of markets and corporations is called**

- A) normalization.
- B) economic integration.
- C) globalization.
- D) nationalization.
- E) regionalization.

**4) According to Porter, the corporation is most concerned with**

- A) the intensity of competition within its industry.
- B) the aggregate level of demand for a product line.
- C) a market's position on its life cycle.
- D) the amount of pressure from the societal environment.
- E) the level of government action in an industry.

**5) Which of the following is NOT descriptive of "threat of substitute products or services?"**

- A) Substitute products appear to be different, but satisfy the same need as another product.
- B) If the cost of switching is low, substitutes may have a strong effect on an industry.
- C) Identifying substitutes is relatively easy since they look similar.
- D) Possible substitute products or services may not appear to be easily substitutable.
- E) Substitutes limit the potential returns of an industry.

**6) Those variables that can affect significantly the overall competitive positions of companies within any particular industry are known as**

- A) external strategic factors.
- B) internal strategic factors.
- C) matrix factors.
- D) key success factors.
- E) industry scenario.

**7) The primary activity of competitive intelligence is to**

- A) monitor competitors.
- B) engage in corporate espionage
- C) survey stakeholders
- D) determine industry R & D statistics
- E) reverse engineer competitors' products.

1	2	3	4	5	6	7

