Strategic Management

Practice questions for the exam

Multiple choice

1. If a division has an IFI total weighted score of 2.5 and an EFE total weighted score of 2.5, what type of strategies would you recommend for that division?
   A. grow and build
   B. hold and maintain
   C. harvest or divest
   D. competitive
   E. The answer cannot be determined

Answer: B

2. What type of organizational structure do most small businesses follow?
   A. divisional structure by product
   B. functional structure
   C. divisional structure by customer
   D. matrix structure
   E. process type structure

Answer: B

3. Market segmentation is an important variable in strategy implementation because:
   A. all company strategies require increased sales through new markets and products
   B. it allows a firm to pursue strategies with limited resources
   C. mass production, mass distribution, and mass advertising are often not required
   D. all of the above

Answer: C

Essay questions

1. Diagram and clearly label a strategic business unit type structure for an organization of your choice.

2. Ford, General Motors and Chrysler have 40, 35 and 25 percent, respectively, of the automobile market. Calculate each firm’s relative market share position as needed in developing a BCG matrix.