

QUESTION BANK

MBA

SEMESTER 4

Vol. I

FOR PRIVATE CIRCULATION

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QUESTION BANK

BUSINESS INTELLIGENCE AND APPLICATION

MS-204

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BUSINESS INTELLIGENCE AND APPLICATION - MS 204
MBA IV

UNIT - I

(a) Multiple Choice Questions:

- 1 Which of the following are the characteristics of strategic information?
 - (a) Integrated
 - (b) Accessible
 - (c) Timely
 - (d) All the above

- 2 Online transaction processing system stores
 - (a) Archived Data
 - (b) Summarized Data
 - (c) Current Data
 - (d) None of the above

- 3 Data granularity in a data warehouse refers to the
 - (a) Integrated
 - (b) Accessibility
 - (c) Level of Detail
 - (d) None of the above

- 4 Which of the following gives departmental wise view?
 - (a) Data Warehouse
 - (b) Data Mark
 - (c) Both of the above
 - (d) None of the above

- 5 Which of the following are the types of metadata?
 - (a) Operational Metadata
 - (b) Extraction and Transformation Metadata
 - (c) End-user Metadata
 - (d) All of the above

- 6 Which of the following are the characteristics of a data warehouse?
 - (a) Application oriented

- (b) Time variant
 - (c) Non-integrated
 - (d) Volatile
- 7 Which of the following are the building blocks of a data warehouses?
- (a) Data Storage
 - (b) Information Delivery
 - (c) Management and Control
 - (d) All the above
- 8 Which one is the data capturing system?
- (a) Online Transaction Processing System
 - (b) Data Warehouse
 - (c) Online Analytical Processing System
 - (d) None of the above
- 9 Which one of the following provides the area with a set of functions to clean, huge, combine, convert, reduplicate and prepare source data for storage in data warehouse
- (a) Archived Data
 - (b) Data Staging
 - (c) Management and Control Component
 - (d) None of the above
- 10 Which of the following type of metadata provides navigational map of the data warehouse?
- (a) End-user Metadata
 - (b) Extraction and Transformation Metadata
 - (c) Operational Metadata
 - (d) None of the above
- 11 Augmented Transition Network (ATN) is an enhanced version of:
- (a) MTN
 - (b) RTN
 - (c) KTN
 - (d) LTN
- 12 An expert system used for identifying the structure of chemical molecules is:
- (a) MYCIN
 - (b) DENDRAL
 - (c) XCON/RI
 - (d) None of the above

- 13 DSS is tool
- (a) User oriented
 - (b) Subject oriented
 - (c) Both I and ii
 - (d) None of the above
- 14 DSS is related to
- (a) Business intelligence
 - (b) Data warehousing
 - (c) Both I and ii
 - (d) None of the above
- 15 DSS include knowledge base systems
- (a) True
 - (b) False
- 16 The fundamental components of DSS are:
- (a) Database and model
 - (b) User interface
 - (c) Both I and ii
 - (d) None of the above
- 17 Applications of DSS are:
- (a) Medical field
 - (b) Business area
 - (c) Agricultural area
 - (d) All of the above
- 18 The term business intelligence is synonymous with DSS
- (a) True
 - (b) False
- 19 DSS improves personal efficiency
- (a) True
 - (b) False
- 20 DSS promotes
- (a) Knowledge
 - (b) Learning or training
 - (c) Both I and ii

- (d) None of the above
- 21 DSS speeds up problem solving in an organization
 - (a) True
 - (b) False
- 22 DSS is based on
 - (a) Artificial intelligence
 - (b) Data mining
 - (c) Both I and ii
 - (d) None of the above
- 23 Subsystems of DSS are
 - (a) Data management subsystem
 - (b) Model management subsystem
 - (c) Both I and ii
 - (d) None of the above
- 24 Knowledge based management subsystem acts as an independent component
 - (a) True
 - (b) False
- 25 Knowledge based management subsystem is also called as organizational knowledge base
 - (a) True
 - (b) False
- 26 In which support system, the focus is on a group of people
 - (a) Personal support system
 - (b) Group support system
 - (c) Organizational support
 - (d) None of the above
- 27 GSS is
 - (a) Group support system
 - (b) Group support service
 - (c) Group service support
 - (d) None of the above

- 28 DSS is
- (a) Interactive
 - (b) Computer based system
 - (c) Both I and ii
 - (d) None of the above
- 29 A DSS is created to be a _____ decision aid.
- (a) Interactive
 - (b) passive
 - (c) Analytic
 - (d) Professional
- 30 DSS uses data
- (a) Subjective
 - (b) Objective
 - (c) Both I and ii
 - (d) None of the above
- 31 A contemporary term that describes the combination of hardware, software and data communications is
- (a) an information system
 - (b) information technology
 - (c) expert system
 - (d) artificial intelligence
 - (e) none of these
- 32 An information system that processes payroll checks would be an example of a/an
- (a) TPS
 - (b) DSS
 - (c) MIS
 - (d) EIS
 - (e) Expert system
- 33 An information system that helped doctors make diagnoses would be an example of a/an
- (a) TPS
 - (b) DSS
 - (c) MIS
 - (d) EIS
 - (e) Expert system

- 34 An information system's sponsor and chief advocate is the
- (a) System user
 - (b) System builder
 - (c) System owner
 - (d) System analyst
 - (e) None of these
- 35 The people who use or are affected by the information system on a regular basis, capturing, validating, entering, responding to, storing and exchanging data and information are
- (a) System owners
 - (b) System analysts
 - (c) System builders
 - (d) System users
 - (e) None of these
- 36 The decision makers who focus on the day-to-day management issues are
- (a) Supervisors
 - (b) Middle managers
 - (c) Executive managers
 - (d) Mobile managers
 - (e) None of these
- 37 Decision makers who are concerned with the overall business performance, any strategic or long-term planning, and problem solving are
- (a) Supervisors
 - (b) Middle Managers
 - (c) Executive Managers
 - (d) Mobile Managers
 - (e) None of these
- 38 The person who translates system users' business requirements and constraints into technical solutions is a
- (a) Systems designer
 - (b) Systems builder
 - (c) Systems user
 - (d) Network manager
 - (e) None of these
- 39 Any person who has an interest in existing or new information systems is known as
- (a) A stockholder

- (b) An end-user
 - (c) A stakeholder
 - (d) A network manager
 - (e) None of these
- 40 The term used to describe those people whose jobs involve the creation, collection, processing, distribution and use of information is
- (a) A network manager
 - (b) An information worker
 - (c) A systems owner
 - (d) A systems designer
 - (e) None of these
- 41 The strategy used to search through the rule base in an expert system defines:
- (a) an AI shell
 - (b) fuzzy logic
 - (c) CASE
 - (d) an inference engine
- 42 A knowledge-intensive computer program that captures the expertise of a human in limited domains of knowledge describes:
- (a) virtual reality
 - (b) a neural network
 - (c) a decision support system
 - (d) Expert System
43. Decision support systems usually
- (a) serve managers interested in weekly, monthly and yearly results, not day-to-day activities.
 - (b) help managers make decisions that are unique, rapidly changing and not easily specified in advance.
 - (c) provide managers with a generalized computing and telecommunications capacity that can be applied to a changing array of problems.
 - (d) perform and record the daily routine transactions necessary to the conduct of business.
44. Which of the following is NOT a feature of groupware?
- (a) Collaborative writing
 - (b) Project tracking
 - (c) Shared scheduling

- (d) Voice mail
- 45 Which of the following is a specialist who elicits information and expertise from other professionals and translates it into a set of rules or frames for an expert system?
- (a) Knowledge translator
 - (b) Knowledge analyst
 - (c) Knowledge specialist
 - (d) Knowledge engineer
- 46 Artificial intelligence systems:
- (a) Do not exhibit the same level of intelligence as human beings
 - (b) Can solve all problems intelligently
 - (c) Substitute for experts
 - (d) Can come up with new and novel solutions to problems
- 47 An expert system is:
- (a) a computer that can answer questions like a human expert
 - (b) a group of scientists who design computer programs
 - (c) a method of producing new words
 - (d) a computer that can feel emotions.
- 48 Which of the following is an advantage of using an expert system development tool?
- (a) imposed structure
 - (b) knowledge engineering assistance
 - (c) rapid prototyping
 - (d) All of the mentioned
- 49 Which of the following is not a class of information system applications?
- (a) database management system
 - (b) decision support system
 - (c) expert system
 - (d) management information system
- 50 The flow of transactions through business processes to ensure appropriate checks and approvals are implemented is called:
- (a) Procedures
 - (b) work flow
 - (c) process flow
 - (d) process requirement

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61. This is an approach to selling goods and services in which a prospect explicitly agrees in advance to receive marketing information.
- (a) customer managed relationship
 - (b) data mining
 - (c) permission marketing
 - (d) one-to-one marketing
 - (e) batch processing
62. In an Internet context, this is the practice of tailoring Web pages to individual users' characteristics or preferences.
- (a) Web services
 - (b) customer-facing
 - (c) client/server
 - (d) customer valuation
 - (e) personalization

63. This is the processing of data about customers and their relationship with the enterprise in order to improve the enterprise's future sales and service and lower cost.

- (a) clickstream analysis
- (b) database marketing
- (c) customer relationship management
- (d) CRM analytics
- (e) B2C

64. This is a broad category of applications and technologies for gathering, storing, analyzing, and providing access to data to help enterprise users make better business decisions.

- (a) best practice
- (b) data mart
- (c) business information warehouse
- (d) business intelligence
- (e) business warehouse

65. This is a systematic approach to the gathering, consolidation, and processing of consumer data (both for customers and potential customers) that is maintained in a company's databases.

- (a) database marketing
- (b) marketing encyclopedia
- (c) application integration
- (d) service oriented integration
- (e) business technology management

66. This is an arrangement in which a company outsources some or all of its customer relationship management functions to an application service provider (ASP).

- (a) spend management
- (b) supplier relationship management
- (c) hosted CRM
- (d) Customer Information Control System
- (e) online transaction processing

67. This is an XML-based metalanguage developed by the Business Process Management Initiative (BPMI) as a means of modeling business processes, much as XML is, itself, a metalanguage with the ability to model enterprise data.

- (a) BizTalk
- (b) BPML
- (c) e-biz
- (d) ebXML
- (e) ECB

68. This is a central point in an enterprise from which all customer contacts are managed.
- (a) contact center
 - (b) help system
 - (c) multichannel marketing
 - (d) call center
 - (e) help desk
69. This is the practice of dividing a customer base into groups of individuals that are similar in specific ways relevant to marketing, such as age, gender, interests, spending habits, and so on.
- (a) customer service chat
 - (b) customer managed relationship
 - (c) customer life cycle
 - (d) customer segmentation
 - (e) change management
70. In data mining, this is a technique used to predict future behavior and anticipate the consequences of change.
- (a) predictive technology
 - (b) disaster recovery
 - (c) phase change
 - (d) Digital Silhouettes
 - (e) predictive modeling

Ans. (1)(d), (2)(c), (3)(c), (4)(b), (5)(d), (6)(b), (7)(d), (8)(a), (9)(b), (10)(a), (11)(a),(12)(b), (13)(c), (14)(a), (15)(a), (16)(c), (17)(d), (18)(a), (19)(a), (20)(b), (21)(a), (22)(c), (23)(c), (24)(a), (25)(a), (26)(b), (27)(a), (28)(c), (29)(a), (30)(c), (31)(b), (32)(a), (33)(e), (34)(c), (35)(d), (36)(a), (37)(c), (38)(a), (39)(c), (40)(b),(41)(d), (42)(d), (43)(b), (44)(d), (45)(d), (46)(a), (47)(a), (48)(d), (49)(a), (50)(b), (51)(d), (52)(c), (53)(c), (54)(b), (55)(d), (56)(b), (57)(d), (58)(a), (59)(b), (60)(a)), (61)(c), (62)(e), (63)(d), (64)(d), (65)(a), (66)(c), (67)(b), (68)(a), (69)(d), (70)(e)

(c) Fill in the Blanks:

- 1 The.....was one of the earliest neural network model
- 2 When the computer stores a piece of data, it is performing a rudimentary form of learning which is called
- 3 The control system in MYCIN expert system is.....
- 4 DENDRAL is an expert system used to identify the.....
- 5 If the presence of some feature tends to cause the perceptron to fire, the weight associated with it will be.....

Ans. (1) (Perceptron), (2) (rote learning), (3) (goal-directed backward chaining of rules), (4) (structure of chemical molecules), (5) (positive)

II Short Answer Type Questions:

- 1 Why do people attempt to narrow the definition of DSS?
- 2 List the major components of DSS and briefly define each of them.
- 3 Why is model selection for DSS difficult?
- 4 Define a text-oriented DSS.
- 5 List and describe the major classes of DSS users.
- 6 What types of support are provided by DSS?
- 7 List the characteristics of group work.
- 8 List the activities of meetings.
- 9 What is the primary objective of groupware?
- 10 List the reasons why communication is so important for collaborative computing.
- 11 List the differences between collaboration and communication.
- 12 List the frames and collaborative technologies in the time/place framework of IT communication support.
- 13 List the reasons why meetings can be ineffective and inefficient. What are the different ways to solve the problems?
- 14 Define groupware. List its goals.
- 15 What is learning?
- 16 List the benefits (gains) of group work.
- 17 Define a group support system (GSS). List its potential capabilities.
- 18 Define an electronic meeting system (EMS).
- 19 Define an expert system.
- 20 List and define the major components of an ES.
- 21 Describe how expert systems perform interface?
- 22 What is a real-time ES?
- 23 How can an ES help a decision-maker in Web use?
- 24 What are Expert System shells? Briefly discuss.
- 25 What is knowledge acquisition? Explain with example.
- 26 What are the hardware and software requirements to build group decision support system?
- 27 How is knowledge represented in knowledge base of an expert system?
- 28 Draw and explain the Data warehouse architecture for Insurance sector.
- 29 What types of support are provided by DSS in Insurance Sector?
- 30 What types of support are provided by DSS in Retail Sector?
- 31 What is the difference between ERP and BI?

- 32 How are DSS, EIS and MIS related to Business Intelligence?
- 33 Is BI used only to analyze past data? Comment.
- 34 Assume you are in the hospitality business. What are the key questions BI will help you to answer.
- 35 What is metadata? Explain giving examples.
- 36 What are the essential differences between defining requirements for operational systems and for data warehouses?
- 37 Explain business dimensions. Why and how business dimensions be useful for defining requirements for the data warehouse?
- 38 What data does an information package contain?
- 39 What are dimension hierarchies? Give three examples.
- 40 Explain business metrics or facts with five examples.
- 41 Discuss use of DSS in hospital Management. Name a few known Hospital management support systems.
- 42 How is DSS different from GSS?
- 43 BI analyzes present and past data to predict future trends. Comment
- 44 Expert systems are based on knowledge and not information. Discuss.
- 45 For an ecommerce business Explain how BI can help .

III Long Answer Type Questions:

- 1 Review the major characteristics and capabilities of DSS. Relate each of them to the major components of DSS.
- 2 List some internal data and external data that could be found in a DSS for selecting a portfolio of stocks for an investor.
- 3 Explain why DSS was the first MIS ever defined as requiring a computer.
- 4 Explain why a DSS needs a database management system, a model-management system, and a user interface, but not a knowledge-base management system.
- 5 Explain why the user may be considered a component of the DSS.
- 6 Explain the differences and similarities among features of the Internet, intranets, and extranets.
- 7 How does groupware attain its primary objective?
- 8 What is nonverbal communication? Explain why it is important in human-to-human interaction. What methods are currently being used to incorporate non-verbal communication into collaborative computing?
- 9 Explain why collaboration is deeper than communication.
- 10 Explain why most groupware is deployed over the web.
- 11 Describe the advantages of deploying groupware over the Web.
- 12 Compare GSS to non-computerized group decision-making.

- 13 Discuss the details of process losses (dysfunctions) of group work.
- 14 Explain how GSS can increase some of the benefits of collaboration and eliminate or reduce some of the losses.
- 15 The original term for group support system was group decision support system (GDSS). Why as the word “decision” dropped? Does this make sense? Why or why not?
- 16 Explain what factors lead to GSS success.
- 17 How have GSS, the Web, and videoconferencing enabled effective distance learning?
- 18 Explain how GSS can support creativity.
- 19 Explain how the Web improves the benefit/cost ratio of ES and enables systems that otherwise are not justifiable.
- 20 Review the limitations of ES. From what you know, which of these limitations are the most likely to still be limitations in the year 2100? Why?
- 21 Before an expert system could be developed what are the different factors that must be considered?
- 22 Explain the expert system life cycle.
- 23 Explain the characteristics of an Expert System. Discuss its advantages.
- 24 Discuss the potential benefits that a DSS application can derive from the web in terms of both developers and users.
- 25 List some external and internal data in a DSS that would be constructed for a decision regarding a hospital expansion.
- 26 Search for a ready made DSS. What type of industry is its market? Why it is a ready made DSS?
- 27 Define creativity and list the ways that GSS can enhance creativity.
- 28 Describe the kinds of support that groupware can provide.
- 29 List the factors that lead to GSS success.
- 30 Explain why it is useful to describe group work in terms of time/place framework.
- 31 Explain the features of decision support system?
- 32 Why is partitioning of detailed data in data warehousing required?
- 33 What are the components and characteristics of Group Decision Support System?
- 34 Differentiate between structured decision, semi structured decisions and unstructured decision. Give examples of semi structured decisions and unstructured decisions.
- 35 Explain the architecture of an expert system? What are its application areas?
- 36 The current trends in hardware/software technology make data warehousing feasible. Explain via some examples how exactly technology trends do help.
- 37 You are the IT Directors of a nationwide insurance company. Write a memo to the Executive Vice President explaining the types of opportunities that can be realized with readily available strategic information.
- 38 For an airlines company, how can strategic information increase the number of frequent flyers? Discuss giving specific details.

- 39 You are a Senior Analyst in the IT department manufacturing automobile parts. The marketing VP is complaining about the poor response by IT in providing strategic information. Draft a proposal to him explaining the reasons for the problem and why a data warehouse would be the only viable solution.
- 40 In order to start a new hospital in a city what strategic information one must seek. Justify.
- 41 Explain how subjective data can be utilized in a DSS in light of the situations described in the opening vignette examples.
- 42 Models play a key role in DSS. Why? Explain how models exist in spreadsheet packages like Excel.
- 43 DSS Support all four decision-making phases: intelligence, design, choice, and implementation. True or false. Discuss giving your reasons.
44. Describe how providing support to a workgroup is different from providing support to group work. Explain why it is important to differentiate these concepts.

UNIT - II

I (a) Multiple Choice Questions:

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 - (c) Timely
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- 11 SQL is
- (a) Structured Query Language
 - (b) Structured Question Language
 - (c) Systematic query language
 - (d) None of the above
- 12 SQL islanguage
- (a) Procedural
 - (b) Non-procedural
 - (c) Both I and ii
 - (d) None of the above
- 13 Model.mdf is afile
- (a) Data file
 - (b) Log file
 - (c) Logical file
 - (d) Sys file
14. Tempdb is
- (a) Temporary database
 - (b) Template database
 - (c) Resource database
 - (d) None of the above
15. There are mainly Types of system databases
- (a) 3
 - (b) 4
 - (c) 5
 - (d) 6
16. If master database is corrupted then the SQL server service will not start
- (a) True
 - (b) False
 - (c) Can't Determine
 - (d) Both a & b
17. Which database is used as a template when create a database
- (a) Master
 - (b) Tempdb
 - (c) MSDB

- (d) Model
18. Which database is used by SQL server agent
- (a) Master
 - (b) Tempdb
 - (c) MSDB
 - (d) Model
19. Which database is created every time when SQL server is started
- (a) MSDB
 - (b) Model
 - (c) Tempdb
 - (d) Resource
20. Feature of SQL server is
- (a) Password policy enforcement
 - (b) Security enhancement
 - (c) System catalog security
 - (d) All of the above
21. Foreign key of one table points to.....of another table
- (a) Super key
 - (b) Candidate key
 - (c) Primary key
 - (d) None of the above
22. Primary key can contain value
- (a) Any value
 - (b) Any value except NULL
 - (c) Only NULL value
 - (d) 0 and 1
23. Alter table command is used to modify the.....
- (a) Schema
 - (b) Values
 - (c) None of the above
24. DDL stands for
- (a) Data definition language
 - (b) Data database language

- (c) Data design language
 - (d) None of the above
25. DDL commands are
- (a) Select
 - (b) Create
 - (c) Alter
 - (d) Drop
26. Drop command is used to
- (a) Delete the values
 - (b) Delete the table
 - (c) Both I and ii
 - (d) None of the above
27.clause is used to remove the duplicity
- (a) Group by
 - (b) Having
 - (c) Distinct
 - (d) Order by
28. Which command is used to extract data from database
- (a) Select
 - (b) Update
 - (c) alter
 - (d) drop
29. Which clause is used for sorting data
- (a) group by
 - (b) having
 - (c) distinct
 - (d) order by
30. Which command is used to add a new column into the existing table
- (a) update
 - (b) alter
 - (c) insert
 - (d) none of the above

- 31 Which of the following is characteristic of the data in a database?
- (a) Independent
 - (b) Secure
 - (c) Shared
 - (d) All of these.
- 32 Relationships could be of the following type:
- (a) One-to-one relationship
 - (b) One-to-many relationships
 - (c) Many-to-many relationships
 - (d) All of these.
- 33 In a file-oriented system there is:
- (a) Data inconsistency
 - (b) Duplication of data
 - (c) Data independence
 - (d) All of these.
- 34 In a database system there is:
- (a) Increased productivity
 - (b) Improved security
 - (c) Economy of scale
 - (d) All of these.
- 35 VDL is used to specify:
- (a) Internal schema
 - (b) External schema
 - (c) Conceptual schema
 - (d) None of these.
- 36 The DML provides following functional access to the database:
- (a) Retrieve data and/or records
 - (b) Add (or insert) records
 - (c) Delete records from database files
 - (d) All of these
- 37 4GL has the following components inbuilt in it:
- (a) Query languages
 - (b) Report generators
 - (c) Spreadsheets

- (d) All of these.
- 38 Which of the following is database element?
- (a) Data
 - (b) Constraints and schema
 - (c) Relationships
 - (d) All of these.
- 39 What separates the physical aspects of data storage from the logical aspects of data representation?
- (a) Data
 - (b) Schema
 - (c) Constraints
 - (d) Relationships
- 40 What scheme defines how and where the data are organized in a physical data storage?
- (a) External
 - (b) Internal
 - (c) Conceptual
 - (d) None of these.
41. Which of the following does not form part of BI Stack in SQL Server?
- (a) SSRS
 - (b) SSIS
 - (c) SSAS
 - (d) OBIEE
42. _____ is a system where operations like data extraction, transformation and loading operations are executed.
- (a) Data staging
 - (b) Data integration
 - (c) ETL
 - (d) None of the mentioned
43. _____ is a performance management tool that recapitulates an organization's performance from several standpoints on a single page.
- (a) Balanced Scorecard
 - (b) Data Cube
 - (c) Dashboard
 - (d) All of the mentioned

44. ----- supports basic OLAP operations, including slice and dice, drill-down, roll-up and pivoting.
- (a) Information processing
 - (b) Analytical processing
 - (c) Data mining
 - (d) Transaction processing
45. The core of the multidimensional model is the, which consists of a large set of facts and a number of dimensions.
- (a) Multidimensional cube
 - (b) Dimensions cube
 - (c) Data cube
 - (d) Data model
46. Data warehouse contains data that is never found in the operational environment.
- (a) Normalized
 - (b) Informational
 - (c) Summary
 - (d) Denormalized
47. The full form of KDD is
- (a) Knowledge Database
 - (b) Knowledge Discovery Database
 - (c) Knowledge Data House
 - (d) Knowledge Data Definition
48. What general type of DSS would include file drawer systems, data warehouses, on-line analytical processing (OLAP) systems, and Executive Information Systems?
- (a) Communications Driven DSS
 - (b) Data-Driven DSS
 - (c) Document-Driven DSS
 - (d) Knowledge-Driven DSS
49. What is the most important component of a Decision Support System?
- (a) Architecture and network design.
 - (b) Database
 - (c) Mathematical models and analytical tools
 - (d) User interface

- 50 Data mining cannot be done if _____
- (a) Operational data has not been archived
 - (b) Earlier management decisions are not available
 - (c) The organisation is large
 - (d) All processing had been only batch processing
- 51 A data warehouse is _____.
- (a) Updated by end users.
 - (b) Contains numerous naming conventions and formats
 - (c) Organized around important subject areas.
 - (d) Contains only current data.
- 52 An operational system is _____.
- (a) Used to run the business in real time and is based on historical data.
 - (b) Used to run the business in real time and is based on current data.
 - (c) Used to support decision making and is based on current data.
 - (d) Used to support decision making and is based on historical data.
- 53 The generic two-level data warehouse architecture includes _____.
- (a) At least one data mart.
 - (b) Data that can extracted from numerous internal and external sources.
 - (c) Near real-time updates.
 - (d) Far real-time updates.
- 54 The active data warehouse architecture includes _____
- (a) At least one data mart.
 - (b) Data that can extracted from numerous internal and external sources.
 - (c) Near real-time updates.
 - (d) All of the above.
- 55 Reconciled data is _____.
- (a) Data stored in the various operational systems throughout the organization.
 - (b) Current data intended to be the single source for all decision support systems.
 - (c) Data stored in one operational system in the organization.
 - (d) Data that has been selected and formatted for end-user support applications.
- 56 Transient data is _____.
- (a) Data in which changes to existing records cause the previous version of the records to be eliminated.

- (b) Data in which changes to existing records do not cause the previous version of the records to be eliminated.
 - (c) Data that are never altered or deleted once they have been added.
 - (d) Data that are never deleted once they have been added.
- 57 The extract process is _____.
- (a) Capturing all of the data contained in various operational systems.
 - (b) Capturing a subset of the data contained in various operational systems.
 - (c) Capturing all of the data contained in various decision support systems.
 - (d) Capturing a subset of the data contained in various decision support systems.
- 58 Data scrubbing is _____.
- (a) A process to reject data from the data warehouse and to create the necessary indexes.
 - (b) A process to load the data in the data warehouse and to create the necessary indexes.
 - (c) A process to upgrade the quality of data after it is moved into a data warehouse.
 - (d) A process to upgrade the quality of data before it is moved into a data warehouse
- 59 The load and index is _____.
- (a) A process to reject data from the data warehouse and to create the necessary indexes.
 - (b) A process to load the data in the data warehouse and to create the necessary indexes.
 - (c) A process to upgrade the quality of data after it is moved into a data warehouse.
 - (d) A process to upgrade the quality of data before it is moved into a data warehouse.
- 60 Data transformation includes _____.
- (a) A process to change data from a detailed level to a summary level.
 - (b) A process to change data from a summary level to a detailed level.
 - (c) Joining data from one source into various sources of data.
 - (d) Separating data from one source into various sources of data.
61. A lookup transformation is used to look up data in
- (a) flat file
 - (b) relational table (wrong)
 - (c) view
 - (d) synonyms
62. Which one support heterogeneous join?
- (a) source qualifier
 - (b) joiner

- (c) look up
63. Which output file is not created during session running?
- (a) session log
 - (b) workflow log
 - (c) error log
 - (d) bad files
 - (e) cache files
64. Which is both connected and unconnected?
- (a) external store procedure
 - (b) store procedure
 - (c) lookup
 - (d) advanced external procedure transformation
65. Can we generate alpha-numeric value in sequence generator?
- (a) Yes
 - (b) no
66. What is meaning of tracing level?
- (a) data store in cache (wrong)
 - (b) data store in database
 - (c) data store in log file
 - (d) data store in buffer
67. Which one contains input and output transformations?
- (a) maplet
 - (b) reusable transformation
 - (c) reusable mapping
68. Which dimension is collection of random transactional codes, flags and/or text attributes?
- (a) degenerated
 - (b) scd
 - (c) junk
 - (d) confirmed
69. Which one is not a target Option for file on the Servers?
- (a) ftp
 - (b) loader

- (c) mq
- (d) erp

70. Which one is not a designer tool creating transformations?

- (a) transformation developer
- (b) mapping designer
- (c) mapplet designer.
- (d) target designer

Ans. (1)(d), (2)(c), (3)(c), (4)(b), (5)(d), (6)(b), (7)(d), (8)(a), (9)(b), (10)(d), (11)(a), (12)(b), (13)(a), (14)(a), (15)(c), (16)(a), (17)(d), (18)(c), (19)(b), (20)(d), (21)(c), (22)(b), (23)(a), (24)(a), (25)(b), (26)(b), (27)(c), (28)(a), (29)(d), (30)(b), (31)(d), (32)(d), (33)(d), (34)(d), (35)(d), (36)(b), (37)(d), (38)(d), (39)(d), (40)(a), (41)(d), (42)(a), (43)(a), (44)(b), (45)(c), (46)(c), (47)(c), (48)(d), (49)(c), (50)(a), (51)(c), (52)(b), (53)(c), (54)(d), (55)(b), (56)(a), (57)(b), (58)(d), (59)(b), (60)(a), (61)(e), (62)(b), (63)(e), (64)(a,b,c), (65)(b), (66)(c), (67)(a), (68)(c), (69)(d), (70)(d)

(c) **Fill in the Blanks:**

- 1 _____ provides a new type of computing environment which provides strategic information.
- 2 _____ data is the data about data.
- 3 In data warehouse the content is updated _____ and stable.
- 4 Data marts provide _____ view of data.
- 5 Data warehouse is the _____ environment that presents a flexible and interactive source of strategic information.

Ans. (1)(Data Warehouse), (2)(Meta), (3)(Periodically), (4)(Departmental), (5)(Informational)

II Short Answer Type Questions:

- 1 Distinguish between DDL and DML.
- 2 Briefly explain the following commands.
 - (a) Create
 - (b) Alter
 - (c) Drop
- 3 Give differences between delete and drop.
- 4 Write down the various DDL commands. Explain with example.
- 5 Write down the various DML commands. Explain with example.

- 6 Write short note on features of SQL Server.
- 7 Write short note on System Databases.
- 8 Distinguish between OLAP and OLTP.
- 9 Write short note on data marts.
- 10 Define database.
- 11 Define data warehouse.
- 12 What were the failures of past decision support systems.
- 13 Distinguish between operational and DSS.
- 14 Distinguish between data warehouse and data mart.
- 15 Define metadata.
- 16 Give an Example query for DDL and DML
- 17 Consider the following relational schema
Employee(empno,name,office,age)
Books(isbn,title,authors,publisher)
Loan(empno,isbn,date)
Create tables for the same.
- 18 Define the following terms:
- (a) Data
 - (b) Database System
 - (c) DBMS
 - (d) Data Independence
 - (e) DBA
 - (f) Data Integrity
- 19 Who is DBA? What are the responsibilities of a DBA?
- 20 Explain database storage and database protection.
- 21 A data warehouse in an environment, not a product. Discuss.
- 22 Name at least six characteristics or features of a data warehouse.
- 23 Why is data integration required in a data warehouse, more so there than in an operational application?
- 24 Every data structure in the data warehouse contains the time element. Why?
- 25 Explain data granularity and how it is applicable to the data warehouse.
- 26 How are the top-down and bottom-up approaches for building a data warehouse different? Discuss the merits and disadvantages of each approach.
- 27 What are the various data sources for the data warehouse?
- 28 Why do you need a separate data staging component?
- 29 What is the STAR schema? What are the component tables?
- 30 Name any three advantages of the STAR schema. Can you think of any disadvantages of the STAR schema?
- 31 What is referential integrity constraint and how it works?
- 32 Which key factors are important in assigning a data warehouse?

33. Why is implementation effort necessary even though an ERP package is chosen?
34. What are the key features of Data Warehouse?
35. What are the features of MS-SQL Server?
36. What are the advantages of organizing data in star format in the data warehouse?
37. Explain DBSCAN
38. Give difference between Classification and clustering.
39. Which system (OLTP/OLAP) has support for concurrency control and recovery and why?
40. How is snowflake schema different from a star schema?
41. Mention a few BI tools for the databases that can support data warehouse.
42. What are junk dimensions? Are they necessary in a data warehouse?
43. How does a snowflake schema differ from a STAR schema? List two advantages and two disadvantages of the snowflake schema.
44. Differentiate between slowly and rapidly changing dimensions.
45. What are aggregate fact tables? Why are they needed? Give an example.
46. Describe with examples snapshot and transaction fact tables. How are they related?
47. Give an example of a value circle. Explain how a family of STARS can support a value circle?
48. Differentiate between utility of OLAP and OLTP.
49. DLAP and data warehouse get their data fed from OLTP. Discuss.
50. Redundancy removal results in data integrity. True or false. Discuss.
51. Discuss methods of handling Rapidly Changing Dimension.
52. Changes in dimensions are expected to be slow rather than rapid. Explain.

III Long Answer Type Questions:

1. Discuss the data staging component in a data warehouse.
2. Briefly explain the types of metadata.
3. Discuss in detail the architecture of a data warehouse.
4. Discuss source data component.
5. Explain in detail the features of a data warehouse.
6. Explain in briefly the various DLAP models.
7. Discuss star schema in detail.
8. Distinguish between star schema and snowflake scheme.
9. Write down the SQL query for creating an employee table and fetching all the records of an employee.
10. Write down the query for
 - (a) Fetching salary of employee whose age lies between 40 and 50.
 - (b) Calculating salary of employees.
 - (c) Sorting the employee's in ascending order according to age.

- 11 What are the various data sources for the data warehouse?
- 12 Why do you need a separate data staging component?
- 13 Under data transformation, list five different functions you can think of.
- 14 Name any six different methods for information delivery.
- 15 What are the three major types of metadata in a data warehouse? Briefly mention the purpose of each type.
- 16 Do you agree that a typical retail store collects huge volumes of data through its operational systems? Name three types of transaction data likely to be collected by a retail store in large volumes during its daily operations.
- 17 For an airlines company, how can strategic information increase the number of frequent flyers? Discuss giving specific details.
- 18 You are a Senior Analyst in the IT department manufacturing automobile parts. The marketing VP is complaining about the poor response by IT in providing strategic information. Draft a proposal to him explaining the reasons for the problem and why a data warehouse would be the only viable solution.
- 19 A data warehouse is subject-oriented. What would be the major critical business subjects for the following companies?
 - (a) An international manufacturing company
 - (b) A local community bank
 - (c) A domestic hotel chain
- 20 You are the data analyst on the project team building a data warehouse for an insurance company. List the possible data sources from which you will bring the data into your data warehouse. State your assumptions.
- 21 Discuss tow reasons why feeding data into the OLAP system directly from the source operational systems is not recommended.
- 22 Name any four factors for consideration in OLAP administration.
- 23 What are the essential differences between the MOLAP and ROLAP models? Also list a few similarities.
- 24 How does a snowflake schema differ from a STAR schema? List two advantages and two disadvantages of the snowflake schema.
- 25 You are asked to form a small team to evaluate the MOLAP and ROLAP models and make your recommendations. This is part of the data warehouse project for a large manufacturer of heavy chemicals. Describe the criteria your team will use to make the evaluation and selection.
- 26 Discuss the integrity constraints in SQL. Also discuss the various other constraints in SQL.
- 27 What are attributes? Discuss its various types.
- 28 Define a DML processor
- 29 Define a DDL processor
- 30 Define relation. Also discuss the various aggregate functions used in SQL.
- 31 Consider the employee database:

Emp (empno, ename, job, sal, comm., hiredate, deptno)

Dept (deptno, dname, loc)

Give an expression in SQL for the following:

- i) Add a new record in Emp table
 - ii) Increase 10 percent salary of employees working in deptno 10
 - iii) Display empno, job and dname for all the employees work in deptno 30
 - iv) Find the name of the employee having highest salary
- 32 How can the data be cleaned in data warehouse? Explain.
- 33 Explain the need of Data warehouse in modern business.
- 34 What is the difference between database & data warehouse in the organization?
- 35 What do you understand by Metadata?
- 36 Which processes are carried out to transform operational data to reconciled data & then further to delivered data.
- 37 When the following SQL command is given, what will be the effect of retrieval on the EMPLOYEE database of M/s KLY System Ltd of Table1.
- (a) SELECT EMP-NO, EMP-LNAME, EMP-FNAME, DEPT
FROM EMPLOYEE
WHERE SALARY=>4000;
- (b) SELECT EMP-FNAME, EMP-LNAME, DEPT, TEL-NO
FROM EMPLOYEE
WHERE EMP-NO = 123456;
- (c) SELECT EMP-NO, EMP-FNAME, DEPT, SALARY
FROM EMPLOYEE
WHERE EMP-LNAME = 'kumar';
- (a) SELECT EMP-NO, EMP-LNAME, EMP-FNAME
FROM EMPLOYEE
WHERE SALARY=>7000;

Table 1: EMPLOYEE file of M/s KLY System Ltd.

EMPLOYEE							
EMP-NO	EMP-LNAME	EMP-FNAME	SALARY	COUNTRY	BIRTH-CITY	DEPT	TEL.NO.
106519	Mathew	Thomas	4000	India	Mumbai	DP	2431322
112233	Smith	John	4500	Italy	Rome	MFG	2423206
123456	Kumar	Rajeev	6000	India	Delhi	DP	2427982
123243	Martin	Jose	3500	India	Jamshedpur	HR	2437981
109876	Singh	Abhishek	4800	USA	New Yoar	MFG	2147008
111222	Parasar	Alka	5100	USA	New Jersey	HR	2145063
165243	Kumar	Avinash	6500	UK	London	MFG	2407841

- 38 Draw and explain data warehouse architecture for retail sector?
- 39 Explain how two tables can be joined? Whether referential integrity is must for joining of two tables?
- 40 List the dimension and facts for hospital management system and also draw the star and snowflake schema.
- 41 What is data Descritization and summarization with example?
- 42 What is market basket analysis? Explain its use.
- 43 Construct an ER diagram for a car insurance company that has a set of customers, each of whom owns one or more cars. Each car has associated with it zero to any number of recorded accidents.
- 44 Picture this scenario: An enterprise has an enterprise-wide data warehouse. The data architect has the responsibility of maintaining the data warehouse. The data warehouse is periodically updated asynchronously. The data architect keeps track of the ETL process- When was it done? Was it an incremental update to the data warehouse? Etc. What according to you is the type of metadata that the data architect is maintaining?
- 45 You are the data design specialist on the data warehouse project team for a manufacturing company. Design a STAR schema to track the production quantities. Production quantities are normally analyzed along the business dimensions of product, time, parts used, production facility, and production run. State your assumptions.
- 46 Discuss why metadata of a warehouse is more critical than the metadata of Database.
- 47 Discuss the business conditions in which MOLAP will be preferred over ROLAP.
- 48 How association rule applies in market basket analysis and discuss how ecommerce business utilize it.
- 49 How discretization is different from summarization. Explain
- 50 Discuss how the data warehouse design of an automobile company will differ from that of a pharmaceutical company.

UNIT - III

I Test Your Skills:

(a) State Whether the Following Statements are True or False:

- 1 When analyst starts with data mining, he or she has some prior knowledge of what he or she is looking for.
- 2 Pattern discovery is an outcome of data mining.
- 3 OLAP predicts the future and data mining analysis the past.
- 4 Data mining algorithms need small amount of data.

- 5 Data mining flourishes on integrated and cleaned data.
- 6 Data mining does not fits well in the data warehouse environment.
- 7 Data mining picks up where OLAP leaves off.
- 8 Genetic algorithm is an interactive process.
- 9 Data mining has no application in retail industry.
- 10 Decision tree technique helps in risk assessment.

Ans. (1)(F), (2)(T), (3)(F), (4)(F), (5)(T), (6)(F), (7)(T), (8)(T), (9)(F), (10)(T)

(b) Multiple Choice Questions:

- 1 Data mining is
 - (a) Data driven
 - (b) User driven
 - (c) Both (a) & (b)
 - (d) Neither (a) nor (b)

- 2 Knowledge discovery process comprises of
 - (a) Two steps
 - (b) Four steps
 - (c) Six steps
 - (d) None of the above

- 3 In case of data mining the analyst has
 - (a) No prior knowledge of what the results are likely to be
 - (b) Some prior knowledge of what the results are likely to be
 - (c) All the prior knowledge of what the results are likely to be
 - (d) None of the above

- 4 Selection and preparation of data phase in knowledge discovery process consumes
 - (a) 15% of total effort
 - (b) 45% of total effort
 - (c) 20% of total effort
 - (d) 25% of total effort

- 5 Which of the following data mining technique be sued for market analysis
 - (a) Cluster detection
 - (b) Decision Trees
 - (c) Genetic Algorithms
 - (d) All the above

- 6 Clustering means forming
- (a) Rings
 - (b) Groups
 - (c) Rectors
 - (d) None of the above
- 7 Which of the following feeds data for data mining
- (a) Databases
 - (b) OLTP systems
 - (c) Data warehouses
 - (d) None of the above
- 8 Memory based reasoning data mining technique can be used in
- (a) Risk assessment
 - (b) Fraud detection
 - (c) Both (a) & (b)
 - (d) Neither (a) nor (b)
- 9 Data mining is used to aid in
- (a) operational management
 - (b) analyzing past decision made by managers
 - (c) detecting patterns in operational data
 - (d) retrieving archival data
- 10 Data mining requires
- (a) large quantities of operational data stored over a period of time
 - (b) lots of tactical data
 - (c) several tape drives to store archival data
 - (d) large mainframe computers
- 11 Data mining can not be done if
- (a) operational data has not been archived
 - (b) earlier management decisions are not available
 - (c) the organization is large
 - (d) all processing had been only batch processing
- 12 Decision support systems are used for
- (a) Management decision making
 - (b) Providing tactical information to management
 - (c) Providing strategic information to management

- (d) Better operation of an organization
- 13 Decision support systems are used by
- (a) Line managers.
 - (b) Top-level managers.
 - (c) Middle level managers.
 - (d) System users
- 14 Decision support systems are essential for
- (a) Day-to-day operation of an organization.
 - (b) Providing statutory information.
 - (c) Top level strategic decision making.
 - (d) Ensuring that organizations are profitable.
- 15 Data mining is same as
- (a) OLAP
 - (b) OLTP
 - (c) DATA warehouse
 - (d) None of the above
- 16 Data mining is a knowledge discovery process
- (a) True
 - (b) False
- 17 Data cleansing is done in
- (a) Data warehouse
 - (b) Data mart
 - (c) Both i and ii
 - (d) None of the above
- 18 Techniques of data mining are:
- (a) Cluster detection
 - (b) Decision trees
 - (c) Link analysis
 - (d) All of the above
- 19 Grouping of values in the same neighborhood comes under.....technique
- (a) Cluster detection
 - (b) Decision trees
 - (c) Link analysis

- (d) All of the above
- 20 Intechnique, data splits at decision points based on entropy
 - (a) Cluster detection
 - (b) Decision trees
 - (c) Link analysis
 - (d) All of the above
- 21 Association of unknown instances with known instances is a process of.....technique
 - (a) Memory based reasoning
 - (b) Link analysis
 - (c) Neural network
 - (d) Genetic algorithm
- 22 Which technique is based on linking of variables
 - (a) Cluster detection
 - (b) Decision trees
 - (c) Link analysis
 - (d) All of the above
- 23 Forward propagation network is a structure of.....
 - (a) Memory based reasoning
 - (b) Link analysis
 - (c) Neural network
 - (d) Genetic algorithm
- 24 Data mining applications include
 - (a) Customer segmentation
 - (b) Market basket analysis
 - (c) Risk management
 - (d) All of the above
- 25 Fraud detection is an application of
 - (a) Data warehousing
 - (b) Data mining
 - (c) Both I and ii
 - (d) None of the above

- 26is a best source of data for a data mining operation
- (a) OLAP
 - (b) Data warehouse
 - (c) OLTP
 - (d) None of the above
- 27uncovers relationships and patterns in the existing data
- (a) Data mining
 - (b) Data warehouse
 - (c) OLAP
 - (d) None of the above
- 28steps comprise the knowledge discovery process
- (a) 3
 - (b) 4
 - (c) 5
 - (d) 6
- 29 Data mining is
- (a) Data driven
 - (b) User driven
 - (c) Both I and ii
 - (d) None of the above
- 30 OLAP is
- (a) Data driven
 - (b) User driven
 - (c) Both I and ii
 - (d) None of the above
- 31 Which of the following is not a data mining functionality?
- (a) Characterization and Discrimination
 - (b) Classification and regression
 - (c) Selection and interpretation
 - (d) Clustering and Analysis
- 32 The Synonym for data mining is
- (a) Data warehouse
 - (b) Knowledge discovery in database
 - (c) ETL

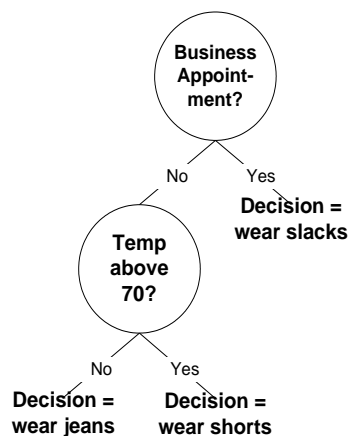
- (d) Business intelligence
 - (e) OLAP.
- 33 Which of the following statements is true?
- (a) A fact table describes the transactions stored in a DWH
 - (b) A fact table describes the granularity of data held in a DWH
 - (c) The fact table of a data warehouse is the main store of descriptions of the transactions stored in a DWH
 - (d) The fact table of a data warehouse is the main store of all of the recorded transactions over time
 - (e) A fact table maintains the old records of the database.
- 34 Most common kind of queries in a data warehouse
- (a) Inside-out queries
 - (b) Outside-in queries
 - (c) Browse queries
 - (d) Range queries
 - (e) All (a), (b), (c) and (d) above.
- 35 Concept description is the basic form of the
- (a) Predictive data mining
 - (b) Descriptive data mining
 - (c) Data warehouse
 - (d) Relational data base
 - (e) Proactive data mining.
- 36 The apriority property means
- (a) If a set cannot pass a test, all of its supersets will fail the same test as well
 - (b) To improve the efficiency the level-wise generation of frequent item sets
 - (c) If a set can pass a test, all of its supersets will fail the same test as well
 - (d) To decrease the efficiency the level-wise generation of frequent item sets
 - (e) All (a), (b), (c) and (d) above
- 37 Which of following form the set of data created to support a specific short lived business situation?
- (a) Personal data marts
 - (b) Application models
 - (c) Downstream systems
 - (d) Disposable data marts
 - (e) Data mining models

- 38 is a summarization of the general characteristics or features of a target class of data.
- (a) Data Characterization
 - (b) Data Classification
 - (c) Data discrimination
 - (d) Data selection
- 39 is a comparison of the general features of the target class data objects against the general features of objects from one or multiple contrasting classes.
- (a) Data Characterization
 - (b) Data Classification
 - (c) Data discrimination
 - (d) Data selection
- 40 Strategic value of data mining is
- (a) cost-sensitive
 - (b) work-sensitive
 - (c) time-sensitive
 - (d) technical-sensitive
- 41 is the process of finding a model that describes and distinguishes data classes or concepts.
- (a) Data Characterization
 - (b) Data Classification
 - (c) Data discrimination
 - (d) Data selection
42. In data mining, this is a technique used to predict future behavior and anticipate the consequences of change.
- (a) Predictive Modelling
 - (b) Disaster recovery
 - (c) Phase change
 - (d) Digital Silhouettes
43. This is an arrangement in which a company outsources some or all of its customer relationship management functions to an application service provider (ASP).
- (a) Spend management
 - (b) Supplier relationship management
 - (c) Hosted CRM
 - (d) Customer Information Control System

44. This is a broad category of applications and technologies for gathering, storing, analysing, and providing access to data to help enterprise users make better business decisions.
- (a) Best practice
 - (b) Data mart
 - (c) Business information warehouse
 - (d) Business intelligence
45. This is an XML-based meta language developed by the Business Process Management Initiative (BPMI) as a means of modeling business processes, much as XML is, itself, a meta language with the ability to model enterprise data.
- (a) BizTalk
 - (b) BPML
 - (c) e-biz
 - (d) ebXML
46. Which of the following are not done by Business Intelligence (BI) systems?
- (a) Analyze past and current activities only
 - (b) Process and record transactions only
 - (c) Both of the above are correct.
 - (d) Neither of the above is correct.
47. The "curse of dimensionality" relates to which problem of using operational data for BI reporting?
- (a) Dirty data
 - (b) Inconsistent data
 - (c) Too much data
 - (d) Non-integrated data
48. A report generated by a reporting system is delivered to the appropriate users via a user-accessed Web site. This system uses which of the following report modes?
- (a) Push
 - (b) Pull
 - (c) RFM
 - (d) PLAP
49. Business Intelligence (BI) reporting analyses can be performed using _____ .
- (a) standard SQL only
 - (b) extensions to SQL only
 - (c) OLAP only

- (d) both standard SQL and extensions to SQL
50. We have Market Basket data for 1,000 rental transactions at a Video Store. There are four videos for rent -- Video A, Video B, Video C and Video D. The probability that both Video C and Video D are rented at the same time is known as _____.
- (a) The basic probability
 - (b) Support
 - (c) Lift
 - (d) Confidence
51. Data mining applications are used to accomplish which of the following tasks?
- (a) Process transactions only
 - (b) Do RFM analysis only
 - (c) Do what-if analysis only
 - (d) Do both RFM and what-if analysis
52. The process of forming general concept definitions from examples of concepts to be learned.
- (a) deduction
 - (b) abduction
 - (c) induction
 - (d) conjunction
53. Data mining is best described as the process of
- (a) identifying patterns in data.
 - (b) deducing relationships in data.
 - (c) representing data.
 - (d) simulating trends in data.
54. Computers are best at learning
- (a) facts.
 - (b) concepts.
 - (c) procedures.
 - (d) principles.
55. Like the probabilistic view, the _____ view allows us to associate a probability of membership with each classification.
- (a) exemplar
 - (b) deductive
 - (c) classical

- (d) inductive
56. Data used to build a data mining model.
- (a) validation data
 - (b) training data
 - (c) test data
 - (d) hidden data
57. Supervised learning and unsupervised clustering both require at least one
- (a) hidden attribute.
 - (b) output attribute.
 - (c) input attribute.
 - (d) categorical attribute.
58. Supervised learning differs from unsupervised clustering in that supervised learning requires
- (a) at least one input attribute.
 - (b) input attributes to be categorical.
 - (c) at least one output attribute.
 - (d) output attributes to be categorical.
59. Which of the following is a valid production rule for the decision tree below?



- (a) IF Business Appointment = No & Temp above 70 = No
THEN Decision = wear slacks
- (b) IF Business Appointment = Yes & Temp above 70 = Yes
THEN Decision = wear shorts
- (c) IF Temp above 70 = No

- THEN Decision = wear shorts
(d) IF Business Appointment= No & Temp above 70 = No
THEN Decision = wear jeans
60. Database query is used to uncover this type of knowledge.
(a) deep
(b) hidden
(c) shallow
(d) multidimensional
61. Another name for an output attribute.
(a) predictive variable
(b) independent variable
(c) estimated variable
(d) dependent variable
62. Classification problems are distinguished from estimation problems in that
(a) classification problems require the output attribute to be numeric.
(b) classification problems require the output attribute to be categorical.
(c) classification problems do not allow an output attribute.
(d) classification problems are designed to predict future outcome.
63. Which statement is true about prediction problems?
(a) The output attribute must be categorical.
(b) The output attribute must be numeric.
(c) The resultant model is designed to determine future outcomes.
(d) The resultant model is designed to classify current behavior.
64. Which statement about outliers is true?
(a) Outliers should be identified and removed from a dataset.
(b) Outliers should be part of the training dataset but should not be present in the test data.
(c) Outliers should be part of the test dataset but should not be present in the training data.
(d) The nature of the problem determines how outliers are used.
(e) More than one of a,b,c or d is true.

65. Assume that we have a dataset containing information about 200 individuals. One hundred of these individuals have purchased life insurance. A supervised data mining session has discovered the following rule:

IF age < 30 & credit card insurance = yes
THEN life insurance = yes
Rule Accuracy: 70%
Rule Coverage: 63%

How many individuals in the class *life insurance*= no have credit card insurance and are less than 30 years old?

- (a) 63
 - (b) 70
 - (c) 30
 - (d) 27
66. Which statement is true about neural network and linear regression models?
- (a) Both models require input attributes to be numeric.
 - (b) Both models require numeric attributes to range between 0 and 1.
 - (c) The output of both models is a categorical attribute value.
 - (d) Both techniques build models whose output is determined by a linear sum of weighted input attribute values.
 - (e) More than one of a,b,c or d is true.
67. Unlike traditional production rules, association rules
- (a) allow the same variable to be an input attribute in one rule and an output attribute in another rule.
 - (b) allow more than one input attribute in a single rule.
 - (c) require input attributes to take on numeric values.
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68. Which of the following is a common use of unsupervised clustering?
- (a) detect outliers
 - (b) determine a best set of input attributes for supervised learning
 - (c) evaluate the likely performance of a supervised learner model
 - (d) determine if meaningful relationships can be found in a dataset

(e) All of a,b,c, and d are common uses of unsupervised clustering.

69. The average positive difference between computed and desired outcome values.

- (a) root mean squared error
- (b) mean squared error
- (c) mean absolute error
- (d) mean positive error

70. Given desired class C and population P , lift is defined as

- (a) the probability of class C given population P divided by the probability of C given a sample taken from the population.
- (b) the probability of population P given a sample taken from P .
- (c) the probability of class C given a sample taken from population P .
- (d) the probability of class C given a sample taken from population P divided by the probability of C within the entire population P .

Ans. (1)(a), (2)(c), (3)(a), (4)(b), (5)d, (6)(b), (7)(c), (8)(c), (9)(c), (10)(a), (11)(a), (12)(c), (13)(b), (14)(c), (15)(a), (16)(a), (17)(c), (18)(d), (19)(a), (20)(b), (21)(a), (22)(c), (23)(c), (24)(d), (25)(b), (26)(b), (27)(a), (28)(d), (29)(c), (30)(b), (31)(c), (32)(c), (33)(d), (34)(a), (35)(b), (36)(b), (37)(d), (38)(a), (39)(c), (40)(c), (41)(b), (42)(a), (43)(c), (44)(d), (45)(b), (46)(b), (47)(c), (48)(b), (49)(a), (50)(b), (51)(c), (52)(c), (53)(a), (54)(b), (55)(a), (56)(b), (57)(c), (58)(c), (59)(d), (60)(c), 61(d), 62(b), 63(c), 64(d), 65(d), 66(a), 67(a), 68(e), 69(c), 70(d)

(c) **Fill in the Blanks:**

1 OLAP is _____ driven.

2 Knowledge discovery process in data mining uncovers _____ and _____ not readily known to exist.

3 _____ is the best source of data for a data mining operation.

4 Cluster detection, decision trees and memory based reasoning are major _____ techniques.

5 If knowledge discovery is one aspect of data mining then _____ is the other.

6 Infrastructure of data warehouse is _____.

7 Link analysis technique mines _____ and discover knowledge.

8 Associations are _____ between items.

Ans. (1)(User), (2)(Relationship Patterns), (3)(Data Warehouse), (4)(Data Mining), (5)(Prediction), (6)(Robust), (7)(Relationship), (8)(Affinities)

II Short Answer Type Questions:

- 1 Write short note on data mining.
- 2 Is dataware house a prerequisite for data mining?
- 3 Briefly describe the cluster detection technique.
- 4 Name three common application of link analysis technique.
- 5 How is data mining different from OLAP.
- 6 What is market basket analysis? Give two examples of this application in business.
- 7 State the similarities in neural networks and genetic algorithms.
- 8 State the differences in neural networks and genetic algorithms.
- 9 What is market Basket analysis. Give examples of applications in business.
- 10 Give reasons why data mining is being used in today's business process.
- 11 What are the benefits of data mining?
- 12 Give three broad reasons why you think data mining is being used in today's businesses.
- 13 Define data mining in two or three sentences.
- 14 Name the major phases of a data mining operation. Out of these phases, pick two and describe the types of activities in these two phases.
- 15 Name the three common application of the link analysis technique
- 16 Do neural networks and genetic algorithms have anything in common? Point out a few differences.
- 17 What are the applications of data mining in marketing and HRM?
- 18 Explain data mining as a step in the process of knowledge discovery
- 19 Explain major issues in data mining
- 20 Explain Various steps in data pre-processing
- 21 Briefly discuss about data integration & data transformation
- 22 Discuss the role of data compression & numerosity reduction in data reduction Process
- 23 Describe why it is important to have a data mining query language
- 24 Explain schema integration and instance integration with an example.
- 25 When and how is data profiling conducted? Explain.
- 26 Where can we use genetic algorithms for mining the data.
- 27 What is the difference between clustering and nearest neighbour prediction?
- 28 Where can we use Neural networks in the field of data mining?
- 29 Explain the major elements of data mining.
- 30 What is the need of data mining tool?
- 31 What is the motivation behind knowledge discovery?
- 32 Define each of the data mining functionalities using real life examples.
- 33 Describe why concept hierarchies are useful in Data Mining?

- 34 Describe the use and applications of DBMiner.
- 35 What are the factors involved while choosing data mining system?
- 36 Explain the types of data mining.
- 37 Explain in detail the various steps involved in Data Processing.
- 38 Discuss classification and Prediction in detail.

III Long Answer Type Questions:

- 1 Define data mining. Explain the knowledge discovery process.
- 2 Explain the major data mining techniques.
- 3 What are the applications of data mining? Discuss.
- 4 Write note on application of data mining in retail industry.
- 5 Describe how decision trees work. Choose an example and explain how this knowledge discovery process works.
- 6 What are the basic principles of genetic algorithm? Give an example. Using example illustrate how this technique works.
- 7 The data warehouse is the best source of data for a data mining operation. Comment.
- 8 OLAP is user driven. Comment.
- 9 Discuss the application of data mining in telecommunication industry.
- 10 Discuss the application of data mining in banking and finance industry.
- 11 As a data mining consultant you are hired by a large commercial bank that provides many financial services. The bank already has a data warehouse that it rolled out two years ago. The management wants to find the existing customers who are most likely to respond to a marketing campaign offering new services. Outline the knowledge discovery process, list the phases, and indicate the activities in each phase.
- 12 In your project you are responsible for analyzing the requirements and selecting a toolset for data mining. Make a list of the criteria you will use for the toolset selection. Briefly explain why each criteria is necessary.
- 13 Explain the K-nearest neighbor and decision tree technique of data mining?
- 14 Explain about different methods used for mining text databases
- 15 Discuss about time-series analysis
- 16 Discuss about Web Mining
- 17 What is sequential pattern mining? Explain
- 18 Is it a good idea for enterprises to maintain independent data marts? Explain your answer with reasons.
- 19 How is the neural network model created? How can it make a prediction?
- 20 How is the space for clustering and nearest neighbour defined?
- 21 How Genetic algorithms works on the principle of survival of the fittest?
- 22 What is a “factless fact”? Explain with an example.
- 23 Discuss classification and Prediction in detail.

- 24 Differentiate between fully additive and semi-additive facts with examples?
- 25 Suppose that a data warehouse consists of the three dimensions time, doctor, and patient, and the two measures count and charge, where charge is the fee that a doctor charges a patient for a visit.
- (a) Enumerate three classes of schemas that are popularly used for modeling data warehouses.
 - (b) Draw a schema diagram for the above data warehouse using one of the schema classes listed in (a).
 - (c) Starting with the base cuboid [day; doctor; patient], what specific OLAP operations should be per-formed in order to list the total fee collected by each doctor in 2004?
- 26 You are the senior analyst in the IT department of a company manufacturing automobile parts. The marketing VP is complaining about the poor response by IT in providing strategic information. Draft a proposal to him explaining the reason for the problem and why the data ware house would be only viable option.
- 27 Is OLTP database design optimal for data warehouse? Discuss.
- 28 What are conformed dimension.
- 29 Explain why dimension table is wide and shallow?
- 30 What are hypercubes ? What is the importance of hypercubes ?

UNIT - IV

I Test Your Skills:

(a) State Whether the Following Statements are True or False:

- 1 Knowledge is usually based on learning, thinking, and proper understanding of the problem area.
- 2 Tacit knowledge is that which is codified and digitized in documents, books, reports, spreadsheets, memos etc.
- 3 Knowledge chunking helps experts to optimize their memory capacity and enables them to process the information quickly.
- 4 Humans receive and process information in exactly the same way as the machines do.
- 5 Knowledge developers use iterative approach for capturing knowledge.
- 6 Knowledge workers are skilled at avoiding information overload.
- 7 Knowledge maps are tools for identifying and locating the organization's knowledge resources.
- 8 Portals are used to connect knowledge workers to external databases.

- 9 Information systems can also provide knowledge networks for linking people so that tacit knowledge can be shared.
- 10 Knowledge assets are as important as physical and financial assets for competitive advantage and survival.

Ans. (1)(T), (2)(F), (3)(T), (4)(F), (5)(T), (6)(F), (7)(T), 8(F),(9)(T), 10(T)

(b) Multiple Choice Questions:

- 1 The process using which the expert's thoughts and experiences can be captured is
- (a) Knowledge capturing
 - (b) Knowledge chunking
 - (c) Knowledge generation
- 2 The skill of acquiring knowledge using the method of instruction/study is referred to as
- (a) Knowledge
 - (b) Experience
 - (c) Learning
- 3 An expert's knowledge or expertise represents
- (a) The ability to gather uncertain information as input
 - (b) The ability to disperse uncertain information as output
 - (c) The ability to gather certain information as input
- 4 The difficulty of translating the expert's notions into applicable rules is increased by
- (a) Uncertainty
 - (b) Fussiness
 - (c) Understanding
 - (d) All the above
- 5 Knowledge generation comprises
- (a) Knowledge acquisition
 - (b) Knowledge Synthesis
 - (c) Knowledge Creation
 - (d) All the above
- 6 Knowledge acquisition is the process of Knowledge.
- (a) Acquiring
 - (b) Disseminating

- (c) Distributing
 - (d) Dividing
- 7 is a Knowledge Management Technology.
- (a) Intranet
 - (b) Internet
 - (c) Cloud computing
 - (d) Data mining
- 8 KM is aboutand learning organizations.
- (a) People
 - (b) Process
 - (c) Product
 - (d) Perspective
- 9 KM is about..... , &
- (a) People & Perspective
 - (b) Processes, methods and techniques
 - (c) Product and technique
 - (d) Methods and People
- 10 Data warehousing is associated/used for.....
- (a) Data
 - (b) Knowledge Management
 - (c) Data Mart
 - (d) SQL
- 11 The lifecycle of KM isin nature.
- (a) Iterative
 - (b) Sequential
 - (c) Deductive
 - (d) Declarative
- 12 A..... based knowledge map is easy to use and understand.
- (a) GUI
 - (b) SQL
 - (c) CUI
 - (d) Data

- 13 Knowledge can be communicated through.....
- (a) Symbolic representations
 - (b) Declarative representations
 - (c) No representation
 - (d) Language only
- 14knowledge is knowledge specific to a particular situation.
- (a) Situated
 - (b) Timely
 - (c) Individual
 - (d) Organizational
- 15 Management information systems usually:
- (a) Serve managers interested in weekly, monthly, and yearly results, not day-to-day activities.
 - (b) Help managers make decisions that are unique, rapidly changing, and not easily specified in advance.
 - (c) Provide managers with a generalized computing and telecommunications capacity that can be applied to a changing array of problems
 - (d) Perform and record the daily routine transactions necessary to the conduct of business.
- 16 Identifying customers and markets using data on demographics, markets, consumer behavior, and trends is an example of a(n):
- (a) Operational-level sales and marketing information system.
 - (b) Knowledge-level sales and marketing information system
 - (c) Management-level sales and marketing information system
 - (d) Strategic-level sales and marketing information system
- 17 Deciding where to locate new production facilities is a(n) example of a manufacturing and production information system operating at:
- (a) Operational level
 - (b) Management level
 - (c) Knowledge level
 - (d) Strategic level
- 18 Preparing short-term budgets is an example of a finance and accounting information system operating at the:
- (a) operational level
 - (b) management level

- (c) knowledge level
 - (d) strategic level
- 19 Tracking employee training, skills, and performance appraisals is an example of a human resource information system operating at the:
- (a) Operational level
 - (b) Management level
 - (c) Knowledge level
 - (d) Strategic level
- 20 Assembling a product, identifying customers and hiring employees are
- (a) Transactions
 - (b) Phases
 - (c) Business processes
 - (d) Business functions
- 21 Which of the following is a network of facilities for procuring materials, transforming raw materials into intermediate and finished products, and distributing the finished products to customers?
- (a) production chain
 - (b) primary chain
 - (c) supply chain
 - (d) distribution chain
- 22 Information systems can facilitate supply chain management by:
- (a) tracking the status of orders
 - (b) rapidly communicating orders
 - (c) providing product specifications
 - (d) doing all of the above
- 23 Enterprise systems support:
- (a) manufacturing processes
 - (b) financial and accounting processes
 - (c) human resource processes
 - (d) all of above
- 24 Which of the following uses a vertical industrial network?
- (a) Coca-Cola
 - (b) Ford
 - (c) General Motors

- (d) OASIS
- 25 _____are knowledge based system to which present rules are applied to solve a particular problem.
- (a) Expert system
 - (b) AI
 - (c) KBS
 - (d) None of the above
- 26 Examples of handheld system are
- (a) Mainframe
 - (b) Palmtops
 - (c) Cellular telephones
 - (d) both b and c
- 27 The computer can potentially be used to monitor most of our actions, thus robbing us of _____.
- (a) Tapping
 - (b) Privacy
 - (c) Backlog
 - (d) Security
- 28 A systems theory of organization sees the firm as a
- (a) Network of resource flows
 - (b) System transforming inputs into outputs
 - (c) Physical system managed by the manager using a conceptual system
 - (d) All of the above
- 29 _____ means that the manager spends his or her time dealing with exceptions or those situations which are out of control.
- (a) relevant
 - (b) management by exception
 - (c) predictive reports
 - (d) control
- 30 _____ decisions are those decisions for which policy standards or guidelines are already established.
- (a) programmable
 - (b) control
 - (c) predictive reports

- (d) Relevant
- 31 Word processing, desktop publishing, and electronic calendars are examples of:
- (a) Knowledge work systems
 - (b) Artificial intelligence systems
 - (c) Decision support systems
 - (d) Document imaging systems
 - (e) Group collaboration systems
 - (f) Office systems
- 32 The stored learning from an organization's history that can be used for decision-making and other purposes best describes:
- (a) Organizational learning
 - (b) Tacit knowledge
 - (c) Knowledge warehouse
 - (d) Best practices
 - (e) Organizational memory
 - (f) Knowledge base
- 33 The most successful solutions or problem-solving methods that have been developed by a specific organization or industry best describes:
- (a) Organizational memory
 - (b) Knowledge management
 - (c) Best practices
 - (d) Standard operating procedures
 - (e) Explicit knowledge
 - (f) Business objectives
- 34 Systems that convert documents and images into digital form so that they can be stored and accessed by the computer are called:
- (a) Virtual reality systems
 - (b) Document imaging systems
 - (c) Knowledge work systems
 - (d) Neural networks
 - (e) Presentation graphics systems
 - (f) Scanners
- 35 Major knowledge work applications include:
- (a) Investment workstations, computer-aided design systems, and intelligent agents
 - (b) Document imaging systems

- (c) Virtual reality systems, investment workstations, and intelligent agents
 - (d) Virtual reality systems, intelligent agents, and investment workstations
 - (e) Computer-aided design systems, virtual reality systems, and investment workstations.
 - (f) None of the above
- 36 Interactive graphics software and hardware that create computer-generated simulations which provide sensations that emulate real world-activities describes:
- a) VRML
 - b) Fuzzy neural networks
 - c) Virtual reality systems
 - d) Genetic algorithms
 - e) Pilot programs
- 37 Groupware is build around each of the following principles:
- (a) communication, collaboration, and coordination
 - (b) communication, collaboration, coordination, and knowledge sharing
 - (c) communication, collaboration, coordination, and investigation
 - (d) communication, collaboration, coordination, and teamware
 - (e) communication, collaboration, coordination, and groupware
 - (f) None of these
- 38 Artificial intelligence systems:
- (a) Do not exhibit the same level of intelligence as human beings
 - (b) Can solve all problems intelligently
 - (c) Substitute for experts
 - (d) Can come up with new and novel solutions to problems
 - (e) Can develop associations and use metaphors and analogies
 - (f) Have a unique ability to impose a conceptual apparatus on the surrounding world
- 39 A knowledge-intensive computer program that captures the expertise of a human in limited domains of knowledge describes:
- (a) virtual reality
 - (b) a neural network
 - (c) a decision support system
 - (d) fuzzy logic
 - (e) a genetic algorithm
 - (f) an expert system

- 40 The strategy used to search through the rule base in an expert system defines:
- (a) an AI shell
 - (b) fuzzy logic
 - (c) CASE
 - (d) an inference engine
 - (e) a genetic algorithm
 - (f) SWOT
- 41 Which of the following is a specialist who elicits information and expertise from other professionals and translates it into a set of rules or frames for an expert system?
- (a) Knowledge translator
 - (b) Knowledge analyst
 - (c) Knowledge specialist
 - (d) Knowledge engineer
 - (e) Expert analyst
 - (f) Systems analyst
- 42 One popular classification technique in Business Intelligence (BI) reporting is _____ .
- (a) cluster analysis only
 - (b) regression analysis only
 - (c) RFM analysis only
 - (d) both cluster analysis and regression analysis
- 43 In OLAP, we are interested in _____ .
- (a) levels only
 - (b) dimensions only
 - (c) measures only
 - (d) measures and dimensions
- 43 Expertise and experience of organizational members that has not been formally documented is known as:
- (a) knowledge sharing
 - (b) tacit knowledge
 - (c) organizational learning
 - (d) organizational memory
- 45 The set of processes developed in an organization to create, gather, store, transfer, and apply knowledge, best describes:
- (a) organizational learnings
 - (b) knowledge management
 - (c) organizational memory
 - (d) knowledge assets

- 46 Technologies that uniquely and directly address the organizational learning and knowledge management tasks include:
- (a) enterprise systems, external and internal networks, databases, datamining, and communication-based applications
 - (b) just office systems and knowledge work systems
 - (c) just external and internal networks and databases
 - (d) office systems, knowledge work systems (KWS), group collaboration systems, and AI applications
- 47 A collection of internal and external knowledge in a single location for more efficient management and utilization by the organization, best describes:
- (a) a knowledge repository
 - (b) organizational memory
 - (c) a data warehouse
 - (d) knowledge management
- 48 Which of the following is a software program that uses a built-in or learned knowledge base to carry out specific, repetitive, and predictable tasks for an individual user, business process, or software application?
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 - (b) Intelligent agent
 - (c) Genetic algorithms
 - (d) Neural network
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 - (c) the probability of class C given a sample taken from population P.
 - (d) the probability of class C given a sample taken from population P divided by the probability of C within the entire population P.
- 61 _____ servers support multidimensional views of data through array – based multidimensional storage engines.
- (a) ROLAP
 - (b) MOLAP
 - (c) Data Base

- (d) Data Warehouse
62. _____ is used to refer to systems and technologies that provide the business with the means for decision-
- (a) Business Intelligence
 - (b) Data warehouse
 - (c) Data Mining
 - (d) None of the above
63. The _____ software gives the user the opportunity to look at the data from a variety of different dimensions.
- (a) Query tool
 - (b) Data Mining Tool
 - (c) Multidimensional Analysis software
 - (d) None of the above
64. _____ methods smooth a sorted data value by consulting its “neighborhood”, that is, the values around it.
- (a) Binning
 - (b) Clustering
 - (c) Mining
 - (d) None of the above
65. _____ techniques can be used to reduce the number of values for a given continuous attribute, by dividing the range of the attribute into intervals.
- (a) Discretization
 - (b) Smoothing
 - (c) Binning
 - (d) Mining
66. _____ can be used to help avoid errors in schema integration.
- a) User data
 - b) Metadata
 - c) Administrator Data
 - d) All of the above
67. A frequent set is a _____ if it is a frequent set and no superset of this is a frequent set.
- (a) Minimal Frequent set
 - (b) Maximum Frequent set
 - (c) Border Set

(d) None of the above

68 An _____ is an information-processing paradigm that is inspired by the way biological nervous systems, such as the brain, process information.

- (a) Decision Tree
- (b) Artificial Neural Network
- (c) Both a and b
- (d) Neither a nor b

69 It is difficult to find strong associations among data items at low or primitive levels of abstraction due to the _____ of data in multidimensional space.

- (a) Scarcity
- (b) Sparcity
- (c) (c) Excess
- (d) None of the above

70 The process of partitioning the ranges of quantitative attributes into intervals, is called _____.

- (a) Splitting
- (b) Binning
- (c) Grouping
- (d) None of these

Ans. (1)(a), (2)(c), (3)(a), (4)(b), (5)(d), (6)(a), (7)(a), (8)(a), (9)(b), (10)(b), (11)(a), (12)(a), (13)(a), (14)(a), (15)(c), (16)(d), (17)(c), (18)(b), (19)(d), (20)(b), (21)(a), (22)(d), (23)(d), (24)(c), (25)(a), (26)(b), (27)(d), (28)(b), (29)(a), (30)(a), (31)(f), (32)(e), (33)(c), (34)(b), (35)(e), (36)(c), (37)(b), (38)(a), (39)(f), (40)(d), (41)(d), (42)(c), (43)(d), (44)(b), (45)(b), (46)(d), (47)(a), (48)(b), (49)(d), (50)(c), (51)(d), (52)(b), (53)(c), (54)(d), (55)(d), (56)(a), (57)(a), (58)(e), (59)(c), (60)(d), (61)(b), (62)(a), (63)(c), (64)(a), (65)(a), (66)(b), (67)(b), (68)(b), (69)(b), (70)(b)

(c) **Fill in the Blanks:**

1 A _____ is generally a statement representing truth about a subject matter or domain.

2 Understanding obtained through the process of experience or appropriate study is known as _____

3 _____ represents the raw set of facts and figures.

4 Capturing Knowledge involves _____, _____ and _____ the concerned knowledge that a human expert uses to solve a specific problem.

- 5 The spontaneous and iterative process of building a knowledge base is referred to as _____
- 6 The information gathered from the experts is not precise and it involves _____ and _____.

Ans. (1)(fact), (2)(Knowledge), (3)(Data), (4)(extracting, analyzing and interpreting), (5)(Rapid Prototyping), (6)(fuzziness and uncertainty)

II Short Answer Type Questions:

1. KM involves people, technology, and processes in overlapping parts. Explain the KM concept.
2. Distinguish between KM and intellectual capital
3. Distinguish between a champion and a manager
4. Distinguish between internet and intranet
5. What factors justify the adoption of KM into an organization?
6. How would one know that KM initiatives are taking place?
7. Explain five KM myths and the reasons for viewing them as myths
8. List and briefly explain the key steps in KM life cycle.
9. Distinguish between knowledge and data
10. What is the difference between explicit and tacit knowledge?
11. Successful KM system implementation depends on several factors. Briefly explain each factor.
12. Why is it helpful to view the building of a KM system as a life cycle?
13. How do users differ from experts?
14. How is brainstorming conducted? Provide an example.
15. In what way does consensus decision making follow brainstorming? Be specific.
16. What are the different knowledge management initiatives can be taken in retail sector.
17. What are the different knowledge management initiatives can be taken in agriculture sector.
18. How do teams use groupware to support communication, coordination, and collaboration?
19. Describe how different systems technologies support knowledge management.
20. What challenges do managers face in attempting to transform their firms through knowledge management programs?
21. Identify the three items an organization's knowledge base may include.
22. Define Explicit to Explicit knowledge transfer.
23. What is the use of a knowledge base?
24. What is Meta learning?
25. What is the major purpose of data mining techniques?
26. Define cluster analysis.
27. Define the concept of classification.

28. What are the fields in which clustering technique is used?
29. Is the data warehouse a prerequisite for data mining? Does the data warehouse help data mining? If so, in what ways?
30. List out the advance database systems.
31. Describe challenges to data mining regarding performance issues.
32. Describe issues relating to the diversity of database types.
33. What do you understand by Pattern Detection? Explain in context of Data Mining.

III Long Answer Type Questions:

1. Illustrate by example the possible relationship between:
 - (a) Knowledge and information
 - (b) Knowledge and data
2. Illustrate the differences between deductive and inductive reasoning. Under what conditions is one preferred over another?
3. Briefly explain the key attributes of intelligent behavior
4. If intelligence is the capacity to acquire and apply knowledge, what is knowledge?
5. Briefly explain the key attributes of intelligent behavior.
6. Distinguish between Knowledge and common sense.
7. Distinguish between learning by example and learning by discovery.
8. Distinguish between experience and heuristics.
9. “People do not think in the same way as machines, because people are more logical”. Do you agree?
10. If shallow knowledge is declarative, what is deep knowledge? Be as specific as you can.
11. Black boarding offers certain characteristics. Explain each characteristic. What makes up the basic model.
12. if u were asked to apply the Delphi method involving 4 experts, what procedure would you follow? What limitations would you expect in this knowledge capture technique?
13. Write an essay in which you describe the role of knowledge developer and his or her relationship with the key persons in the knowledge capture process.
14. Discuss how portals can offer a solution to the centralized versus decentralized information dilemma. What forma of knowledge can be collected centrally, and what should be left decentralized? Why?
15. Discuss how synergy between different strategic business units can be harnessed and utilized by knowledge portals.
16. Explain why knowledge maps are required?
17. What is the community of practice? How it helps in knowledge generation?
18. How can the existing knowledge of the organization be protected?

19. Discuss the different KM cycle approaches and how to integrate them into a comprehensive, integrated approach to the effective management of knowledge within an organization.
20. Provide an example of how each major KM cycle stage listed below can add value to knowledge and increase the strategic worth of the knowledge asset:
 - (a) Capture
 - (b) Codify
 - (c) Create
 - (d) Share
 - (e) Acquire
 - (f) Apply
21. Where are the key decision points in the KM cycle? What types of information would you require in order to decide whether the knowledge content would continue to the next step of the cycle?
22. Compare and contrast the cognitivist and connectionist approaches to knowledge management. Why is the connectionist approach more suited to the von Krogh KM model? What are the strengths of this approach? What are its weaknesses? Use examples to make your points.
23. Describe how the major types of knowledge (e.g., tacit and explicit) are transformed in the Nonaka and Takeuchi knowledge spiral model of KM. Use a concrete example to make your point (e.g., a “bright” idea that occurs to an individual in the organization).
 - (a) Which transformation would prove to be the most difficult? Why?
 - (b) Which transformation would prove to be fairly easy? Why?
 - (c) What other key factors would influence how well the knowledge spiral model worked within a given organization?
24. In what ways is the Choo and Weick KM model similar to the Nonaka and Takeuchi KM model? In what ways do the two models differ?
 - (a) How does the integration of a bounded rationality approach to decision making strengthen this model? Give some examples.
 - (b) List some of the key triggers that are required in order for the sense-making KM model approach to be successful.
25. What are the advantages and disadvantages of decision tree approach over other approaches of data mining?
26. How the different kinds of knowledge from the databases are mined?
27. Given the following measurements for the variable age:
 - a. 18, 22, 25, 42, 28, 33, 35, 56, 28 standardize the variable by the following:
28. Compute the mean absolute deviation of age
29. Compute the z-score for the first four measurements.
30. What is data integration and transformation? How are these performed?
31. Write a short note on (a) Memory Based Reasoning (b) Neural network

- 31 What is association rule mining? Describe Apriori method with example.
- 32 Differentiate between Snow flake and Star Schema. What are situations where Snow flake Schema is better than Star Schema to use and when the opposite is true?
- 33 What are the important issues related with star schema? Discuss.
- 34 Write a short note on multidimensional data model.
- 35 Explain the OLAP operations in multidimensional model.
- 36 Discuss the challenges of OLAP.

QUESTION BANK

STRATEGIC MANAGEMENT

MS 206

QUESTION BANK
STRATEGIC MANAGEMENT - MS 206
MBA IV

UNIT - I

I Multiple Choice Questions:

- 1 The three stages of strategic management are
 - (a) Strategy formulation, strategy implementation, and strategy execution
 - (b) Strategy formulation, strategy execution, and strategy assessment
 - (c) Strategy formulation, strategy implementation, and strategy evaluation
 - (d) Strategy assessment, strategy execution, and strategy evaluation

- 2 Job titles that refer to strategists include which of the following?
 - (a) External audit
 - (b) Owner, entrepreneur, executive director, and accountant
 - (c) Chief executive officer, salesman, dean, and lawyer
 - (d) Owner, dean, president, and executive director

- 3 Relative deficiency or superiority is important information in performing which activity?
 - (a) External audit
 - (b) Allocating resources
 - (c) Internal audit
 - (d) Evaluating strategies

- 4 How often should strategic-management activities be performed?
 - (a) Annually
 - (b) Quarterly
 - (c) Monthly
 - (d) Continuously

- 5 Who is most responsible for developing, communicating, and enforcing the code of business ethics for a firm?
 - (a) Strategists
 - (b) Line managers
 - (c) Staff managers
 - (d) All managers

- 6 In a large organization, strategic management activities occur at what level(s)?
- (a) Corporate and divisional only
 - (b) Divisional
 - (c) Strategic business unit only
 - (d) Functional, divisional, and corporate
- 7 The "advance work" in the strategic management process is comprised of
- (a) Strategy formulation.
 - (b) Strategy implementation.
 - (c) Strategic posturing.
 - (d) Strategy analysis.
- 8 Strategy implementation and formulation is a challenging, on-going process. To be effective, it should involve
- (a) The board of directors, CEO, and CFO.
 - (b) Line and staff managers.
 - (c) The CEO and the board of directors.
 - (d) All of the above.
- 9 Strategy-implementation activities include
- (a) Conducting research.
 - (b) Measuring performance.
 - (c) Preparing a TOWS matrix.
 - (d) Establishing annual objectives
- 10 As our world increases in complexity, the global environment is increasingly challenging and competitive. The key to effective globalization is
- (a) More people speaking more languages.
 - (b) The flow of capital, people, and information.
 - (c) Governmental regulations.
 - (d) The flow of goods.
11. Strategic planning is designed to implement a set of actions to achieve the best future value for the organization. Which of the following is not a realized benefit of strategic planning?
- (a) Redefines the vision of an organization
 - (b) Fit between the changing business environment and the organization
 - (c) Helps in allocation of resources optimally
 - (d) Sets the time-frame for short-term and long-term objectives

12. While understanding a company's strategy, you should avoid analyzing
- (a) Geographic spread
 - (b) Alliances
 - (c) Merger
 - (d) Revenue model
13. Which of the following lists is the hierarchy of organizational goals in order from least specific to most specific?
- (a) Mission statements, strategic objectives, vision statements.
 - (b) Mission statements, vision statements, and strategic objectives.
 - (c) Vision statements, strategic objectives, mission statements.
 - (d) Vision statements, mission statements, strategic objectives
14. An organization's mission, in contrast to its vision, should
- (a) Be less detailed.
 - (b) Encompass all the major rules and regulations of the corporate work force.
 - (c) Encompass both the purpose of the company as well as the basis of
 - (d) Competition.
15. Vision statements are used to create a higher understanding of the organization's overall direction and purpose. Vision statements
- (a) Provide specific objectives.
 - (b) Are very specific.
 - (c) Evoke powerful and compelling mental images.
 - (d) Set organizational structure.
16. Mission statement includes:
- (a) Strategic choice
 - (b) Competitive view
 - (c) Holistic view
 - (d) Focus – now and future
17. Organization's objectives for stretch should be
- (a) Speed of strategy
 - (b) Challenging
 - (c) Strategic targets
 - (d) Financial targets
18. Organizational strategy encapsulates:
- (a) Endowments

- (b) Functional objectives
 - (c) Company's position
 - (d) Planned and emergent acts
19. Strategic objective is not:
- (a) Lowest cost
 - (b) Customer satisfaction
 - (c) Current earnings
 - (d) Market share
20. Strategic vision does not benefit:
- (a) Future state
 - (b) Competitive action
 - (c) Management's view
 - (d) Decision-making
21. Which of the following is not true for strategic intent?
- (a) Lays out the objectives relating to the 'fit' of resources and market
 - (b) Prepare to 'stake-out' a particular position
 - (c) Serves as a 'rallying cry' for employees
 - (d) Draws out the plausible 'reach' of the organization
22. Which of the following is not a priority of effective short-term objectives?
- (a) Providing a specific time horizon for their attainment
 - (b) Being achievable yet challenging
 - (c) Being specific and measurable
 - (d) An emphasis on "do your best" goals
23. Core competency provides deep proficiency that becomes difficult for competitors to copy. Core competency can be used to:
- a) Help employee understand their priorities
 - b) Outsource activities that are key to competitive advantage
 - c) Build customer loyalty by just having it
 - d) Design competitive strategies that capitalize on strengths
24. Conducting research, integrating intuition with analysis, and making decisions are all _____ activities.
- (a) Strategy-formulation
 - (b) Strategy-implementation
 - (c) Long-range planning

- (d) Short-range planning
25. Which of these questions is addressed by a mission statement?
- (a) What do we want to become?
 - (b) What is our business?
 - (c) How many employees must we have?
 - (d) Who do we want to serve?
26. As our world increases in complexity, the global environment is increasingly challenging and competitive. The key to effective globalization is
- (a) More people speaking more languages.
 - (b) The flow of capital, people, and information.
 - (c) Governmental regulations.
 - (d) The flow of goods.
27. In businesses faced with complex and turbulent business environments.
- (a) Goals and objectives that are uncertain prevent opportunism.
 - (b) Complacency about predetermined milestones can prevent adaptability.
 - (c) Traditional strategic controls are usually inappropriate.
 - (d) Detailed plans are needed to maintain order.
28. Which of the following is a benefit of continuous monitoring?
- (a) Replacing the time-consuming process of organizational learning
 - (b) Dramatically altering the organization's response to its competitive environment
 - (c) Enhancing the organization's ability to respond with speed and flexibility
 - (d) All of the above
29. In a dynamic market environment, competition requires a firm to regularly manage:
- (a) Quality
 - (b) Differentiation
 - (c) Focus
 - (d) Change
30. Environmental information includes
- (a) Organizational plans
 - (b) Operations strategy of organization
 - (c) Social, Political and economic information

31. Which component in a mission statement represents an organization's basic beliefs, values, aspirations and ethical priorities?
- (a) Self- Concept
 - (b) Concern for Public Image
 - (c) Philosophy
 - (d) Culture
32. During Strategy _____, corporate social policy should be set and administered.
- (a) Implementation
 - (b) Evaluation
 - (c) Control
 - (d) Formulation
33. According to Porter, which group of forces together determines the level of competitiveness and profitability in an industry?
- (a) supplier cartels, dominant buyers and other powerful stakeholders
 - (b) existing and potential competitors, customers and suppliers, plus the availability of substitute products or services
 - (c) stakeholders, senior management, major competitors and customers
 - (d) existing and potential competitors, government regulators, buyers and suppliers
34. Which of the following would NOT be a reason for management carrying out an environmental or PEST analysis?
- (a) to determine environmentally responsible business practices
 - (b) to determine the external factors most likely to impact upon the organisation
 - (c) to identify all potential influences on the future of the organisation
 - (d) to consider how organisational strategy should take account of changes in the outside world
35. Which of the following most accurately summarizes the main sets of forces affecting organizations?
- (a) external stakeholders, management and staff
 - (b) government, competitors and consumers
 - (c) existing and potential competitors, suppliers, customers and substitute products or service
 - (d) general environmental factors, competitive forces, factors internal to the organisation and the interests of stakeholders
36. It is generally agreed that the role of strategy is to:
- (a) Make best use of resource

- (b) Achieve competitive advantage
 - (c) Make profits for the organization
 - (d) Make the best products and services
37. Strategy has its antecedents in:
- (a) Military conflicts
 - (b) Industrial economics
 - (c) Sociology
 - (d) Politics, economics and philosophy
38. The statement of an organization's aspirations can be found in the organizations:
- (a) Mission statement
 - (b) Strategic objectives
 - (c) Actions
 - (d) Vision statement
39. Henry Mintzberg was responsible for developing a multidimensional approach to strategy based on the five Ps. Which of the following are the correct five Ps?
- (a) Plan, ploy, pattern, position perspective
 - (b) Plan, plot, pattern, position perspective
 - (c) Plan, ploy, pattern, position performance
 - (d) Plan, ploy, pattern, participation perspective
 - (e) Passion, ploy, pattern, position perspective
40. The primary focus of strategic management is:
- (a) strategic analysis
 - (b) the total organisation
 - (c) strategy formulation
 - (d) strategy implementation
 - (e) competitive advantage.
41. During what stage of strategic management are a firm's specific internal strengths and weaknesses determined?
- (a) Formulation
 - (b) Implementation
 - (c) Evaluation
 - (d) .Feedback
 - (e) Goal-setting
42. An important activity in _____ is taking corrective action.
- (a) strategy evaluation

- (b) strategy implementation
 - (c) strategy formulation
 - (d) strategy leadership
 - (e) all of the above
43. Which phase of strategic management is called the action phase?
- (a) Strategy formulation
 - (b) Strategy implementation
 - (c) Strategy evaluation
 - (d) Allocating resources
 - (e) Measuring performance
44. _____ and _____ are external forces transforming business and society today.
- (a) E-commerce; strategy
 - (b) E-commerce; globalization
 - (c) Strategy; globalization
 - (d) Corporate culture; stakeholders
 - (e) Stakeholders; strategy
45. What are enduring statements of purpose that distinguish one business from other similar firms?
- (a) Policies
 - (b) mission statements
 - (c) objectives
 - (d) rules
 - (e) employee conduct guidelines
46. Specific results an organization seeks to achieve in pursuing its basic mission are:
- (a) Strategies
 - (b) Rules
 - (c) Objectives
 - (d) Policies
 - (e) mission
47. Which of the following statements is false?
- (a) Open-mindedness is an important guideline for effective strategic management.
 - (b) Strategic management must become a self-perpetuating socialist mechanism.
 - (c) No organization has unlimited resources.
 - (d) Strategic decisions require trade-offs.

- (e) Strategic management must be a self-reflective learning process.
48. A (n) _____ can provide a basis on which policies can be devised to guide daily decisions and behavior at the work site.
- (a) list of guidelines
 - (b) policy for safety
 - (c) vision statement
 - (d) code of business ethics
 - (e) annual objective
49. In SWOT analysis, situations where organizations are able to convert weaknesses into strengths and threats into opportunities, these are called:
- (a) strategic windows.
 - (b) strategic leverage.
 - (c) conversion strategies.
 - (d) vulnerability.
50. These objectives are often employed in mature markets as firms/products enter a decline phase. The goal is to maximize short-term profits and stimulate a positive cash flow:
- (a) Harvest objectives
 - (b) Divest objectives
 - (c) Hold objectives
 - (d) Growth objectives
51. Which of these is not a reason why some firms do no strategic planning?
- (a) Laziness
 - (b) Competitive leadership
 - (c) Honest difference of opinion
 - (d) Poor reward structures
52. Developing a vision and mission, identifying an organization's external opportunities and threats, and determining internal strengths and weaknesses are all _____ activities.
- (a) strategy-formulation
 - (b) strategy-implementation
 - (c) long-range planning
 - (d) short-range planning
53. The means by which long-term objectives will be achieved are
- (a) mission statements
 - (b) strategies.

- (c) vision statements.
 - (d) long-term goals.
54. The _____ answers the question "What do we want to become?" whereas _____ answers the question "What is our business?"
- (a) vision statement; mission statement
 - (b) short-term objectives; long-term objectives
 - (c) objectives; strategies
 - (d) mission; vision
55. What is the recommended length of an effective mission statement?
- (a) One page
 - (b) Less than 200 words
 - (c) One sentence of 10 to 20 words.
 - (d) There is no recommendation. It can be as long as the management wants.
56. All of these, except _____, are part of Porter's competitive forces in industry analysis.
- (a) potential entry of new competitors
 - (b) bargaining power of suppliers
 - (c) development of substitute products
 - (d) bargaining power of union
57. _____ is based on the assumption that the future will be just like the past. [Hint]
- (a) Delphi forecasts
 - (b) Econometric models
 - (c) Linear regression
 - (d) Scenario forecasts
58. An effective information system collects, codes, stores, synthesizes, and _____ information in such a manner that it answers important operating and strategic questions.
- (a) Prints
 - (b) Distributes
 - (c) Presents
 - (d) Filters
59. _____ is adding new, unrelated products or services for present customers.
- (a) Concentric diversification
 - (b) Horizontal diversification
 - (c) Conglomerate diversification
 - (d) Product development

60. Two reasons for mergers and acquisitions are
- (a) to increase managerial staff and to minimize economies of scale.
 - (b) to reduce tax obligations and increase managerial staff.
 - (c) to create seasonal trends in sales and to make better use of a new sales force.
 - (d) to provide improved capacity utilization and to gain new technology.
61. Which one is the first phase in strategic management process?
- (a) Formulation of strategies
 - (b) Implementation of Strategies
 - (c) Establishment of strategic Intent
 - (d) Strategic evaluation
62. Characteristics of a Mission Statement is/are as follows:
- (a) It should be feasible.
 - (b) It should be precise
 - (c) It should be clear
 - (d) All of the above
63. A firm's mission:
- (a) is a statement of a firm's business in which it intends to compete and the customers which it intends to serve.
 - (b) is an internally-focused affirmation of the organization's financial, social, and ethical goals.
 - (c) is mainly intended to emotionally inspire employees and other stakeholders.
 - (d) is developed by a firm before the firm develops its vision.
64. Internal analysis enables a firm to determine what the firm
- (a) can do.
 - (b) should do.
 - (c) will do.
 - (d) might do.
65. Compared to tangible resources, intangible resources are
- (a) Of less strategic value to the firm.
 - (b) Not the focus of strategic analysis.
 - (c) A more potent source of competitive advantage.
 - (d) More likely to be reflected on the firm's balance sheet.
66. The chief disadvantage of being a first mover is the
- (a) High degree of risk.

- (b) High level of competition in the new marketplace.
 - (c) Inability to earn above-average returns unless the production process is very efficient.
 - (d) Difficulty of obtaining new customers.
67. A situation in which the joint moves of two firms can determine how much money each firm can make or lose can be explained using the story of:
- (a) The Trojan Horse
 - (b) The Icarus Paradox
 - (c) The Prisoner's Dilemma
 - (d) The Icarus Dilemma
68. In terms of the PESTLE Analysis , the liberalizing of International trade and tariff regimes could go in which sector or sections?
- (a) Political
 - (b) Legal
 - (c) Political & economic and legal.
 - (d) Political & Environmental
69. A strategic decision can be distinguished from other types of decisions by three factors, these are magnitude , time-scale and:
- (a) Commitment
 - (b) Riskiness
 - (c) Impact
 - (d) Longevity
70. McDonalds is deciding whether to expand into manufacturing kitchen Equipment in China. At what level is this decision likely to be made?
- (a) Business
 - (b) Corporate
 - (c) Functional
 - (d) International
71. Diversification into many unrelated areas is an example of:
- (a) Risk management
 - (b) Good Management
 - (c) Uncertainty Reduction
 - (d) Sustainability

Ans. (1)(c), (2)(d), (3)(c), (4)(d), (5)(a), (6)(d), (7)(d), (8)(d), (9)(d), (10)(b), 11(a), 12(d), 13(d), 14(d), 15(c), 16(d), 17(b), 18(d), 19(c), 20(b), 21(a), 22(d), 23(d), 24(c), 25(b), 26(b), 27(c), 28(c), 29(d), 30(c), 31(c), 32(a), 33(b), 34(a), 35(d), 36(d), 37(a), 38(d), 39(a),40(b),41(a),42(a),43(b),44(b),45(b),46(c),47(b),48(d),49(c),50(a),51(b),52(a),53(b), 54(a),55(d),56(d),57(c),58(c),59(b),60(d),61(c),62(d),63(a),64(a),65(c),66(a),67(c),68(c), 69(a),70(d),71(a)

II Short Answer Type Questions:

- 1 What are the advantages Strategy planning?
- 2 Write a short note on Feedback and Review on strategy.
- 3 What is the Usefulness of Environmental analysis?
- 4 Discuss the various Levels of strategy.
- 5 What do you mean by Evaluation of strategy?
- 6 What are the Benefits of Strategic Management?
- 7 Describe Minzberg 5 P's.
- 8 Discuss Mc Kinsey 7 S Framework.
- 9 What is the meaning of Competitive advantage?
- 10 Define Strategic Business Unit.
- 11 What do you understand by Strategy and Core competency?
- 12 How do strategic decisions differ from administrative decisions?
- 13 Explain the difference between Vision and Mission.
- 14 What is strategy?
- 15 What is the scope of Business Policy?
- 16 Explain the concept of strategy and point out its limitations
- 17 What is strategic decision making?
- 18 Define Strategic Management.
- 19 Enumerate the major issues in strategic decision making.
- 20 State briefly the levels at which strategy operate.
- 21 Explain Mintzberg five dimensions of strategy.
- 22 Explain the difference between vision and mission.
- 23 Design a vision statement for a pharmaceutical firm.
- 24 What do you understand by the term goal from the organisation's point of view?
- 25 Explain the difference between goal and objectives
- 26 Write Brief Notes on:
 - a. Strategic Alliances
 - b. Corporate Governance
- 27 What are the main factors which shape and change values?
- 28 Discuss the sources of power within the organization?
- 29 Explain the levels of involvement in strategic management and the role of staff at each level. How does the strategy hierarchy facilitate this?

- 30 Explain the difference between 'strategy' and 'strategic management'.
- 31 Explain the levels of involvement in strategic management and the role of staff at each level. How does the strategy hierarchy facilitate this?
32. What specific entrepreneurial aspects include the strategy formation process?
33. What involves the strategic management function?
34. Which are the steps of strategic management?
35. How is strategy formulation process referred sometimes?
36. What involves the strategy implementation?
- 37 What is meant by 'Strategic Intent'?
- 38 Propose the factors to be taken into consideration while setting objectives.
- 39 How does the systematic approach to environmental scanning differ from the processed-form approach?
- 40 How is a summary ETOP prepared?
- 41 Mention the characteristics of objectives.
- 42 Explain these terms clearly in the context of environmental scanning: a) events b) trends c) issues and d) expectations.
- 43 How can Internet be used as a source of information for environmental scanning?
- 44 What points need to be kept in mind while using a particular source of environmental Information?
- 45 What strategies-related factors affect environmental appraisal?

III Long Answer Type Questions:

- 1 The strategic management involves five essential tasks. What are these, and explain the importance of each for the growth of the business?
- 2 Why is it important to integrate R&D into corporate strategy? Briefly discuss the factors, which should be taken into consideration if the innovation process is to be managed successfully. Explain giving examples.
- 3 What are some of the basic questions that have to be answered before the management decides about the structure suitable for the strategy chosen?
- 4 Briefly describe the role of board of directors.
- 5 How does strategic management discipline helps in understanding an organization and the business environment in which it exists?
- 6 Define strategy? Explain Minzberg 5 P's of strategy?
- 7 Explain the Mc Kinsey 7 S Framework?
- 8 Describe the process of Strategic Decision Making]
- 9 Define strategic Management. Apply strategic management process to university.
- 10 Explain in detail the strategic management process. What is the outcome of the project?
11. What role do strategists play in an organization?
- 12 Critically analyze Mintzberg's 5P approach to strategic management.

- 13 What is the role of Board of Directors and the top management in the process of strategic formulation? Elaborate
- 14 What are the objectives? Give examples of strategic and financial objectives of an organization.
- 15 Discuss the process of strategic decision making.
- 16 Define Strategic Management and apply the strategic management process to an university.
- 17 Write as descriptive note on the historical evolution of strategic management and business policy in India and the world.
- 18 “Business Policy is a capstone integrative course”. Explain the statement.
- 19 Describe the different levels at which strategy operate. How is integration of strategies operating at different levels done?
- 20 Can we characterize the development of strategic management in India promising? Why?
- 21 Discuss in detail the approaches followed in strategic decision making.
- 22 Enumerate the various issues in Strategic Management process.
- 23 Discuss in detail the various elements in the strategic management process
- 24 Describe strategic management process
- 25 Define Strategy, Strategic Management. Explain the strategic management process. Draw a neat chart showing comprehensively the different elements in the strategic management process.
- 26 “Indian organizations are not at all concerned about corporate governance.” Explain the relevance of corporate governance in the context of Satyam fiasco.
- 27 Mintzberg provides five dimensions of strategy. Explain his approach to strategy for giving suitable examples.
- 28 Elaborate in detail the relevance of strategic management process in today's challenging world.
- 29 What do you mean by internal resource evaluation and external environment scanning? How these processes are important to formulate various strategies?
- 30 What do you mean by corporate governance? What are the various strategies to govern the corporates?
- 31 Briefly explain the concept of strategy and describe the strategic management process in the context of an Indian Public Sector firm. Illustrate your answer with suitable examples.
- 32 Distinguish between the vision and mission of an organization. In your opinion what are the five most important components that must be included in the mission statement. Give reasons.
- 33 Explain the terms (i) Vision and Mission (ii) Goals and Objectives in the context of strategic management process. Illustrate your answer with suitable examples.
- 34 In your own words, briefly explain the concepts of value creation and value protection.
- 35 What are the responsibilities of corporate governance gatekeepers?
- 36 Identify and discuss five key stages involved in crafting and executing the Strategic Management process, giving examples.

37. You have recently bought a small and dynamic company which specializes in developing organic cosmetic products and fake tan products. For success in this industry, innovation and creativity are important factors, together with providing superior customer service at affordable prices. The company realizes that building a capable organization with highly qualified staff is also a key success factor. One of the key challenges for management is to ensure that all staff is highly motivated. You and the top management team have to devise a strategy for the firm's future, which includes the need to motivate your staff and get their support for this strategy.
38. Explain strategic management process in detail? Would strategic management concepts and techniques benefit foreign business as much as domestic firms? Justify your answer.
39. What are the different modes of expansion into foreign markets?
40. Explain different strategic approaches for globalization?
41. Explain porter's five forces model of competition analysis.
42. Compare the features of strategic management decisions at different levels of management.
43. Explain the Framework of Strategic management.
44. What different types of factors affect the process of environmental appraisal?
45. Describe some of the important characteristics of environment and demonstrate how a strategist can understand it better dividing it into external and internal components and general and relevant environment.
46. Write a detailed explanatory note on the method and techniques used for organizational appraisal.
47. Discuss the roles that the board of directors play in strategic management.
48. How can the strategic leaders match their leadership style to the requirements of strategy being implemented?
49. Describe the role of senior managers, business-level executives , and functional and operational managers in strategic management.
50. Examine the various issues involved in objective-setting .How can each of these issues be resolved?

UNIT - II

I Multiple Choice Questions:

- 1 Conducting research, integrating intuition with analysis, and making decisions are all _____ activities.
 - (a) Strategy-formulation
 - (b) Strategy-implementation
 - (c) Long-range planning
 - (d) Short-range planning

- 2 Which of these questions is addressed by a mission statement?
 - (a) What do we want to become?
 - (b) What is our business?
 - (c) How many employees must we have?
 - (d) Who do we want to serve?

- 3 Internal strengths and weaknesses are usually
 - (a) The major cause of organizational demise or success.
 - (b) Controllable activities within an organization.
 - (c) Most important for CEOs and the board of directors.
 - (d) Not as important as external opportunities and threats.

- 4 An organization's strengths and weaknesses are determined relative to
 - (a) Its strategic business units.
 - (b) Government
 - (c) Competitors
 - (d) External opportunities and threats.

- 5 Which of the following lists is the hierarchy of organizational goals in order from least specific to most specific?
 - (a) Mission statements, strategic objectives, vision statements.
 - (b) Mission statements, vision statements, and strategic objectives.
 - (c) Vision statements, strategic objectives, mission statements.
 - (d) Vision statements, mission statements, strategic objectives

- 6 An organization's mission, in contrast to its vision, should
 - (a) Be less detailed.
 - (b) Encompass all the major rules and regulations of the corporate work force.
 - (c) Encompass both the purpose of the company as well as the basis of

- (d) Competition.
- 7 Vision statements are used to create a higher understanding of the organization's overall direction and purpose. Vision statements
- (a) Provide specific objectives.
 - (b) Are very specific.
 - (c) Evoke powerful and compelling mental images.
 - (d) Set organizational structure.
- 8 When a firm's corporate office helps subsidiaries make wise choices in their own acquisitions, divestures, and new ventures, it is called_____.
- (a) Restructuring
 - (b) Leveraging core competencies
 - (c) Increasing market power
 - (d) Parenting
- 9 Which of the following is false regarding how a differentiation strategy can help a firm to improve its competitive position vis à vis Porter's five forces?
- (a) By increasing a firm's margins, it avoids the need for a low cost position
 - (b) It helps a firm to deal with supplier power and reduces buyer power since buyers lack comparable alternatives
 - (c) Supplier power is increased because suppliers will be able to charge higher prices for their inputs
 - (d) Firms will enjoy high customer loyalty, thus experiencing less threat from substitutes than its competitors
- 10 Primary value chain activities that involve the effective layout of receiving dock operations (inbound logistics) and support value chain activities that include expertise in process engineering (technology development) characterize what generic strategy?
- (a) Differentiation
 - (b) Overall cost leadership
 - (c) Differentiation focus
 - (d) Stuck-in-the-middle
- 11 The most probable time to pursue a harvest strategy is in a situation of
- (a) High growth.
 - (b) Decline in the market life cycle.
 - (c) Strong competitive advantage.
 - (d) Mergers and acquisitions.

- 12 Vertical integration may be beneficial when
- (a) Flexibility is reduced, providing a more stationary position in the competitive environment.
 - (b) The minimum efficient scales of two corporations are different.
 - (c) Lower transaction costs and improved coordination are vital and achievable through vertical integration.
 - (d) Various segregated specializations will be combined.
- 13 Denoted in the Boston Consulting Group Portfolio management technique, a "cash cow," refers to a business that has
- (a) Relatively low market share and low market growth.
 - (b) Low market growth and relatively high market share.
 - (c) Relatively low market share and high market growth.
 - (d) High market growth and relatively high market share
- 14 Which of the following is not a limitation of SWOT (Strengths, Weaknesses, Opportunity, Threats) analysis?
- (a) Organizational strengths may not lead to competitive advantage
 - (b) SWOT gives a one-shot view of a moving target
 - (c) SWOT's focus on the external environment is too broad and integrative
 - (d) SWOT overemphasizes a single dimension of strategy
- 15 The "balanced scorecard" supplies top managers with a _____ view of the business.
- (a) Long-term financial
 - (b) Detailed and complex
 - (c) Simple and routine
 - (d) Fast but comprehensive
- 16 Balanced score card requires an evaluation of organizational performance from following perspectives
- (a) Financial
 - (b) Customers
 - (c) Learning and Growth
 - (d) All of the above
- 17 Corporate Level Strategies are basically about decisions related to:
- (a) Allocating resources among different businesses
 - (b) Transferring resources from one set of business
 - (c) Managing portfolio of business

- (d) All of the above
- 18 Concentration is a first-level type of _____ strategy
- (a) Expansion
 - (b) Stability
 - (c) Retrenchment
 - (d) Combination
- 19 _____ involves selling the same products to new markets.
- (a) Market Penetration
 - (b) Market Development
 - (c) Product Development
 - (d) Product Diversification
- 20 Competitive Advantage can be attained due to _____
- (a) Lower Cost
 - (b) Differentiation
 - (c) Both a and b
 - (d) None of the above
21. Kaplan and Norton's generic strategic map provides a 360 degree view of the organization. It does not include:
- (a) Internal perspective
 - (b) Customer perspective
 - (c) Financial perspective
 - (d) Competitor perspective
22. Which of the following are NOT likely to be sources of relatedness between businesses?
- (a) Similarities in size
 - (b) Operating in industries with similar success factors
 - (c) Similarities in production technologies
 - (d) Selling to customers with similar demographic characteristics
- 23 Relative deficiency or superiority is important information in performing which activity?
- (a) External audit
 - (b) Allocating resources
 - (c) Internal audit
 - (d) Evaluating strategies

24. MNCs forming contract with local companies is an alternative form of market entry strategy. Which of the following is not a contract?
- (a) Franchising
 - (b) Consortia
 - (c) Licensing
 - (d) Foreign Direct Investment
25. Strategic restructuring is usually undertaken to respond to environmental threats and opportunities. Which of the following is not a typical form of restructuring?
- (a) De-cluttering
 - (b) De-layering
 - (c) Re-branding
 - (d) Right-sizing
26. Integration builds strategic restructuring that includes changes to corporate structure, including creation of a new entity. Which of the following is not a type of integration?
- (a) Leveraged buy out
 - (b) Spin-off
 - (c) Joint Venture
 - (d) Merger
27. Strategic reengineering includes complete rethinking of existing business processes. It is not primarily about:
- (a) Getting lasting results not through quick-fixes
 - (b) Providing strategies for changing behaviors and paradigms
 - (c) Creating a compelling vision for employee trust and commitment to action
 - (d) Downsizing the oversized workforce
28. A market is defined by:
- (a) Demand conditions and customers
 - (b) Demand conditions and suppliers
 - (c) Supply conditions and production technology
 - (d) Supply conditions and customers
29. Porter's generic strategies are:
- (a) Low price, differentiation, focus
 - (b) Cost leadership, differentiation, cost focus, focus differentiation
 - (c) Price leadership, differentiation, focus
 - (d) Low cost, differentiation, focus differentiation

30. According to Porter, if an organization does not follow either a cost reduction strategy or a differentiation strategy they are:
- (a) Hybrid
 - (b) Stuck in the middle
 - (c) Typical
 - (d) No Frills
31. In the value chain, primary activities are:
- (a) Directly involved in the production, marketing and delivery of the product or service
 - (b) Those activities that are all undertaken in-house
 - (c) Those activities that support the production, marketing and delivery of the product or service
 - (d) Directly involved in the production and delivery of the product or service
32. Which of the following is a possible competitive response to an organization's external position?
- (a) To eliminate the closest competitors.
 - (b) To aim for overall cost leadership within the industry.
 - (c) To diversify into a completely different industry.
 - (d) To raise prices to secure funds for new IS/IT investment.
 - (e) None of the above.
33. In strategic thinking, how long is the long term, approximately?
- (a) A week to a month
 - (b) 1 to 12 months
 - (c) 1 to 5 years
 - (d) More than 5 years
 - (e) None of these
 - (f) Any of these
34. Withdrawal, consolidation and building are examples ofwhat?
- (a) Strategy alternatives
 - (b) Strategic directions
 - (c) Grand strategies
 - (d) Corporate strategies
 - (e) Directional strategies
 - (f) None of the above

35. The marketing strategy emphasizes price as the key to good value; operations runs with tight cost control; development focuses on cost reduction.

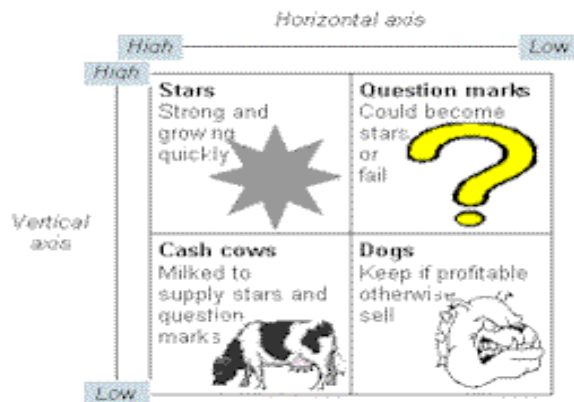
Which of Porter's competitive strategies is illustrated here?

- (a) Differentiation focus
- (b) Differentiation
- (c) Cost focus
- (d) Cost leadership
- (e) Divisionalisation

36. In the sketch of the BCG matrix, what is the label of the horizontal axis?

Market growth rate

- (a) Business strength
- (b) Stage in product life cycle
- (c) Product range
- (d) Market share
- (e) Industry growth rate



37. Which three of the following represent the emerging view of strategic development within globalised economies?

Strategy as stretch and leverage

Strategy as fit with resources

Strategy as top management activity

Strategy as total organisational process

Strategy as creating new industry space

- (a) b), c) and e)
- (b) a), c) and d)
- (c) c), d) and e)
- (d) a), d) and e)
- (e) a), b) and d)

38. Strategic group analysis refers to:
- (a) Identifying similarities and differences between groups of people who buy and use your firm's goods and services.
 - (b) Identifying strategies for groups of multinational firms.
 - (c) Identifying strategies for similar groups of firms.
 - (d) Identifying firms with similar strategies or competing on similar bases.
39. Which of the following is NOT an example of barriers to entry?
- (a) Buyer switching costs
 - (b) Economies of scale
 - (c) Product differentiation
 - (d) Expected retaliation
40. Mobility barriers are:
- (a) barriers which prevent other firms entering the strategic group and threatening the existing members.
 - (b) barriers which constrain the mobility of multinational firms in foreign markets.
 - (c) barriers related to the human tendency to reject unfamiliar or negative information.
 - (d) barriers between countries that prevent multinational firms from crossing borders
41. Organizations require good people with appropriate skills and abilities to work together effectively to be successful. Which of the following characteristics is not seen as critical for this?
- (a) Competent
 - (b) Committed
 - (c) Cost-effective
 - (d) Capable
42. Hard human resource management assumes which of the following?
- (a) Employees are more productive when they are better informed
 - (b) Employees are more productive if they are committed to the organization
 - (c) Employees are resources to be used effectively in the search for competitive advantage
 - (d) Employees have to be trusted to make correct decisions
43. Which of these is a characteristic of soft human resource management?
- (a) Managers are responsible for employees
 - (b) Teams provide increased productivity
 - (c) Managers are responsible for deploying employees

- (d) Scientific management principles and systems should be used to deal with employees
44. Which of the following is not an example of a managerial mindset?
- (a) Analytic
 - (b) Reflective
 - (c) Competent
 - (d) Co-operative
 - (e) Catalyst
45. What does the acronym SMART refer to?
- (a) a.Superiority, Measurement, Appropriability, Replicability, Transparency
 - (b) b.Specific, Measurable, Achievable, Realistic, Timescale
 - (c) c.Substitutability, Measurement, Appropriability, Replicability, Transparency
 - (d) d.Specific, Measurable, Achievable, Realistic, Timely
46. Another name for GE 9 cell model is:
- (a) Three Colour Matrix
 - (b) Stop Light Matrix
 - (c) Strategic Portfolio Matrix
 - (d) Colour Light Matrix
47. To find out what an organization's strategy is, you should:
- (a) Read the mission statement
 - (b) Look at what the organization actually does
 - (c) Read the strategic plan
 - (d) Ask the CEO
48. What does Red symbolize in BCG matrix?
- (a) Invest & Expand
 - (b) Harvest and Earn
 - (c) Harvest & Divest
 - (d) Select & Earn
49. The BCG Matrix is based on
- (a) Industry attractiveness & Business Strength
 - (b) Industry Growth rate & Business strength
 - (c) Industry Attractiveness & Relative market share
 - (d) Industry Growth rate & Relative market share

50. In strategic thinking, how long is the long term, approximately?
- (a) 1 Month to 1 year
 - (b) 2 to 3 years
 - (c) 3 to 5 years
 - (d) More than 5 years
51. Which strategy would be effective when the new products have a counter cyclical sales pattern compared to an organization's present products?
- (a) Forward integration
 - (b) Retrenchment
 - (c) Horizontal diversification
 - (d) Market penetration
52. The first option that should be considered for firms in Quadrant II of the Grand Strategy Matrix is the _____ strategy.
- (a) integration
 - (b) intensive
 - (c) defensive
 - (d) diversification
53. The pie slices within the circles of a _____ reveal the percent of corporate profits contributed by each division.
- (a) QSPM
 - (b) BCG Matrix
 - (c) SPACE Matrix
 - (d) Grand Strategy Matrix
54. All of the following are stated advantages of a divisional structure except
- (a) it allows local control of local situations.
 - (b) it leads to a competitive climate within a firm.
 - (c) accountability is clear.
 - (d) it promotes specialization of labor.
55. _____ approach involves delivering parts and materials as needed rather than being stockpiled
- (a) JIT
 - (b) MBO
 - (c) PERT
 - (d) CAD-CAM

56. Strategic leaders must ensure that long-term objectives and strategies have been determined, communicated, understood and supported by others. Which of the following conditions is likely to be the most suitable to ensure objectives are supported and will remain valuable to the firm?
- (a) Ambitious objectives which will result in an organization radically different to the one perceived now.
 - (b) Feasible and achievable objectives which account for changing conditions.
 - (c) Broad objectives designed to outline a desired future
 - (d) Feasible and achievable objectives based on current analysis.

57. corporate Governance is a central issue to strategic leadership and shows to employees and broader stakeholders of the ethical stance of those managing and leading change in the firm. Which of the following governance forms is likely to contradict an ethical standpoint on the execution and expertise.

- (a) Board of Directors is supplemented by independent non-executive and streamlining the executive and expertise.
- (b) Chairman holds the CEO position decision-making and streamlining the executive board.
- (c) Executive team is based on a balance of skills and experience
- (d) Members of the executive team are appointed based on their perceived value-added.

58. which of these is a characteristic of ineffective leadership?

- (a) A leader who is only a charismatic strategic visionary but not operationally-minded.
- (b) Few new initiatives being implemented
- (c) Reserves the right to change his/her mind even after supporting a manager's decision.

59. Which of the following is not a characteristic of intrapreneurial organizations?

- (a) Strategy-making is dominated by the active search for and exploitation of new opportunities.
- (b) Strategic change is characterized by dramatic leaps forward in the face of uncertainty.
- (c) Growth is the chief goal of the organization.
- (d) Continuous emphasis on efficiency so that the organization can challenge its competitors with lower cost initiatives.

60. Bridge *et al.* (1998) state that organizations must recruit, spot and use people that Pinchot (1985) labeled as 'intrapreneurs'. Which of these statements is an adequate reflection of an intrapreneur?

- (a) People with entrepreneurial talent who are motivated to use their abilities and initiative to do something on their own.
- (b) People who are creative thinkers within the firm.
- (c) People with entrepreneurial talent who are motivated to use their abilities and initiative to do something on their own, but may not want to start their own business.
- (d) People who do not want to take risks but are willing to offer ideas to managers for improvements, new or incremental.

61. Which one of the following is not one of the component of Porter's value Chain:

- (a) Inbound Logistics
- (b) Outbound Logistics
- (c) Procurement
- (d) Promotion

62. Which one of the following is not an element of Porter's Generic Business Strategies?

- (a) Cost Leadership
- (b) Broad Differentiation
- (c) Focused Cost Leadership
- (d) Star

63. _____ are organizations that have the second or lower ranking in the industry.

- (a) Market Challengers
- (b) Market Leaders
- (c) Market Followers
- (d) Market Nichers

64. _____ are organizations that imitate the market leaders but do not upset the balance of Competitive power in the industry.

- (a) Market Challengers
- (b) Market Leaders
- (c) Market Followers
- (d) Market Nichers

65. _____ are organizations that carve out a distinct niche that is left uncovered by the other organizations in the industry or a niche that is of little or no interest to others.

- (a) Market Challengers
- (b) Market Leaders

- (c) Market Followers
- (d) Market Nichers

66 The second stage of Industry Life cycle is _____

- (a) Embryonic Stage
- (b) Growth Stage
- (c) Maturity Stage
- (d) Decline stage

67. Which one of the following is not a type of Strategic Alliance?

- (a) Procompetitive Alliance
- (b) Competitive Alliance
- (c) Non-Competitive Alliance
- (d) Prerequisite Alliance

68. Which element holds the center position in Porter's Five Force Model?

- (a) Threat of Substitute
- (b) Rivalry among existing firms
- (c) Threat of Buyer
- (d) Threat of Supplier

69. _____ are generally interindustry, vertical value-chain relationships between manufacturers and their suppliers or distributors.

- (a) Procompetitive Alliance
- (b) Non-competitive Alliance
- (c) Competitive Alliance
- (d) Precompetitive Alliance

70. _____ bring two firms from different, often unrelated industries to work on well-defined activities such as new technology development.

- (a) Procompetitive Alliance
- (b) Non-competitive Alliance
- (c) Competitive Alliance
- (d) Precompetitive Alliance

Ans. (1)(a), (2)(b), (3)(b), (4)(c), (5)(d), (6)(d), (7)(c), (8)(d), (9)(c), (10)(b), (11)(b), (12)(c), (13)(b), (14)(c), (15)(d), (16)(d), (17)(d), (18)(a), (19)(b), (20)(c), 21(d), 22(a), 23(c), 24(d), 25(c), 26(b), 27(d), 28(a), 29(b), 30(d), 31(a), 32(b), 33(f), 34(c), 35(d), 36(e), 37(a),

38(d), 39(a), 40(a), 41(d), 42(c), 43(b), 44(c), 45(b), 46(b), 47(c), 48(c), 49(d), 50(d), 51(a), 52(b), 53(b), 54(d), 55(a), 56(b), 57(b), 58(b), 59(d), 60(c), 61(d), 62(d), 63(a), 64(c), 65(d), 66(b), 67(d), 68(b), 69(a), 70(d).

II Short Answer Type Questions:

- 1 What is the affect of organizational Environment?
- 2 Differentiate between objectives and goals.
- 3 What is meant by Strategic Intent?
- 4 Define “Mission” in your own words.
- 5 Discuss the importance of Functional strategies.
- 6 What is Delphi Technique?
- 7 Explain Entrepreneurial turnaround strategy.
- 8 What do you mean by Stoplight Matrix?
- 9 Describe the elements of SWOT analysis.
- 11 Discuss ETOP as an environmental tool.
- 12 Define Generic Strategies.
- 13 Differentiate between Company’s mission and vision
- 14 What is meant by Environmental Analysis?
- 15 What is GE Nine Cell Matrix?
- 16 Explain how Balanced Score Card framework can be applied in the context any Indian organization that you are familiar with?
- 17 Explain the difference between corporate level and business level strategies.
- 18 How are mission and objectives formulated?
- 19 Write a short note on purpose of policies.
- 20 Discuss the International Societal Environment.
- 21 “Tata motors represent a classic case of strategic stretch, leverage and fit” Elaborate.
- 22 Why do organizations diversify? Give suitable examples of Indian organizations to illustrate the difference between related and unrelated diversification.
- 23 Explain direction policy matrix.
- 24 What do you mean by strategic match and fit? Explain the difference between the two.
- 25 Explain value chain analysis. Why is it important for an organization?
- 26 Write brief notes on Core Competence of a firm.
- 27 What are the main characteristics of strategic decisions?
- 28 The resource factor cuts across all phases of Strategic Management? Explain.
- 29 Explain the controversial debate in strategic management regarding how strategy can be formed or formulated, i.e. – how emergent strategy is different from deliberate strategy.
- 30 Outline the fundamental differences between outside-in and inside-out thinking about strategic management, and their influence on strategy.

- 31 Use Porter's five forces model to evaluate competitiveness of any industry of your choice?
- 32 How can a SWOT analysis be useful for both internal and external organizational environmental analysis?
33. What is formulating a strategy reveal?
34. What means strategy implementation and execution?
35. Enumerate the most important strategic objectives.
36. What does strategy formulation involve?
37. Which are the characteristics of the strategic management process?
- 38 How can a SWOT analysis be useful for both internal and external organizational environmental analysis?
- 39 How do organizations leverage their(a) resources(b)knowledge(c) technology(d) partnership and (e) sustainability?
- 40 What is a digitalized business or e-business?
- 41 Explain briefly the three types of concentration strategies.
- 42 What is the difference between backward and forward integration?
- 43 Explain these types of business strategies:(a)Cost Leadership (b) Differentiation(c) Focus.
- 44 What are the advantages and disadvantages in being a first mover in an industry? A late mover?
- 45 Give brief explanation of each of these concepts: a) stretch b) Leverage and c) Fit.

III Long Answer Type Questions:

- 1 Organizational environment plays a major role in the decision-making of the firm. Discuss in brief, the organizational environment with respect to the stakeholders and their relationship with the firm.
- 2 Distinguish between Mission, Objectives and Goals. Formulate the Mission's objectives and goals of the organization in which you are working. Or else take hypothetical example.
- 3 What do you understand by TOW Analysis? Discuss different components of TOW's Matrix.
- 4 What are the principles of competitive strategy formulation?
- 5 Briefly describe Porter's perspectives on strategy and structure. Illustrate your answer with examples
- 6 Much of the business environment today is dynamic in nature. What does it mean for organizational management and how can the latter go about scanning the environment?
- 7 Discuss different types of diversification? What are their advantages and disadvantages?
- 8 How would you implement retrenchment strategy?
- 9 Explain three generic strategies adopted by the firm?
- 10 Explain the relevance of industry and competitor analysis to the strategic choice process?
- 11 Explain the difference between Corporate Level and Business Level Strategies.
- 12 How are missions and objectives formulated?

- 13 Explain by taking suitable examples as to when companies follow STABILITY Strategy
- 14 What is Balanced Score card? Discuss its need.
- 15 What are the major models used for Strategic Analysis and choice in evaluating SBUs?
- 16 How BCG and GE are used and which is better? Illustrate with suitable examples
- 17 Compare and assess two industries of your choice in terms of key environmental influences and competitive forces. What is Competitive Analysis Framework used for comparison?
- 18 “BCG matrix can aid in assessment of the profitability of the different SBUs in a large conglomerate” Explain.
- 19 Develop the Environmental Impact Analysis Summary (EIAS) for an Indian Automobile organization considering expansion into a foreign market through FD route.
- 20 Mention internal factors for strategic analysis in the area of marketing. Show how each of these can be a strength or weakness for a firm.
- 21 “The attractiveness of an industry is influence by the forces in the competitive environment of a firm.” Describe how Porter’s Five Forces Model can be applied to evaluate the attractiveness of an industry.
- 22 Explain by taking suitable examples as to when companies follow stability strategy.
- 23 Examine the various issues involved in Objective Setting. How can each of these issues be resolved?
- 24 At what different levels can a business be defined? Explain these different levels and indicate the manner in which they can be integrated with each other.
- 25 Describe some of the important characteristics of environment and demonstrate how a strategist can understand it better by dividing it into internal and external components.
- 26 Select any organisation of your choice. Identify the high priority environmental factors in its relevant environment. Use this information to prepare a summary ETOP for the organization.
- 27 Discuss the factors which affect the Strategic Choice.
- 28 Describe the GE Cell Nine Matrix technique used for analyzing corporate portfolio analysis.
- 29 Discuss the relevance of industry, strategic groups and competitor analysis to the strategic choice process.
- 30 Discuss Michael Porters approach to defining generic competitive strategies.
- 31 What are porter’s generic strategies? Explain giving suitable examples.
- 32 Compare and assess two industries of your choice in terms of key environmental influence and competitive forces.
- 33 How can the structure of an industry be analysed? Discuss the factors that enable determination of intensity of competition in any given industry. Give examples.
- 34 What are the major issues in Strategic Implementation? Illustrate your answer with suitable examples.
- 35 Briefly explain the steps for conducting the external environment audit of the firm with suitable examples.

- 36 Describe five forces in the macro environment that may impact an organization. Give suitable examples.
- 37 Name the Five forces model of Porter that is used for developing strategies?
- 38 What do we mean by the nature of environment and how can we improve our understanding of it?
- 39 What measures can we use for assessing resource utilization? (how resources influence our strategy)
- 40 What is organizational vision, mission, goals and objectives? Define environmental analysis. Discuss relationships among objectives, strategies and policies.
- 41 How does Porter's value chain facilitate the workings of the resource-based view in achieving competitive advantage?
42. What are the guidelines in the formulation of mission statement?
43. What are the elements to be considered in conducting a strategic situational analysis?
44. List out the factors to be considered in Industry and competition analysis.
45. What do you mean by portfolio analysis?
46. How can TOWS Matrix be used for analyzing strategic situation of a company?
- 47 Discuss Michael Porter's approach to defining generic competitive (or business) strategies.
- 48 What is meant by market location tactics of business strategy?
- 49 What different types of factors affect the process of environmental appraisal?
- 50 Discuss Ansoff's Product -Market Matrix.
- 51 What are the various types of Internationalization strategies?

UNIT - III

I Multiple Choice Questions:

- 1 In businesses faced with complex and turbulent business environments.
 - (a) Goals and objectives that are uncertain prevent opportunism.
 - (b) Complacency about predetermined milestones can prevent adaptability.
 - (c) Traditional strategic controls are usually inappropriate.
 - (d) Detailed plans are needed to maintain order.

- 2 Which of the following is a benefit of continuous monitoring?
 - (a) Replacing the time-consuming process of organizational learning
 - (b) Dramatically altering the organization's response to its competitive environment
 - (c) Enhancing the organization's ability to respond with speed and flexibility
 - (d) All of the above

- 3 Which of the following is not a priority of effective short-term objectives?
 - (a) Providing a specific time horizon for their attainment
 - (b) Being achievable yet challenging
 - (c) Being specific and measurable
 - (d) An emphasis on "do your best" goals

- 4 The usage of culture and intangible rewards as the principal means of controlling individual behavior is considered more effective than rules and boundaries when
 - (a) Work is autonomous and creative.
 - (b) Output is standardized.
 - (c) Measurement of performance is straightforward.
 - (d) Tasks are repetitive and routine.

- 5 As a rule, discussions of the relationship between strategy and structure strongly connote that
 - (a) Strategy follows structure.
 - (b) Strategy can effectively be formulated without considering structural elements.
 - (c) Structure typically has a very small influence on a firm's strategy.
 - (d) Structure follows strategy

- 6 Work is separated into units that specialize in production, marketing, research and development, and other management tasks at Sharp Corporation. This is an example of
 - (a) Simple structure.
 - (b) Divisional structure.

- (c) Functional structure.
 - (d) Matrix structure.
- 7 An advantage of a divisional type of organizational structure is
- (a) An enhanced ability to respond quickly to changes in the external environment.
 - (b) Efficient use of managerial and technical talent.
 - (c) High degree of emphasis on long-term performance.
 - (d) Uniformity in image and quality across divisions.
- 8 Which of the following is not a result of poor organizational design by leaders?
- (a) Insufficient mechanisms that integrate and coordinate activities across the firm
 - (b) Teams, systems, and organizational processes that facilitate implementation
 - (c) Inadequate accountability among managers and employees
 - (d) Inappropriate budgeting and control systems
- 9 Which of the following scopes of entrepreneurial orientation is expressed as "a forward-looking perspective characteristic of a marketplace leader that has the foresight to seize opportunities"?
- (a) Opportunism
 - (b) Proactiveness
 - (c) Risk taking
 - (d) Autonomy
- 10 Firms that are the first to enter new markets, establish brand identity, and/or adopt new technologies, hence gaining benefits, are known as
- (a) First-mover advantages.
 - (b) Technological capabilities.
 - (c) Competitive aggressiveness.
 - (d) Breakthrough innovations.
- 11 Significant advantages of a holding company structure include
- (a) Gaining synergistic benefits across businesses.
 - (b) A high level of awareness at the corporate office of issues facing individual divisions.
 - (c) A high level of control of division executives by executives at the corporate level.
 - (d) Savings in personnel and overhead expenses associated with a small corporate office.

12. Organizations that get caught up in day-to-day work activities:
- (a) Fail to ask probing questions about their basic assumptions.
 - (b) Fail to think objectively about themselves and their business.
 - (c) Fail to refresh their strategies or reengineer their work processes.
 - (d) All of the above
13. Which of the following explains why organizations are prone to inertia and slow to change?
- (a) Political barriers
 - (b) Vested interests in the status quo
 - (c) Personal time constraints
 - (d) All of the above
14. Strategic leadership means:
- (a) Energizing employees by higher profits
 - (b) Forming rules and responsibilities for efficient functioning
 - (c) Delegating and making everyone responsible for success
 - (d) Being ethical and moral to all activities that the firm does
 - (e) Keeping the firm in sync with the changing times on a sustainable competitive basis
15. Strategy-implementation activities include
- (a) Conducting research.
 - (b) Measuring performance.
 - (c) Preparing a TOWS matrix.
 - (d) Establishing annual objectives
16. Denoted in the Boston Consulting Group Portfolio management technique, a "cash cow," refers to a business that has
- (a) Relatively low market share and low market growth.
 - (b) Low market growth and relatively high market share.
 - (c) Relatively low market share and high market growth.
 - (d) High market growth and relatively high market share
17. Which of the following is not one of the reasons behind Amstrad's decline in 1988?
- (a) Used low cost suppliers in Far East
 - (b) Worldwide shortage of memory chips
 - (c) Labor shortage
 - (d) Joint venture with Funai took off too slowly

18. Which of the following is an aspect of implementation that can be changed indirectly if necessary?
- (a) Organizational structure
 - (b) Information systems
 - (c) Quality
 - (d) Procedures
19. A small company, with power concentrated in the hands of one central figure, tends to be what?
- (a) Centralized and formal
 - (b) Centralized and informal
 - (c) Decentralized and formal
 - (d) Decentralized and informal
20. Which one of the following types of organizations would benefit from a matrix structure?
- (a) Diverse independent businesses in a conglomerate
 - (b) Organizations growing through merger and acquisition
 - (c) Small companies with few plants and limited product or service diversity
 - (d) Small, sophisticated service companies
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25. Which of the following explains why organizations are prone to inertia and slow to change?
- (a) Political barriers
 - (b) Vested interests in the status quo
 - (c) Personal time constraints
 - (d) All of the above
26. Which of these is not a role for a planner as discussed by Robinson (1986)
- (a) To help managers make decisions regarding strategic changes
 - (b) To enable good managers to plan
 - (c) To state objectives
 - (d) To concentrate on understanding the future
 - (e) All of the above are roles for a planner
27. Which of the following is not an element of the growth/market options matrix developed by Ansoff (1987)
- (a) Market development
 - (b) Diversification
 - (c) Product development
 - (d) Market segmentation
 - (e) All are included in Ansoff's (1987) matrix
28. Which of the following is not a key planning element of spheres of influence?
- (a) Buffer zones
 - (b) Forward positions
 - (c) Cost base
 - (d) Vital interests

29. Industry analysis does not require:
- (a) Competitive forces analysis
 - (b) SWOT analysis
 - (c) Intensity of competition analysis
 - (d) Analysis of industry CSF
 - (e) Macro-economic conditions
30. Intensity of competitive rivalry is strong when:
- (a) Demand is exploding
 - (b) Customers are fickle
 - (c) Buyers are influenced
 - (d) Rivals acquire competitive strength
 - (e) Choice is high
31. If an organization increases its sales through greater marketing efforts, and expands its workforce and production capacity to cope with the increase in demand for its product, it is following a growth strategy in which growth is achieved through:
- (a) Related diversification
 - (b) Acquisition
 - (c) Unrelated diversification
 - (d) Direct expansion
 - (e) Merger
32. Strategic management:
- (a) Identifies areas where the organisation can build a competitive advantage.
 - (b) Seeks to maximise profit.
 - (c) Has little relevance to small organisations.
 - (d) Is irrelevant to non-profit organisations.
33. Strategic business units:
- (a) Implement the marketing function's strategic planning and management decisions.
 - (b) Carry out strategies assigned by the CEO.
 - (c) Are found in one-business organisations.
 - (d) Develop their own unique way of competing.
34. In the long run, a successful acquisition is one that:
- (a) enables the acquirer to make an all-equity purchase, thereby avoiding additional financial leverage.
 - (b) enables the acquirer to diversify its asset base.

- (c) increase the market price of the acquirer's stock over what it would have been without the acquisition.
 - (d) increases financial leverage.
35. The restructuring of a corporation should be undertaken if
- (a) the restructuring can prevent an unwanted takeover.
 - (b) the restructuring is expected to create value for shareholders.
 - (c) the restructuring is expected to increase the firm's revenue.
 - (d) the interests of bondholders are not negatively affected.
36. When a manufacturer develops an innovative product and then identifies a suitable target market and distribution channel. This is an example of:
- (a) Push model of SCM
 - (b) Value chain
 - (c) Pull model of SCM
 - (d) Value stream
37. There are options for restructuring the supply chain. A characteristic of vertical integration is:
- (a) Close relationships with suppliers
 - (b) Total reliance on linked third parties
 - (c) Majority of manufacture is in-house
 - (d) All of the above
38. Fill in the missing word in this definition of culture: 'the basic assumptions and _____ which are shared by members of an organization'
- (a) Hopes
 - (b) Beliefs
 - (c) Fears
 - (d) Views
39. Why does the focus on organizational culture, according to Peters and Waterman, produce a new form of worker?
- (a) They have a shared goal and therefore are more willing to follow managers' orders.
 - (b) People like to work harder when managed by culture.
 - (c) People are treated in a friendlier manner than they are under Taylorist views.
 - (d) They love their company and have a shared sense of purpose

40. What is a mission statement?
- (a) A statement with the sales aims for the coming year.
 - (b) A statement through which individuals set what they are aiming for.
 - (c) A statement of the organization's purpose and reason for being.
 - (d) A statement which tries to sell the organization to consumers
41. Businesses without a competitive advantage are not likely to earn more than "normal" profits in the long run. Normal profits are:
- (a) profits one would expect to earn on investments that have a similar level of risk.
 - (b) profits received by corporations in the normal course of business.
 - (c) what one would receive on U.S. Treasury securities.
 - (d) profits earned by a corporation on a diversified portfolio of stocks.
42. Primary value chain activities that involve the effective layout of receiving dock operations (inbound logistics) and support value chain activities that include expertise in process engineering (technology development) characterize what generic strategy?
- (a) differentiation
 - (b) overall cost leadership
 - (c) differentiation focus
 - (d) stuck-in-the-middle
43. Learning from trying out new and different things is termed:
- (a) Absorptive capacity
 - (b) Exploitation
 - (c) Exploration
 - (d) Economies of scope
44. Which of the following are NOT likely to be sources of relatedness between businesses?
- (a) Similarities in size
 - (b) Operating in industries with similar success factors
 - (c) Similarities in production technologies
 - (d) Selling to customers with similar demographic characteristics
45. Synergies allow businesses to add value to one another whereas the extent to which the corporate centre can add value to each of its businesses is called:
- (a) Relatedness
 - (b) Size
 - (c) Competencies
 - (d) Vision

46. Which of the following outcomes is NOT an advantage of a completely vertically integrated business?
- (a) Potentially greater control is achieved
 - (b) Potentially greater quality is achieved
 - (c) Lowering of risk is achieved
 - (d) Lower price of supplies is achieved
47. On average, the highest levels of profitability are shown by:
- (a) Firms focused on just one or two products
 - (b) Firms with a moderately diverse range of related products and businesses
 - (c) Firms with a very diverse range of related products and businesses
 - (d) Firms with a diverse range of unrelated products and businesses
48. At corporate level, diversification comes about when a firm is involved in two or more:
- (a) Businesses
 - (b) Markets
 - (c) Segments
 - (d) Industries
49. The most probable time to pursue a harvest strategy is in a situation of
- (a) High growth.
 - (b) Decline in the market life cycle.
 - (c) Strong competitive advantage.
 - (d) Mergers and acquisitions.
50. An 'industry recipe' can be defined as:
- (a) An accepted pattern of operating and competing
 - (b) A tactic for anticipating a competitor's next move
 - (c) The hidden competences that are difficult to imitate
 - (d) A strategic group
51. When defining strategic management the most important thing to remember is that it is:
- (a) Not as easy as you think
 - (b) Mainly the province of senior managers
 - (c) A living evolving process
 - (d) More conceptual than practical
 - (e) A way of determining responsibilities

52. As a general statement it can be said that the earliest strategic managers were generally involved in:
- (a) the military
 - (b) ruling countries
 - (c) developing from craft to industrial situations
 - (d) the development of systems for large corporations
 - (e) any organisations that require management of large groups
53. In recent years the teachings and writings of Sun Tzu have enjoyed a revival because of the perceived relevance to:
- (a) the worldwide problems with terrorism
 - (b) the fact that his strategic teachings are timeless
 - (c) the ability to deal with competitors
 - (d) the emphasis on management structures
 - (e) none of the above
54. Which of the following was responsible for a model of strategy which attempted to create a balance between efficiency and effectiveness?
- (a) Sun Tzu
 - (b) Max Weber
 - (c) Frederick Winslow Taylor
 - (d) Carl Von Clausewitz
 - (e) Adam Smith
55. Which of the following developed systems which combined both the physical and psychological needs of workers?
- (a) Max Weber
 - (b) Frederick Winslow Taylor
 - (c) Frank and Lillian Gilbreth
 - (d) Henri Fayol
 - (e) Adam Smith
56. Which of the following is not a feature of Max Weber's ideal type of bureaucracy?
- (a) Clearly defined hierarchical structures
 - (b) Efficiency and rationality
 - (c) Clearly defined psychological needs and profiles
 - (d) Clearly defined spheres of competences
 - (e) Clearly defined roles of responsibility

57. Henry Mintzberg was responsible for developing a multidimensional approach to strategy based on the five Ps. Which of the following are the correct five Ps?
- (a) Plan, ploy, pattern, position perspective
 - (b) Plan, plot, pattern, position perspective
 - (c) Plan, ploy, pattern, position performance
 - (d) Plan, ploy, pattern, participation perspective
 - (e) Passion, ploy, pattern, position perspective
58. Which of the following is not one of Porter's five forces that impact on competition?
- (a) New rivals entering the industry
 - (b) Competition amongst sellers in the industry
 - (c) A clearly defined management structure
 - (d) The bargaining power of buyer
 - (e) The bargaining power of suppliers
59. An organisation's strategy:
- (a) remains set in place longer than the mission and objectives
 - (b) generally forms over a period of time as events unfold
 - (c) tends to be formed at the same time the mission is developed and objectives are formulated
 - (d) is usually conceived at a single time when managers sit down and work out a comprehensive strategic plan for the next 3-5 years
 - (e) none of these is true
60. The primary focus of strategic management is:
- (a) strategic analysis
 - (b) the total organisation
 - (c) strategy formulation
 - (d) strategy implementation
 - (e) competitive advantage.
61. One of the key tasks of the corporate parent is:
- (a) recruiting top management teams in different countries.
 - (b) conducting market research on customers' needs in different countries.
 - (c) deciding on and enforcing the strategic direction of the multinational firm.
 - (d) looking for ways to adapt subsidiaries to local conditions.
62. Corporate parent refers to:
- (a) the headquarter's level within a multinational firm with different subsidiaries.
 - (b) the country level of a multinational firm.

- (c) a regional level of a multinational firm.
 - (d) the name of the parent firm that owns the business.
63. Cultural control relies on:
- (a) employing expatriate managers as top managers of subsidiaries.
 - (b) using SMART objectives.
 - (c) clear output indicators.
 - (d) employing cross cultural teams.
64. Control of subsidiaries can be carried out in:
- (a) three ways: electronic, mechanical and technical.
 - (b) two ways: personal or mechanical.
 - (c) three ways: personal, technical, or impersonal.
 - (d) two ways: personal or impersonal.
65. What are the three main types of control?
- (a) Output control, behavioural control and cultural control
 - (b) Coordination, harmonization and configuration
 - (c) Integration control, mechanical control and cultural control
 - (d) Input control, cultural control and configuration control
66. Industrial diversification is justifiable if:
- (a) it reduces cost.
 - (b) if enhances shareholders' value.
 - (c) it closes failing businesses.
 - (d) it increases firm's size.
67. What are the two options of industrial diversification?
- (a) Global diversification and local diversification
 - (b) Related diversification and unrelated diversification
 - (c) Marketing diversification and production diversification
 - (d) Vertical diversification and horizontal diversification
68. What is NOT an advantage of vertical integration?
- (a) It helps the firm retain control over proprietary knowledge.
 - (b) It enables the firm cross-subsidize one stage of the value chain by another.
 - (c) It enables the firm to internationalize quickly.
 - (d) It reduces uncertainties in demand and price.

69. Offshoring generally refers to:
- Reallocation of activities to subsidiaries of the multinational firms.
 - Delegation of authority to subsidiary level managers.
 - Reallocation of activities to emerging and developing countries.
 - Reallocation of headquarter of the multinational firm to an emerging country.
70. What is NOT a cause of value destruction by corporate parents?
- Incurring overhead costs
 - Seeking synergies between subsidiaries
 - Slowing down decisions
 - Making some ill-judged interventions

Ans. (1)(c), (2)(c), (3)(d), (4)(a), (5)(d), (6)(c), (7)(a), (8)(b), (9)(b), (10)(a), (11)(d), (12)(d), (13)(d), 14(e),15(c),16(b), 17(a),18(c), 19(b), 20(d), 21(b),22(a), 23(d), 24(d), 25(d), 26(c), 27(d), 28(c), 29(b), 30(d), 31(d) 32(a), 33(d), 34(c), 35(b), 36(a), 37(c), 38(b), 39(d),40(c),41(a),42(b),43(c),44(a),45(a),46(c),47(b),48(d),49(b),50(a),51(c),52(a),53(b), 54(d),55(c),56(c),57(a),58(c),59(b),60(b), 61(c), 62(a), 63(a), 64(d), 65(a), 66(b), 67(b), 68(c), 69(c), 70(b)

II Short Answer Type Questions:

- State the advantages of Functional Structure
- Discuss the elements of Divisional structure
- What are the features of Adaptive structure
- Which structure is preferred in an organization-Matrix or network structure?
- What are the Communicating strategies?
- What is Strategic Leadership?
- Define Organizational change.
- Discuss the importance of Strategic implementation
- What are the approaches to Resource Allocation in Strategy Implementation?
- What are the structural considerations in Strategy Implementation?
- Describe the significance of corporate culture in strategy implementation.
- Differentiate between Network Organizational Structure and Matrix Organizational Structure
- Are human resources scarce in India? What does it imply for resource allocation within business firms?
- How can the strategists resolve the political problems arising in resource allocation?

- 15 Mention the types of structure used to create and maintain inter organizational relationships.
- 16 Point out the characteristics of organization structure that could suit the requirements of differentiation business strategies.
- 17 How can the choice of future strategists through succession planning help in their development?
- 18 Enumerate the major considerations of strategists in the integration of functional plans and policies.
- 19 Explain the four areas of operational effectiveness
- 20 Differentiate between horizontal and vertical fit.
- 21 Write a brief note on core competency.
- 22 What do you mean by competitive advantage for a firm?
- 23 What do you mean by concentric and conglomerate diversification?
- 24 Explain the various strategies of corporate restructuring?
- 25 Elaborate the difference between integration and diversification strategies.
- 26 What is meant by "Forward Integration"?
- 27 What is meant by "Horizontal Integration"?
- 28 Explain the strategic option that takes the organization away from its existing products and markets showing its main advantages and disadvantages and the appropriate methods for its implementation?
- 29 Discuss the criteria used for evaluating strategic options?
- 30 Discuss the factors that determine the profitability of an Industry. If your company is the leader in that industry, what strategy would you follow? Why?
- 31 Write short notes on the following:
 - (a) Value Chain Analysis
 - (b) Corporate governance
32. Provide 3 reasons why firms have moved away from unrelated, conglomerate type diversification.
33. Identify 3 strategy options a firm can use when expanding internationally.
34. Explain the difference between 'strategy' and 'strategic management'.
35. Outline the fundamental differences between outside-in and inside-out thinking about strategic management, and their influence on strategy.
36. How are structural breaks similar to, and different from, 'black swan' events?
- 37 Compare and contrast an SBU structure and cross functional management structure.
- 38 Explain the interrelationship of strategy and structure
- 39 Explain functional strategies in marketing and finance and logistics.
- 40 Distinguish between Business and Functional Strategies.

III Long Answer Type Questions:

- 1 Explain the thesis that, “Structure follows strategy”. Express your views on this statement.
- 2 What are the principles of competitive strategy formulation?
- 3 “The key of successful implementation of strategy is effective leadership”. Do you agree? Discuss.
- 4 “Strategy rest on the key success factors.” How would you identify them and explain their appropriateness to the organization.
- 5 “No organization can be an ideal, the best organization structure is the one that fits best in overall situation.”. Explain this with your own views.
- 6 What are the different bases of resource allocation? How does strategic budgeting system operate in the organization?
- 7 Why is pre-implementation of strategy important? What check points would you like to use in pre- implementation evaluation?
- 8 What are the elements of organizational culture? Ho2w can organizational culture and strategy be related?
- 9 Discuss the impact of organizational culture? How does organizational culture act as barrier to strategy implementation? Describe the way in which sound organizational culture can be developed.
- 10 Discuss the relevance of organizational change as a strategic implementation process.
- 11 Enumerate the steps taken in Strategy Implementation.
- 12 Describe Marketing policies and plans in the context of strategy implementation.
- 13 “Strategy Implementation is composed of establishing programs to create a series of new organizational activities, Budget to allocate funds to new activities and procedure to handle the action plan.” Explain the statement by giving a suitable example.
- 14 Describe the manner in which an organization can align its resource allocation with its strategies.
- 15 Discuss the five important tasks that a strategic leader can perform.
- 16 In what ways could a conservative family business group in India mould its corporate culture to implement expansion strategies?
- 17 How can the strategic leaders match their leadership style to the requirements of the strategy being implemented?
- 18 “Congruence and Coordination among strategies should take place through vertical and horizontal fit”. Explain and discuss the statement.
- 19 Write a descriptive note on the nature, need and development of functional plans and policies.
- 20 Describe the mechanism used for the integration of functional plans and policies
- 21 Review the major developments in the management techniques in the four areas of operational effectiveness. Highlight the more recent ones in your answer.

- 22 Enumerate some of the latest operational effectiveness techniques in the area of productivity, processes, people and pace.
- 23 What difficulty do managers face in choosing operational implementation practices? How can this difficulty be minimized?
- 24 Discuss in detail the functional strategies adopted by the managers.
- 25 What do financial plans and policies relate to? Why are these plans and policies significant for strategy implementation?
- 26 Explain the BCG matrix? What is the logic of this model?
- 27 How BCG matrix is important to evaluate SBU's? What are the models limitations and weaknesses?
- 28 What do you mean by joint ventures? What are the other types of strategic alliances?
- 29 How a firm can achieve the growth by internally developing their processes?
- 30 What are the cultural issues involved when a firm goes for mergers and acquisitions?
- 31 What are the various strategic choices available to the organization for its growth. Explain briefly giving examples.
- 32 Explain the various corporate level strategies adopted by Indian firms. Give examples.
33. What are the major issues in Strategic Evaluation and Control? Illustrate your answer with suitable examples.
34. What are the various strategic choices available to an organization for its growth? Explain briefly giving examples.
35. What are the 3 defensive strategies? Explain in detail.
36. Discuss the personal and political implications of strategic change?
37. How do organizations go for the mergers and diversification. How are mergers and diversification strategies formulated?
38. What is the significance of strategy activity mapping, and how can it be used to enhance competitive advantage?
39. Explain the levels of involvement in strategic management and the role of staff at each level. How does the strategy hierarchy facilitate this?
40. Explain the controversial debate in strategic management regarding how strategy can be formed or formulated, ie – how emergent strategy is different from deliberate strategy.
41. What are the different ways in which the external environment can be explored, and for what purposes?
42. What is the significance of strategy activity mapping, and how can it be used to enhance competitive advantage?
43. Explain the implications of diversification strategies.
- 44 Discuss Focus Strategy. What are advantages and disadvantages of Focus Strategy.
- 45 Discuss Porter's Competitive Strategies.
- 46 Bring out significance of integration of functional strategies.
- 47 Discuss the importance of management systems in the implementation of a strategy.

- 48 Discuss the distinctive advantages and disadvantages of an entrepreneurial structure and a functional structure.

UNIT - IV

I Multiple Choice Questions:

- 1 It enables the strategists to take corrective action at the right time
 - (a) Premise control
 - (b) Strategic surveillance
 - (c) Diversification
 - (d) Turnaround strategy

- 2 Measures to take corrective action means
 - (a) Checking performance,
 - (b) Reformulate strategies
 - (c) Standard check
 - (d) Formulate plans

- 3 The nature of strategic evaluation is
 - (a) Convenient
 - (b) Difficult
 - (c) Judgmental

- 4 The importance of strategic evaluation lies in its ability to-
 - (a) Look for the future
 - (b) UNDERSTANDS THE BUSINESS NEEDS
 - (c) Coordinate the task performed by individual managers

- 5 Environmental information includes
 - (a) Organizational plans
 - (b) Operations strategy of organization
 - (c) Social, Political and economic information

- 6 . Strategic evaluation operates at _____
 - (a) Strategic level
 - (b) Operational Level
 - (c) Both a and b
 - (d) None of the above

7. Strategy evaluation should have a _____ focus
- (a) Long run
 - (b) Medium run
 - (c) Short run
 - (d) All of the above
8. Strategy-evaluation activities should be performed on a _____
- (a) Periodic basis.
 - (b) Continuous basis
 - (c) Regular basis
 - (d) Project basis
9. Given that large amounts of money are at stake, strategy evaluation is primarily necessary for _____ companies
- (a) Large corporate
 - (b) Small corporate
 - (c) Not-for-profit organisations
 - (d) All of the above.
10. The need for strategists to examine sets of trends as well as individual trends in evaluating strategies is referred to as _____
- (a) Consonance.
 - (b) Feasibility
 - (c) Consistency
 - (d) Stability
11. In assessing an organization's success or failure, there are three stages; working out what to observe and measure, establishing the standards against which to measure and:
- (a) Writing up the results
 - (b) Benchmarking
 - (c) Drawing conclusions
 - (d) Providing recommendations
12. Which of the following is the least useful measurement of performance?
- (a) Stakeholders' targets
 - (b) Top management's targets
 - (c) Comparing against best practice in the industry
 - (d) Comparing against competitors

13. _____ refers to the need for strategists to examine sets of trends as well as individual trends in evaluation strategies.
- (a) Consistency
 - (b) Consonance
 - (c) Feasibility
 - (d) Advantage
14. _____ is not one of the three strategy evaluation activities.
- (a) Compare expected results with actual results
 - (b) Take corrective action
 - (c) Allocation of resources
 - (d) Review underlying bases of strategy
15. The purpose of strategy evaluation is to
- (a) improve R&D programs.
 - (b) evaluate employees' performance.
 - (c) make budget changes.
 - (d) alert management to problems or potential problems.
16. Large organizations require a more elaborate and detailed strategy evaluation system because
- (a) more money and capital can be lost.
 - (b) it is more difficult to perform an external and internal audit.
 - (c) it is more difficult to coordinate efforts among different divisions and functional areas.
 - (d) more shareholders and directors must be kept informed.
17. A revised _____ matrix should indicate how effective a firm's strategies have been in response to key opportunities and threats.
- (a) IFE
 - (b) Grand Strategy
 - (c) SPACE
 - (d) EFE
18. Which of the following is not a reason for the increasing difficulty of evaluating strategies?
- (a) Product life cycles are longer today than ever
 - (b) Domestic and World economies are less stable than ever
 - (c) Technological advancement is more rapid
 - (d) Change is occurring more frequently than ever

19. Which of these is not a key financial ratio?
- (a) Market share
 - (b) Production quality
 - (c) Earnings per share
 - (d) Asset growth
20. _____ occur(s) when the nature, types and speed of changes overpower an individual's or organization's ability and capacity to adapt.
- (a) Corporate agility
 - (b) Future shock
 - (c) Corporate downfall
 - (d) Measuring performance
21. Aims to balance long term with short term concerns, financial with non-financial concerns, and internal with external concerns.
- (a) Contingency planning
 - (b) Taking corrective action
 - (c) Reviewing bases of strategies
 - (d) The Balanced Scorecard
22. Which of the following is an aspect of implementation that can be changed indirectly if necessary?
- (a) Organizational structure
 - (b) Information systems
 - (c) Quality
 - (d) Procedures
23. A small company, with power concentrated in the hands of one central figure, tends to be what?
- (a) Centralized and formal
 - (b) Centralized and informal
 - (c) Decentralized and formal
 - (d) Decentralized and informal
24. Which one of the following types of organizations would benefit from a matrix structure?
- (a) Diverse independent businesses in a conglomerate
 - (b) Organizations growing through merger and acquisition
 - (c) Small companies with few plants and limited product or service diversity
 - (d) Small, sophisticated service companies

25. Which of these is not a reason for why employees resist the implementation of strategic changes?
- (a) Anxiety regarding jobs
 - (b) Lack of necessary strategic resources
 - (c) Lack of knowledge
 - (d) Poor strategic leadership
26. Which of these is not a main determinant of centralization/decentralization?
- (a) Geographical considerations (e.g., location etc)
 - (b) Costs
 - (c) Size
 - (d) Demographical considerations (e.g., age; ethnicity etc)
27. Which of these is not an identified form of organizational structure?
- (a) Intrapreneurial
 - (b) Functional
 - (c) Entrepreneurial
 - (d) Matrix
28. When are holding company structures most useful?
- (a) For organizations in stable environments
 - (b) Where appropriate business unit splits exist
 - (c) For companies pursuing restructuring strategies
 - (d) For large, multinational companies
29. Which of these are characteristic of matrix structures?
- (a) Decentralization and co-ordination
 - (b) Centralization and co-ordination
 - (c) Decentralization and control
 - (d) Centralization and control
30. The usage of culture and intangible rewards as the principal means of controlling individual behavior is considered more effective than rules and boundaries when
- (a) Work is autonomous and creative
 - (b) Output is standardized.
 - (c) Measurement of performance is straightforward.
 - (d) Tasks are repetitive and routine.
31. Which approach recognises that there is no optimal organisational design?
- (a) Decentralisation

- (b) Contingency
 - (c) Flexible organisations
 - (d) Boundless organisations
 - (e) Circumstantial
 - (f) Virtual organisations
32. Which of the following is not true of span of control?
- (a) Geographical separation of staff influences the span that can be coped with.
 - (b) The average span of control affects the number of managers.
 - (c) It is the number of subordinates who report directly to a supervisor
 - (d) High spans of control were found in supervision of line production.
 - (e) The technical content of jobs has little effect on the required span of control of supervisors.
33. One of the most popular ways to group activities is by:
- (a) functions.
 - (b) product.
 - (c) process.
 - (d) geography.
 - (e) customer.
34. Which of the following trends is gaining momentum?
- (a) using only one type of departmentalization
 - (b) using more customer departmentalization
 - (c) process departmentalization
 - (d) using less departmentalization
 - (e) geographic departmentalization
35. In an organization that has high centralization:
- (a) decision discretion is widely dispersed throughout the organization.
 - (b) problems can be quickly and efficiently solved.
 - (c) the corporate headquarters is located centrally to branch offices.
 - (d) top managers make all the decisions-lower-level managers merely carry out directions.
 - (e) all top-level officials are located within the same geographic area.
36. _____ entails reducing the business portfolio by eliminating products that no longer fit the company's overall strategy.
- (a) Downsizing
 - (b) Market redesign

- (c) Market segmentation
 - (d) Product line extension
 - (e) BCG
37. After management has identified the key businesses making up its company, what is the next step?
- (a) assess the attractiveness of its SBUs
 - (b) decide whether to harvest any businesses
 - (c) complete short-range planning
 - (d) SBU identification
 - (e) identify businesses in which to invest
38. Which one of the following is not one of the Balanced Scorecard's four generic perspectives?
- (a) innovation and learning
 - (b) financial
 - (c) marketing and advertising
 - (d) internal business processes
39. Which of the following statements is correct?
- (a) One fundamental idea of balanced scorecards is to increase the number of performance indicators used to manage the business.
 - (b) Balanced scorecards always report using the same time periods as the financial accounting system.
 - (c) Organisations sometimes use a 'traffic-light' system on their balanced scorecard to help them prioritise their activities.
 - (d) The fundamental idea of balanced scorecards is to create corporate strategy.
40. Which one of the following is a 'lag' performance indicator?
- (a) number of training hours per employee
 - (b) output per employee
 - (c) number of complaints received from customers
 - (d) return on capital employed
41. All of the following are stated advantages of a divisional structure except:
- (a) it allows local control of local situations.
 - (b) it leads to a competitive climate within a firm.
 - (c) accountability is clear.
 - (d) it promotes specialization of labor.

42. A possible and desirable future state of an organization is called:
- (a) Mission
 - (b) Vision
 - (c) Strategy implementation
 - (d) Strategy formulation
43. Selling all of a company's assets in parts for their tangible worth is called:
- (a) Divestiture
 - (b) Concentric Diversification
 - (c) Liquidation
 - (d) Unrelated integration
44. Buyer's market exist when:
- (a) few suppliers in the market
 - (b) buyers purchases in small volume
 - (c) buyers purchases in large volume
 - (d) product of suppliers are unique and differentiated
45. Reasons for diversification is:
- (a) to increase organizational capabilities
 - (b) to reduce competition
 - (c) to get tax advantage
 - (d) to get quick entry into a business
46. Which of the following can be identified as a best statement that represents a firm's big picture statements, describing a desired end state, general in scope and not restrictive?
- (a) Corporate philosophy statement
 - (b) Company creed
 - (c) Vision statement
 - (d) Mission statement
47. One of the top level manager of a large manufacturing plant uses to spend her day trying to ensure that the material waste is not more than 10% , she spends her day performing the management process of:
- (a) Planning
 - (b) Organizing
 - (c) Leading
 - (d) Controlling

48. All of the following are key opportunities and threats in external environment because of political, government and legal forces except:

- (a) Tax rate
- (b) Social security program
- (c) Cross boarder relationship
- (d) Patent law

49. Internal audit is done:

- (a) Before external audit
- (b) After external audit
- (c) Parallel to external audit
- (d) Vertical to external audit

50. The primary benefit brought from restructuring is:

- (a) employee involvement
- (b) cost reduction
- (c) increased morale
- (d) increased number and organizational hierarchy

51. Which of the following applies to strategic issues?

- (a) Require only top management decisions
- (b) Consider only the organisation's external environment
- (c) Future-oriented
- (d) Concern allocation of small amounts of resources
- (e) Do not have long-term impact on the organisation

52. Which of the following is not an advantage of strategic management?

- (a) It provides organisations with a clearer sense of direction and purpose
- (b) It helps improve the political, economic, social and technological environment of the organisation
- (c) It helps orientate management decisions to relevant environmental conditions
- (d) It helps organisations be proactive rather than reactive
- (e) Organisations using it significantly outperform their own past results and the results of those organisations not using it

53. Which of the following focuses on supporting the corporate and business strategies?

- (a) Competitive strategy
- (b) Corporate strategy
- (c) Operational strategy
- (d) National strategy

- (e) Mission strategy
54. Which one of the following is not a primary task of strategic managers?
- (a) Establishing strategic objectives
 - (b) Developing the steps to follow in implementing operational level plans
 - (c) Defining the business and developing a mission
 - (d) Developing a strategy
 - (e) Implementing and evaluating the chosen strategy
55. The task of strategy choice involves:
- (a) developing plans and activities which will improve the organisation's performance and competitive position
 - (b) determining how the organisation can be more market and efficiency oriented
 - (c) monitoring whether the organisation is achieving good financial performance
 - (d) keeping the organisation free of debt
 - (e) none of these are really central to strategy choice
56. Which one of the following is at the core of strategic management?
- (a) Choosing which organisational objectives to focus on
 - (b) Being alert for opportunities to change work responsibilities
 - (c) Adapting the organisation to a changing external environment
 - (d) Choosing whether to make decisions autocratically or on the basis of participation
 - (e) Promoting responsiveness to changes in organisational norms and values
57. Jobs with strategic management responsibility:
- (a) seldom exist within a functional department or in an operating unit
 - (b) exist at the line of business level, the product line level, and are also found in not-for-profit organisations
 - (c) are found only at the general manager level and above
 - (d) entail operating and administrative responsibilities but do not involve entrepreneurial responsibilities
 - (e) none of these
58. The process of strategic management is characterised by:
- (a) the tendency of managers to develop a strategy before they set target performance objectives
 - (b) the systematic fashion with which managers implement the strategy they have chosen
 - (c) the steps that strategic planners always go through in writing the strategic plan
 - (d) the sequence with which managers move from one phase of the process to the next

- (e) none of these
59. Which of the following is not one of the key areas that might limit the feasibility of a strategy option?
- (a) Culture, skills and resources that are internal to the organisation
 - (b) Lack of commitment from managers and employees
 - (c) Lack of customer need for the proposed product
 - (d) Competitor reactions
60. What is 'sensitivity analysis'?
- (a) A way of evaluating how market oriented an organisation is, i.e. how responsive to market needs
 - (b) A technique for determining how susceptible cash flow is to changes in market growth rates
 - (c) A technique for evaluating how the outcomes of a strategy vary when its underlying assumptions are change
 - (d) A technique for determining how aware managers are of the needs of their staff
61. Which of the following statements best summarises the key difference between strategy selection criteria in commercial and not-for-profit organisations?
- (a) Not-for-profit organisations are less concerned with efficiency than commercial ones operating in competitive markets
 - (b) Commercial organisations are under pressure from shareholders to produce good financial results, whereas not-for-profit organisations are not
 - (c) Commercial organisations tend to be more narrowly focused on financial performance criteria, whereas not-for-profits often use a broader qualitative set of criteria
 - (d) Commercial organisations will be more concerned with stakeholders than not-for-profit organisations
62. Which of the following is not a commonly used method of financial appraisal of strategy options?
- (a) Break-even analysis
 - (b) Return on capital employed
 - (c) Price/earnings ratio
 - (d) Net cash flow
63. What is shown in the Arthur D. Little (ADL) matrix?
- (a) It relates an organisation's competitive position and industry attractiveness to determine appropriate strategies

- (b) This 5 x 4 model offers strategy prescriptions according to the competitive position of an organisation and stage of maturity of its market
 - (c) It shows the relative market share and market growth rates of the organisation's portfolio of SBUs
 - (d) It classifies strategy options according to market coverage and competitive advantage dimensions
64. Which of the following statements is not supported by evidence from the PIMS database?
- (a) The most important single factor affecting a business unit's performance is the quality of its products and services
 - (b) Market share strongly correlates with return on investment
 - (c) Investment in mechanisation raises productivity and thus return on investment
65. Which one of the following is not one of the Balanced Scorecard's four generic perspectives?
- (a) marketing and advertising
 - (b) financial
 - (c) innovation and learning
 - (d) internal business processes
66. Which one of the following is a 'lag' performance indicator?
- (a) return on capital employed
 - (b) number of training hours per employee
 - (c) number of complaints received from customers
 - (d) output per employee
67. Which one of the following statements is true?
- (a) Balanced Scorecards can be used in Not-for-Profit organisations
 - (b) Balanced Scorecards always have four perspectives
 - (c) Balanced Scorecards can only be updated on an annual basis
 - (d) Balanced Scorecards are a feedback mechanism
68. Utilization is which of the following?
- (a) The percentage of available capacity that is actually used.
 - (b) The ratio of actual output to possible outputs, expressed as a percentage.
 - (c) The quantity manufactured in relation to one or more resource.
 - (d) How well an organization sets and achieves goals.
 - (e) A measure of how well supply matches demand.

69. Effectiveness is which of the following?
- A measure of how well supply matches demand.
 - The quantity manufactured in relation to one or more resource.
 - How well an organization sets and achieves goals.
 - The percentage of available capacity that is actually used.
 - The ratio of actual output to possible outputs, expressed as a percentage.
70. Measuring efficiency involves assessing which of the following?
- Hours required to deliver a service.
 - Hours required to produce a product.
 - Cost of inputs.
 - Staff skills and costs.
 - All of the above.

Ans. (1)(a), (2)(c), (3)(c), (4)(c), 5(c), 6(c), 7(c), 8(b), 9(d), 10(a), 11(b), 12(b), 13(a), 14(c), 15(d), 16(c), 17(d), 18(a), 19(b), 20(b), 21(d), 22(c), 23(b), 24(d), 25(b), 26(d), 27(a), 28(c), 29(a), 30(a), 31(b), 32(e), 33(a), 34(b) 35(d), 36(a), 37(a), 38(c), 39(c), 40(d), 41(d), 42(b), 43(c), 44(c), 45(a), 46(c), 47(d), 48(b), 49(c), 50(b), 51(c), 52(b), 53(c), 54(b), 55(a), 56(c), 57(b), 58(e), 59(d), 60(c), 61(c), 62(b), 63(b), 64(c), 65(a), 66(a), 67(a), 68(a), 69(c), 70(a).

II Short Answer Type Questions:

- What is the basic nature of strategy evaluation?
- Why is strategy evaluation important?
- What type of barriers is commonly faced in evaluation and how can they be avoided?
- How can strategic control help in resource allocation?
- Distinguish between Strategic control and operational control.
- What are the elements in the evaluation process?
- “Companies should evaluate performance on the basis of a combination of quantitative and qualitative criteria.” Discuss.
- What issues are important in measuring performance?
- How can strategists initiate corrective action?
- Briefly review the role of organizational systems in strategic evaluation
- What are the types of Operational Strategies?
- Discuss how responsibility center support the strategic control process.
- Highlight the role that the BOD and the CEOs play in strategic evaluation.
- Explain the basic approach used in strategic control.
- What are the elements in the evaluation process for operational control?

- 16 Write a short note on strategic budgeting.
- 17 Explain the importance of leadership and corporate culture in an organization?
- 18 Explain the top down and bottom up approach in strategic budgeting
- 19 How a firm evaluates its strategies?
- 20 What do you mean by balanced scorecard?
- 21 Explain the relevance of strategic and operational control?
- 22 “The essence of strategic control is action.”Comment.
- 23 Write a short note on Structural Considerations and Organizational Design.
- 24 Explain in brief the importance of strategic evaluation.
- 25 How the corporate culture affects the strategic implementation.
- 26 Write brief notes on Leadership and Corporate culture
- 27 Write short note on BALANCE SCORE CARD
- 28 Review the three areas relating to resources as part of planning the allocation of resources?
- 29 What is the essence of strategic performance management, and why is it becoming increasingly recognized as of fundamental importance?
- 30 How does Organizations successful at strategy implementation effectively manage six key supporting factors?
- 31 How does leadership strategy change with the size of an organization?
- 32 What is the essence of strategic performance management, and why is it becoming increasingly recognised as of fundamental importance?
- 33 Discuss the advantages and disadvantages of corporations involved in organic and non-organic growth.
- 34 The BCG (Growth-Share) Matrix is old but has stood the test of time. How significant and practicably usable is it today, in the light of vast developments in management tools that help assess market conditions?
- 35 How successful is franchising as a means of corporate growth?
- 36 Explain the meaning of ‘the world is flat’ in the context of globalization.
- 37 If the benefits of globalization concern the expansion of operations across international borders, why then is it necessary to consider a strong home base?
- 38 What are the uses of balance score card approach to strategic control?
- 39 Discuss the strategic moment control techniques for strategic evaluation.
- 40 What are the different styles of managing strategic change?
- 41 Explain Reengineering, Restructuring and Innovation as three strategic changes that most of the companies pursue at least one of them.
- 42 Bring out the role of different participants play in strategic evaluation.

III Long Answer Type Questions:

- 1 What are the factors involved in the evaluation of a strategy and explain the process of evaluation in the process of strategy review.
- 2 Explain Hofer's Strategic evaluation measures of organizational performance. Discuss in brief the how value added concepts are superior to other traditional measures?
- 3 Discuss the importance of feedback and information system in strategic control and evaluation.
- 4 How will a comprehensive system of strategic control operate in a large sized business organization?
- 5 Consider the case of a corporate hospital, or any service institution of your choice, and suggest how a system of operational control will work in such an institution.
- 6 Describe and explain the application of the techniques for strategic control.
- 7 Discuss the different types of techniques used for operational control?
- 8 How is performance evaluation done in public enterprise in India?
- 9 List the needs due to which strategy evaluation is carried out.
- 10 Discuss quantitative criteria for strategy evaluation.
- 11 Why is review of strategy necessary? Discuss the Evaluation Process along with Evaluation Techniques used for Strategic Evaluation.
- 12 "Sins of omission and commission are the two reasons why organizations establish control and evaluation mechanisms as part of strategic management." Explain the statement.
- 13 Explain the steps taken in the process of strategic evaluation.
- 14 Discuss the strategic momentum control techniques for strategic evaluation.
- 15 Discuss the significance of comparative analysis for strategic evaluation.
- 16 "Companies should evaluate performance on the basis of a combination of quantitative and qualitative criteria." Why is this so?
- 17 Which individuals and groups participate in the process of evaluation, what difficulties do they face and how do they overcome them?
- 18 Which type of auditing technique can be used in operational control?
- 19 Give a description of the process of strategic audit.
- 20 Make a chart showing clearly, the role that the information, control and reward systems play in strategic evaluation.
- 21 Does balance scorecard really helps in evaluating performance for an organization? Explain the important aspects covered under this scorecard.
- 22 What are the important things to be considered while implementing the strategies?
- 23 Describe the concept of strategic control. Explain the steps in strategic control.
- 24 State the requirement of an effective control system. Also distinguish between strategic planning and strategic controlling.
- 25 How a leader in an organization can make the implementation of the strategy effective? Explain the traits of a leader that helps in the successful strategy implementation?

- 26 Discuss the importance of evaluation and control in strategic management. Explain giving examples.
- 27 Explain BCG matrix with the help of suitable examples. What are its limitations? Illustrate.
- 28 Explain the method used for the selection of strategic options?
- 29 Take any two operational areas and discuss the main elements of their strategies?
30. Discuss the concepts of centralization and decentralization and how their relationship to strategic implementation?
31. Discuss the personal and political implications of the reward system?
32. What are strategic alliances? Explain its merits and demerits? Also discuss how to make these alliances successful?
33. Explain vertical integration in detail? Discuss various types of vertical integration? Elucidate the techniques of strategic evaluation.
34. Explain the central themes of Six Sigma Philosophy.
35. Explain the significance of strategic management in Non Profit Making organisations.
36. What is control? Explain the different types of operational control?
37. What is supply chain management? What are the requirements for the successful implementation of SCM?
38. What is meant by functional strategies? In terms of level where will you put them? Are functional strategies really important for business?
- 39 Explain the campaigns that are necessary for a change program to be successful.
- 40 Discuss the significance of organizational politics in managing strategic change?
- 41 Discuss the significance of comparative analysis for strategic evaluation
- 42 Discuss different types of obstacles faced in strategic evaluation.
- 43 Explain premise control and strategic surveillance.

QUESTION BANK

CORPORATE SOCIAL RESPONSIBILITY, HUMAN VALUE & ETHICS

MS 208

QUESTION BANK
CORPORATE SOCIAL RESPONSIBILITY, HUMAN VALUE & ETHICS - MS 208
MBA IV

UNIT - I

I Test Your Skills:

(a) State Whether the Following Statements are True or False:

1. The value system becomes a part of the person through the subconscious mind.
2. Attitude is a combination of rationality, emotion, thoughts & actions.
3. Beliefs exist only with perceptions & experience.
4. Values are partly genetically determined and partly acquired through experience & interactions.
5. Ethics & morality are the same things.
6. Ethics is the science of morals in human conduct.
7. Ethics are diagnostic, prescriptive & analytical in nature.
8. Business ethics are mere theories of ethics in the realm of business trade & commerce.
9. A business based on honesty, sincerity & ethics has a sustainable future with abundance.
10. Political connections & subscription to political parties are essential for a business.

Ans. (1)(T), (2),(T), (3)(F), (4), (T), (5)(F), (6)(T), (7)(T), (8)(F), (9)(T), (10)(F)

(b) Fill in the Blanks:

1. Ethics set the ideal ----- for social & human welfare.
2. Moral developments are ----- in nature.
3. A business organization depends on certain cherished----- but there are many possibilities of value conflicts.
4. Spirituality & virtue strengthen the ----- process of organizations.
5. Sustainable developments are different from----- development.
6. Ethical issues related to cooperation, & not the ----- & egoism are also the subject matter of sustainable development.
7. Growing population & capitalist ----- are the basic causes of environmental degradation.
8. The pollution creates huge social costs through negative----- leading to market failure.

9. Deceptive pricing, unnecessary repairs & credit card fraud are -----victimizing consumers by establishing trust & respectability.
10. ----- teaches a dynamic theory of how to conduct business activities.

Ans. (1)(Moral standards) (2)(Evolutionary) (3)(Values) (4)(ethicalization) (5)(Green) (6)(Destructive greed) (7)(Industrialization) (8)(Externalities) (9) (White collar crimes) (10) Virtue ethics

(c) Multiple Choice Questions:

1. Which of these are key principles of the code of ethics?
- (a) Objectivity
 - (b) Familiarity
 - (c) Professional behavior
 - (d) a and c
2. If you face an ethical dilemma, what should your first step be in resolving the issue?
- (a) Contact the regulators
 - (b) Stay quiet
 - (c) Check your facts
 - (d) none of the above
3. In which of these areas might you face pressures?
- (a) Working with colleagues from different functional areas within the organisation
 - (b) Meeting reporting deadlines
 - (c) Allocating bonuses
 - (d) all of the above
4. Which of these are safeguards for upholding high ethical standards?
- (a) Having written orders to do something
 - (b) Companies' internal codes, policies and education
 - (c) Corporate governance regulations
 - (d) b and c
5. How does CIMA support its members and students?
- (a) Setting standards and disciplinary process
 - (b) Making decisions for them
 - (c) Offering helplines globally

- (d) a and c
6. Which principles of 'adequate procedures' should be in place to prevent bribery according to the recent UK Bribery Act?
- (a) Top level commitment
 - (b) Communication
 - (c) Write a document
 - (d) a and b
7. The most influential theory of corporate responsibility of the past century is:
- (a) The moral minimum model.
 - (b) The classical model.
 - (c) The social contract theory.
 - (d) The stakeholder theory.
8. The ethical roots of the classical model of corporate social responsibility are found in which statement:
- (a) The idea that the interests of stakeholders are as important as the interests of a corporation's stockholders.
 - (b) The free market theory which holds that managers are ethically obliged to make as much money as possible for their stockholders because to do otherwise would undermine the very foundations of our free society.
 - (c) The ethical imperative to cause no harm.
 - (d) The ethical imperative to prevent harm.
9. Which of the following reasons might a free market economic theorist use to justify the hostile takeover of a company?
- (a) The takeover target company's stock is undervalued. That is evidence that the resources are being inefficiently used.
 - (b) If current management is not maximizing profits, it is violating the utilitarian imperative to maximize the overall good.
 - (c) The organization seeking to take over the target company will maximize profits for the stockholders and will be serving the public's interests because it is only by satisfying consumer (public) demand that a business can make profits.
 - (d) If the takeover target's managers are using their stockholders' money to serve interests other than those of the stockholders, they are stealing from them.
 - (e) All of the above.
 - (f) None of the above.

- 10 Which of the following statements does not represent a market failure, i.e., a situation in which the pursuit of profit will not result in a net increase in consumer satisfaction?
- (a) The costs of pollution, groundwater contamination and depletion, soil erosion and nuclear waste disposal are borne by parties external to the economic exchange between buyer and seller.
 - (b) Where there is no mechanism for pricing, for setting a value on, public goods, there is no guarantee that the markets result in the optimal satisfaction of the public interest in regards to public goods.
 - (c) Situations in which externalities have been internalized result in an equilibrium in the exchange price between true costs and benefits.
 - (d) The pursuit of individual self-interest results in a worse outcome than would have occurred had the behavior of the parties involved in the economic exchange been coordinated through cooperation or regulation rather than mere competition.
- 11 Which statement does not support the claim that an unconditioned ethical directive such as the one the classical model of corporate social responsibility demands of business management is inappropriate for utilitarian theory?
- (a) Markets can work to prevent harm only by first-hand experience with harms that have to occur before they can be remedied.
 - (b) It is claimed that once market failures are adequately addressed by the government, business just needs to obey the law that addressed them. Business, however, has the ability to inappropriately influence government policy and the law.
 - (c) Business has the ability to influence consumers' desires by helping shape those desires through advertising.
 - (d) A more precise formulation of a utilitarian- based principle would be to maximize profit whenever doing so produces the greatest good for the greatest number, with the proviso that managers must consider the impact a decision will have in many ways other than merely financial.
- 12 According to the private property defense of the classical model of corporate social responsibility, managers who use corporate funds for projects that are not directly devoted to maximizing profits are stealing from their owners. Which statement supports this view?
- (a) Property rights are restricted when they conflict with the basic rules of society as embodied in law and custom.
 - (b) The connection between ownership and control that exists for personal property does not legally exist for corporate property.
 - (c) Investors buy their stocks with the hope of maximizing return on their investment.
 - (d) Stockholders in publicly traded corporations are better understood as investors rather than owners.

- 13 Which statement is true of Bowie's Kantian approach to business ethics?
- (a) People have a duty both to not cause harm and to prevent harm.
 - (b) Both causing no harm and preventing harm override other ethical considerations.
 - (c) While it is ethically good for managers to prevent harm or do some good, their duty to stockholders overrides these concerns.
 - (d) A narrow interpretation of Bowie's "cause no harm" imperative makes the duties faced by management under the neo-classical model significantly different from the classical model.
- 14 Select the reasons, historically speaking, why the modern corporation was established as a legal entity:
- (a) Social benefits flow from corporate institutions.
 - (b) Corporations provide an efficient means for raising large amounts of capital needed to produce and distribute socially desired goods and services.
 - (c) Corporations distribute risks widely over large populations, minimizing the risk to any one individual.
 - (d) Corporations provide individuals with efficient means for the creation of wealth and for supplying jobs.
 - (e) All of the above.
 - (f) None of the above.
- 15 Which statement does not challenge the notion of a hypothetical social contract between society and corporations?
- (a) If the social contract presupposes an amoral beginning, it seems to offer few guarantees that certain fundamental ethical rights will be protected under the contract.
 - (b) Micro-social contracts can be developed within particular local communities that establish the specific ethical rights and responsibilities within that community as long as they fit within the general limitations of the hypernorms governing any and all social contracts.
 - (c) It is difficult to specify exactly what responsibilities will be drawn from this hypothetical contract.
 - (d) If the theory already begins with certain fundamental rights and responsibilities, then the social contract may be irrelevant to providing an ethical justification for business' responsibilities.
- 16 Which statement represents a challenge to Evan's and Freedman's defense of the stockholder theory against the classical model of corporate social responsibility?

- (a) The law now recognizes a wide range of managerial obligations to such stakeholders as consumers, employees, competitors, the environment, the disabled.
 - (b) Courts and legislatures have recognized that the rights and interests of various constituencies affected by corporate decisions limit managers' fiduciary responsibility.
 - (c) Stakeholder theory cannot answer the question as to how, exactly, a manager should go about balancing the diverse and competing claims of all parties.
 - (d) There is no guarantee that when managers produce profits they will serve the interests of either stockholders or the public.
17. Which statement correctly reflects the free market view of business social responsibility?
- (a) In addition to making a profit, businesses are just as responsible for seeing to the well-being of their employees and the communities in which they operate
 - (b) No one other than the managers and owners of a business may claim to have any stake in the business decisions managers make.
 - (c) In the process of providing goods and services to customer who need and want them and maximizing profits for its shareowners, a business fulfills its social responsibility
 - (d) A business is responsible for maximizing profits for its shareowners, but, in special circumstances, may have to sacrifice profits in the interest of the community whose citizens depend on it for employment.
18. Which of the following statements is decisive in determining whether or not to study business ethics?
- (a) Business managers don't need to study ethics in order to know how to treat employees, shareowners, and customers.
 - (b) Business and ethics simply don't mix. In the final analysis, self-interest represented by profit overrides the interests of employees, customers, and communities. Opinion and sentiment get in the way of efficient business decision-making.
 - (c) Ethical concerns are as unavoidable in business as are concerns of marketing, accounting, finance, and human resources. Formal study of business ethics helps address these concerns so that decisions of right and wrong may be made deliberately. and conscientiously
 - (d) The answers to ethical questions are clear-cut enough; all business people already know right from wrong.
19. Which statement correctly describes the relationship between philosophical ethics and ethos?
- (a) Individuals who obey the conventions, mores, and rules of their cultures are already acting ethically. No further philosophical reflection is required.

- (b) Philosophical ethics distinguishes what people do value from what they should value.
 - (c) What people do value and should value are, for all practical purposes, the same.
 - (d) Philosophical ethics is too abstract to be useful in everyday life situations. Following the mores and customs of one's culture is a more dependable way to make moral decisions.
20. Which statement does not reflect the idea of ethical relativism:
- (a) All opinions are equal; no one can say what is ethically right or wrong.
 - (b) One's culture, society, or personal feelings are the only criteria for deciding what is ethically right or wrong.
 - (c) Determining what is ethically right or wrong is a process of arguing from an appeal to values and principles that justify and legitimize an opinion.
 - (d) Philosophical ethics is simply a process of clarifying values, not a process of justifying them.
21. Which of the following intellectual disciplines provides absolute proof of its conclusions?
- (a) The social, biological, meteorological, and medical sciences.
 - (b) Ethical judgments based on well-reasoned arguments from sound moral principles.
 - (c) The applied sides of engineering, chemistry, and physics.
 - (d) All of the above.
 - (e) None of the above.
22. Which statement is a correct view of psychological egoism?
- (a) While our own interests are important, they make sometimes have to give way to the interests of others.
 - (b) Psychological egoism makes claims about how people should act.
 - (c) If psychological egoism is true, we should abandon ethics.
 - (d) Psychological egoism does not claim to provide an accurate descriptive account of human behavior.
23. Identify the statement that is consistent with utilitarian ethical theory:
- (a) Adhering to a set of principles may well forbid an act that would otherwise provide overall net good consequences.
 - (b) No act is ever morally right or wrong in all cases, in every situation. It will all depend on the act's consequences.
 - (c) Some actions like murder, theft, rape, and lying are wrong of their very nature, the kind of acts they are. No amount of net good consequences could ever justify them.
 - (d) The end never justifies the means.

24. Which statements are legitimate challenges to utilitarian ethical theory?
- (a) The end may justify the means.
 - (b) There is no consensus among utilitarians on how to measure and determine the overall good.
 - (c) It is difficult to know how to consider the consequences for all the parties that will be affected by an act.
 - (d) It is difficult for the utilitarian to find a balance between individual freedom and the overall good. The more utilitarians emphasize freedom the more likely they hold more relativistic accounts of the good.
 - (e) All of the above.
 - (f) None of the above.
25. Which of the following reasons accounts for utilitarianism's dominance among policy makers and administrators?
- (a) It seems obvious that policy questions should be judged by results and consequences.
 - (b) Policy experts at all levels are focused on results and getting things done.
 - (c) Efficiency is simply another word for maximizing happiness.
 - (d) Policy experts focus on the collective or aggregate good.
 - (e) All of the above.
 - (f) None of the above.
26. Which proposition correctly describes the concept of a right?
- (a) Rights protect a person's wants.
 - (b) There is really no distinction between a person's wants and interests. Rights protect both.
 - (c) Rights protect a person's interests.
 - (d) My rights never correspond to your duties and your duties never correspond to my rights.
27. Which statement is not true of deontological ethics?
- (a) Obligations, responsibilities, and commitments determine the correct approach to ethics.
 - (b) While we are committed to the dignity and well-being of individuals, an individual may have to sacrifice his or her rights in order to generate a net increase in the collective good.
 - (c) Certain acts are wrong and should not be performed, regardless of the overall happiness they may produce.
 - (d) The end does not justify the means.

28. Which statement is not true of Kant's categorical imperative?
- (a) We should act only on maxims that can be universally accepted and acted upon.
 - (b) Universalization of maxims prohibits us from giving our personal point of view privileged status over the points of view of others.
 - (c) Our fundamental ethical duty is to treat other human beings as autonomous persons who may choose their own ends and purposes, not simply as means for the ends of others.
 - (d) The inability to universalize the maxim of an act may sometimes be ignored if the act in question will produce the greatest good for the greatest number.
29. Which statements are characteristic of virtue ethics?
- (a) Our character traits are easily modified, almost on a day-to-day basis if we so choose.
 - (b) Like Kantian ethical theory, virtue ethics requires that we disregard personal emotions and feelings.
 - (c) Virtue ethics is about describing people as good or bad.
 - (d) Even if a person is caring, empathetic, charitable and sympathetic, the challenge of egoism is still a factor in his or her decision-making.
 - (e) All of the above.
 - (f) None of the above.
30. Which of the following goods are removed from the employment contract by legal rights?
- (a) Wages and benefits.
 - (b) Wages set at less than the legal minimum wage.
 - (c) Working conditions.
 - (d) Agreements on productivity standards.
31. Define morality
- (a) What is considered as correct within a society
 - (b) Making the right decision's where there is a chance to do wrong
 - (c) Defining what is right and wrong for an individual or a community.
 - (d) Where individuals have a conscious choice to make a right and ethical decision
32. What is business ethics?
- (a) The study of business situations, activities, and decisions where issues of right and wrong are addressed
 - (b) Defined as decisions organizations make on issues that could be considered right or wrong
 - (c) Ethics that can be applied to an organizations practices

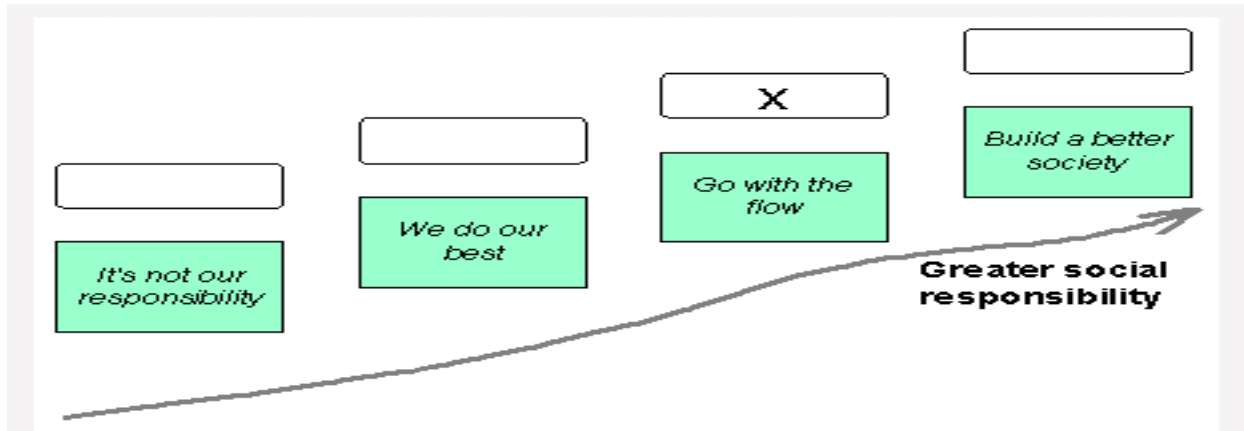
- (d) Ethical processes businesses use in order to achieve a good ethical
33. Ethics & Law overlap. This is called
- (a) Yellow Area
 - (b) White Area
 - (c) Black Area
 - (d) Grey Area
34. The UK's economic model consists of
- (a) Capitalism, non-profit, and environmental practices
 - (b) Communism, profit motive and ethical practices
 - (c) Profitability, free market and bureaucracy
 - (d) Capitalism, the profit motive & a free market environment
35. Spot the ethical company
- (a) Primark
 - (b) Nike
 - (c) The Body Shop
 - (d) Enron
36. Which is not a reason a business engages in business ethics?
- (a) To recover a company's image after a notorious business scandal
 - (b) To avoid the loss of a good corporate image or being sued for misconduct
 - (c) To enhance global relationships
 - (d) To enhance stakeholder relationships
 - (e) To act with real commitment
 - (f) To build corporate reputation
37. Which isn't a reason why business ethics is important?
- (a) The power and influence of business, means it has the potential to inflict harm on society
 - (b) Stakeholders increasingly demand ethical behavior
 - (c) Continued occurrence of ethical infractions shows it's needed
 - (d) Ethical companies have been found to be more effective performers
 - (e) Ethical companies are more likely to achieve government funding and local funds
38. What are ethical theories
- (a) Ethical theories are conduct that should be followed in order to have good ethical practice

- (b) Ethical theories are the rules and principles that determine right and wrong for any given situation
 - (c) Ethical theories are ancient hypothesis' on how to create good business practice
 - (d) Ethical theories give guidelines on how to achieve a good corporate image
39. Define ethical absolutism/cognitivism
- (a) Global, strict and absolute rules on right and wrong according to ethical conduct
 - (b) Claims morality is context dependent and subjective there are no universal right and wrongs that Right and wrong is objective and determined by the organizations culture can be rationally determined
 - (c) Claims there are eternal, universally applicable moral principles. Right and wrong are objective qualities
40. The absolutist/cognitive perspective divide into
- (a) Ethical relativism/Non-relativism
 - (b) Cognitivism/Non-cognitivism
 - (c) Consequentialists/Non-consequentialists
 - (d) External/Internal
41. Ethical relativism is defined as _
- (a) there being no universal set of ethical standards
 - (b) giving preference to one's own ethical values
 - (c) a set of universally accepted and valid ethical standards
 - (d) what is right is synonymous with what is legal
 - (e) moderation in all things
42. Ethical absolutism is defined as
- (a) there being no universal set of ethical standards
 - (b) giving preference to one's own ethical values
 - (c) a set of universally accepted and valid ethical standards
 - (d) what is right is synonymous with what is legal
 - (e) moderation in all things
43. The Asian Development Bank estimated that the "corruption task" in Asia costs governments approximately ___ per cent of their tax revenues.
- (a) 10
 - (b) 25
 - (c) 50
 - (d) 75
 - (e) 90

44. Ethical universalism is defined as
- (a) there being no universal set of ethical standards
 - (b) giving preference to one's own ethical values
 - (c) a set of universally accepted and valid ethical standards
 - (d) what is right is synonymous with what is legal
 - (e) moderation in all things
45. Social responsibility is a concept of ethics that businesses should act in the interests of society at large, taking into consideration ___
- (a) maximizing shareholder wealth
 - (b) maximizing shareholder and executive wealth
 - (c) shareholders and executives/employees who have stock options
 - (d) external stakeholders interests
 - (e) all of its stakeholders and not only its shareholders
46. Current thinking about corporate social responsibility (CSR) goes beyond just being ethical and obeying business law. It assumes that businesses should contribute
- (a) to the welfare of all its stakeholders beyond the goal of providing employment and making a profit
 - (b) to maximizing shareholder wealth
 - (c) the tax base of the local community
 - (d) to the carbon offsets program
 - (e) the union vacation fund
47. The country with the most safety and intellectual property rights violations is:
- (a) Bulgaria
 - (b) China
 - (c) India
 - (d) Philippines
 - (e) Russia
48. The financial performance of companies with a code of ethics _____ compared with a similar group of companies that did not have one
- (a) was roughly equal
 - (b) was worse
 - (c) was better
 - (d) was worse due the expense of compliance
 - (e) was impossible to tell due to falsification of information provided

49. Academic studies have found a ____ correlation between companies with a reputation for integrity and the growth of long term shareholder value
- (a) an inverse
 - (b) No
 - (c) Negative
 - (d) Positive
 - (e) Spurious
50. More and more countries are
- (a) allowing bribes to be expensed on corporate tax returns as a legitimate business expense
 - (b) incorporating a "don't ask, don't tell" approach towards bribery
 - (c) viewing bribes as a form of commission
 - (d) allowing bribery if it is not done within the borders of the home country
 - (e) strengthening legislation against corruption and bribery
51. Which of the following was advanced as an argument for social responsibility?
- (a) The purpose of a business includes social responsibility dimensions.
 - (b) Most organisations have social objectives implied in their legal purposes. When social consequences are involved, managers are quite capable of making the right decisions.
 - (c) Since society grants rights and privileges to organizations, these should be exercised responsibly.
 - (d) Unless an organization has social goals, it should avoid them
52. Social responsibility is the obligation of managers to act in ways that benefit the interests of society as a whole.
- (a) True
 - (b) False
53. Which of the following statements about a stakeholder is true?
- (a) Seeks to influence a key aspect of operations.
 - (b) Has a meaningful stake in the organisation's performance.
 - (c) May be unrecognised by the organisation.
 - (d) Will be found in the organisation's environment.
 - (e) Has made a personal financial investment in the business.
 - (f) None of the above answers.

54. Label cell X on the ladder of social responsibility.



- (a) Responsive
 - (b) Proactive
 - (c) Adaptive
 - (d) Defensive
 - (e) Obstructive
 - (f) None of the above
55. Which of the following was not suggested as a potential benefit for the socially responsible organisation?
- (a) Training assignments in community organisations
 - (b) Recruiting and retaining motivated employees
 - (c) Attracting ethical investors
 - (d) Creating markets for environmentally friendly process technologies
 - (e) Swaying public opinion
 - (f) Being more robust in times of recession
56. Which of the following statements best describes ethics?
- (a) Ethics considers how someone chooses among alternative courses of action.
 - (b) Ethics is about values and principles.
 - (c) Ethics is concerned with how a person chooses between right and wrong.
 - (d) Each of the above covers part of the definition.
 - (e) None of the above is true.
57. We suggested that the domain of ethics lies between two other ill-defined and changing domains. What are they?
- (a) Altruism and enlightened self-interest
 - (b) Coercion and personal freedom
 - (c) Fixed principles and relative values

- (d) Free choice and law
 - (e) Altruism and hedonism
58. 'The moral course is the one that offers the greatest good to the greatest number of people.'
Which approach to ethics is this?
- (a) Aristotelian
 - (b) Unitarian
 - (c) Utilitarian
 - (d) Deontological
 - (e) Deterministic
59. What is whistle blowing?
- (a) Spreading malicious rumours about managers not behaving ethically
 - (b) Announcing a high standard of ethical behaviour to persuade outsiders of the benefits of dealing with an organization
 - (c) *Revealing unethical behaviour to superiors or outsiders*
 - (d) Calling for an end to unethical practice in an organization
 - (e) Warning colleagues of threats from unethical dealers, investors and the like.
60. What, in the context of management, best describes an amoral attitude?
- (a) Relying on others to report malefactors.
 - (b) Being blind or indifferent to moral questions.
 - (c) Stating, 'Business is business,' and joining in.
 - (d) Turning a blind eye to suspected unethical or illegal practices.
61. The principle of categorical imperative is given by
- (a) James Mill
 - (b) Herbert Spencer
 - (c) Jeremy Bentham
 - (d) Immanuel Kant
62. Which proposition correctly describes the concept of a right?
- (a) Rights protect a person's wants
 - (b) There is really no distinction between a person's wants and interests. Rights protect both.
 - (c) Rights protect a person's interests.
 - (d) My rights never correspond to your duties and your duties never correspond to my rights.

63. The main purpose of business ethics is to understand
- (a) Ethical uncertainties
 - (b) Principles and concepts
 - (c) Application of practices
 - (d) All of the above
64. Which one of the following is not considered as category of issues involving justice?
- (a) Distributive justice
 - (b) Retributive justice
 - (c) Compulsory justice
 - (d) Compensatory justice
65. Which one of the following is the right order for three stages of moral development?
- (a) Principled morality, conventional morality and selfish
 - (b) Conventional morality, Principled morality and selfish
 - (c) Selfish, Conventional morality and Principled morality
 - (d) None of the above
66. Which one of the following ethic sees concrete communities and communal relationships as having a fundamental value?
- (a) The care of ethic
 - (b) Demands of caring
 - (c) Communitarian ethic
 - (d) Socialism
67. Which statement is true of Bowie's Kantian approach to business ethics?
- (a) People have a duty both to not cause harm and to prevent harm.
 - (b) Both causing no harm and preventing harm override other ethical considerations.
 - (c) While it is ethically good for managers to prevent harm or do some good, their duty to stockholders overrides these concerns.
 - (d) A narrow interpretation of Bowie's "cause no harm" imperative makes the duties faced by management under the neo-classical model significantly different from the classical model.
68. The person's reasons for acting must be reasons that he or she would be willing to have all others use, even as a basis of how they treat him or her is known as?
- (a) Reversibility
 - (b) Universalizability
 - (c) Rule utilitarianism

(d) None of the above

69. Justice Based on needs and abilities is known as?

- (a) Communism
- (b) Capitalism
- (c) Socialism
- (d) None of the above

70. Which one of the following is not a feature of moral standard?

- (a) Prohibit
- (b) Value
- (c) Condemn
- (d) All the above

Ans: (1)(d), (2)(c), (3)(d), (4)(d), (5)(d), (6)(d), (7)(b), (8)(b), (9)(e), (10)(c), (11)(d), (12)(c), (13)(c), (14)(e), (15)(b), (16)(c), (17)(c), (18)(c), (19)(b), (20)(c), (21)(e), (22)(c), (23)(b), (24)(e), (25)(e), (26)(c), (27)(b), (28)(d), (29)(f), (30)(b), (31) (c), (32) (a), (33) (d), (34)(d), (35)(c), (36) (c), (37) (e), (38) (b), (39) (d), (40) (c), (41) (a), (42) (b), (43) (c), (44) (d), (45) (e), (46) (a), (47) (c), (48) (c), (49) (d), (50)(e), 51 (d), 52 (b), 53 (b), 54 (c), 55(f), 56(d), 57(d), 58(c), 59(c), 60(b), (61)(d), (62)(c), (63)(d), (64)(c), (65)(b),(66)(c), (67)(c), (68)(a),(69)(b), (70)(d).

II Short Answer Type Questions:

1. What is value? What are the major sources of values?
2. Discuss the basic similarities & differences between values & attitudes.
3. What values should a business organization is concerned with?
4. What do you understand by virtue ethics? Explain.
5. Why do ethical decisions sometimes differ?
6. What do you mean by teleological theory? Analyze its various ramifications.
7. Discuss the salient features of Gandhian theory of justice.
8. Why does a good man sometimes do ethically bad work? Comment.
9. Can ethics be taught? Explain.
10. What is more important, ethics or law? Give reasons.
11. What is Indian Ethos? Explain the principles and characteristics of Indian Ethos.
12. Write a note on Leadership qualities with special reference to Indian thoughts.
13. What are the basic detriments of ethical decision making in business?
14. Explain critically the four popular modes of business decision making.

15. Decision making depends on the corporate culture & ethical base or intensity. Give reasons in support of your answer.
16. Discuss the need for business ethics in changing economic environment.
17. Discuss the spiritual philosophy of Bhagvad Gita supporting modern organizational growth
18. The resolution of conflict should be amicably through nonviolence', do you agree or disagree with the statement?
19. Does Advaita Vedanta have some relevance in modern business organizations?
20. Differentiate the Kantian Deonticism& the Karma Yoga of the Gita.
21. What is an ethical dilemma? Analyze its basic causes.
22. Do business people have any social responsibility? Explain your view.
23. Explain the views of Adam Smith & Milton Friedman on social responsibility of business.
24. How do you propose to solve ethical dilemmas in business?
25. Why is business world full of unethical practices? Explain your views.
26. Explain how organizational excellence can be achieved through human values?
27. What do you understand by 'White Collar Crimes'?
28. Deceptive pricing, unnecessary repairs & credit card fraud are different from 'crimes of the street', discuss.
29. Write short notes on:
 - a. Spiritual Values
 - b. Principles of Environmental Ethics
30. Is it possible to identify the stakeholders in an organization? How? Give examples.
31. What steps can organizations take to engage their employees to fulfill corporate social responsibility?
32. Give modern day examples of companies fulfilling their corporate social responsibilities
33. Is it possible to teach ethics? Support your answer with real life examples.
34. How can companies measure their corporate social responsibilities?

III Long Answer Type Questions:

1. A business organization depends on certain cherished values, but there are many possibilities of value conflicts, Comment
2. Compare & contrast ideas of justice under capitalism and socialism.
3. Value-Based Management is an ethical framework for succeeding in business.
4. How can organizational productivity be increased with value-driven Indian management?
5. Explain the distinctive characteristic or principles of Indian ethos and explain how they are important to professional manager?

6. “To be successful, a professional manager should have the pace of west and grace of east. Explain with comparative study of value system
7. Change in demographic & social environment requires management of issues related to stakeholders. Do you agree?
8. Unethical business practices in the use of technology have made it mandatory to observe business ethics now -a -days. Explain.
9. Gandhi advocated the control of desire for the meta needs & bringing down the scale of wants to the ethical minima. Discuss
10. Identify some problems associated with free market theory of corporate responsibility for consumers.
11. Where does the liability of a company end the responsibility of a consumer begin for a product? Explain.
12. “An ideal polity with spiritualization of politics is the gist Vaishnavism”. Comment
13. Do you believe the environment is in trouble from climate change and global warming or do you believe this is all a hype made up by the press and scientists? Explain.
14. What are advertisements and where do they appear. Do you find them unethical but legal at some times? Explain.
15. Identify a recent example of a corporation accused of false or deceitful advertising. How did it justify the claims made in its advertisement? Do you agree or disagree with the claims? Explain.
16. How are values formed? What are the different categories of values?
17. “CSR activities are supposed to be voluntary, after all the business of business is to generate profits.” Do you agree? Justify your answer by referring to the social contract theory of business ethics.
18. “Corporate Social Responsibility is about giving back to society.” In view of the statement, explain the concept of CSR and current CSR practices of the firms in India.
19. What do ethical concerns mean for any kind of an organization?
20. What steps to organizations take to ensure meeting of ethical standards in modern day concepts?
21. Do you agree with the statement that “CSR activities are voluntary activities?” support your answer with valid examples.
22. What steps can organizations take to implement business ethics?
23. Explain in detail the value oriented holistic management concept

UNIT – II

I Test Your Skills:

(a) Fill in the Blanks:

1. The most unique feature of a corporation is the ----- liability of the owners.
2. Good corporate governance keeps ----- between economic efficiency and social responsibility.
3. In corporate governance there is always a gap between the----- & the practice.
4. Manufacturing is the -----of consumption.
5. Consumption is the ----- for manufacturing.
6. The manufacturer's primary duty is the satisfaction & ----- of the consumer.
7. The consumer has a natural right to----- for money's worth.
8. For the manufacturer the moral punishment of guilt, loss of reputation, & ----- --- is much more severe than legal penalties & punishment.
9. Ethical problems arise due to ----- advertising which may antagonize customers.
10. Consumerism is the ----- a product not out of need but to satisfy ego.

Ans. (1)(limited) (2)(balance) (3)(percept) (4)(starting point) (5)(motivation) (6)(safety) (7)(satisfaction) (8)(social rejection) (9)(deceptive) (10)(desire to buy)

(b) Multiple Choice Questions:

1. Which ethical question is not relevant to the process of marketing a product?
 - (a) What responsibility do producers have for the quality and safety of their products?
 - (b) Who is responsible for harms caused by a product?
 - (c) Is the customer's willingness to pay the only ethical constraint on fair pricing?
 - (d) Can producers discriminate in favor of, or against, some consumers?
 - (e) All of the above.
 - (f) None of the above.
2. Which of the following moral rights could be waived in order to get a job or an increase in employment benefits?
 - (a) Protection against sexual harassment.
 - (b) A safe and healthy workplace.
 - (c) Wage levels required for a decent, humane level of existence.
 - (d) Plans for a family.
 - (e) All of the above.
 - (f) None of the above.

- 3 Identify the proposition that challenges the argument for mandatory union membership:
- (a) Mandatory union membership allocates the benefits and burdens of union membership in a fair and equal manner.
 - (b) Whoever receives benefits from a process that entails costs should share in the cost of providing those benefits.
 - (c) Bargaining between employer and employees will be equal only if the employees bargain for wages and benefits as individuals.
 - (d) Bargaining between employer and employees will be equal only if the employees bargain for wages and benefits collectively.
- 4 Determine which statement defends the idea that private employers do not have an obligation to provide jobs for others:
- (a) Everyone needs a job to be able to satisfy his or her instrumental and psychic needs.
 - (b) The economic system of a society exists, fundamentally, for the well-being of that society's members.
 - (c) Employers have rights, although limited, to property and also have their own right to work.
 - (d) If citizens have a right to a job to fulfill their instrumental and psychic needs, then some public institution has the obligation to provide those jobs. Private employers can fulfill that obligation more efficiently than government.
- 5 Select the statement or statements that represent an erosion of employment at will as a legal doctrine:
- (a) Federal and state constitutions grant employees rights against the government as their employer.
 - (b) Union employees are protected from arbitrary dismissal by their union contracts.
 - (c) Civil rights laws protect employees from being fired because of race, or sex, for example.
 - (d) Federal and state laws protect employees who blow the whistle on certain illegal or unethical acts committed by their employers.
 - (e) All of the above.
 - (f) None of the above.
- 6 A procedural account of due process would preclude:
- (a) prior warnings, documentation, and written performance standards;
 - (b) a list specifying beforehand every possible reason for dismissal and distinguishing them from unacceptable reasons;
 - (c) probationary periods;
 - (d) an appeal process and an opportunity to respond to allegations.

- 7 Which statement fails to provide a valid reason in support of John McCall's claim that employees have a right to participate in management decisions?
- (a) Human dignity is tied to the ability of humans to guide their own lives and control their own destinies.
 - (b) Fairness demands that each and every person affected by a managerial decision must have an opportunity to represent his or her own interests.
 - (c) Employees who participate in and contribute to decision making are less likely to suffer alienation and burnout.
 - (d) Institutions that encourage and honor employee participation will foster psychic goods of self-worth and self-respect among employees.
 - (e) All of the above.
 - (f) None of the above.
- 8 Select the statement that might represent a valid objection to worker participation in management decisions:
- (a) Private owners have property rights that include the right to manage and direct the business.
 - (b) Workers lack the expertise and knowledge to manage a business.
 - (c) Substantial conflicts that exist between the interests of the firm and the interests of the employees are more likely to occur than similar conflicts between the interests of managers and the interests of the firm.
 - (d) Any attempt to involve employees in decision making will be inefficient.
- 9 According to the free market and classical models of corporate social responsibility, individual bargaining between employees and employers would be the best approach to workplace health and safety. Which statement does not support that approach?
- (a) Employees are perfectly free to decide what level of risk they are willing to accept for a corresponding level of wages.
 - (b) In a competitive free market, individual bargaining would result in the optimal distribution of safety and incomes.
 - (c) The means the market uses to gather information about risks is to observe the harms done to the first generation exposed to imperfect market transactions, market failures.
 - (d) The threat of compensatory payments acts as an incentive for employers to maintain a reasonably safe and healthy workplace.
- 10 Select the statement that does not reflect the connection between the two senses of privacy as a right to be "left alone" and privacy as a right to control information about oneself:

- (a) Certain decisions we make about how we live our lives play a crucial role in defining our personal identity.
 - (b) Privacy establishes the boundary between individuals and thereby serves to define one's individuality.
 - (c) The right to control certain very personal decisions and information has little relevance to determining the kind of person we are and the person we become.
 - (d) To the degree that we value treating each person as an individual we ought to recognize that certain personal decisions and information are rightfully the exclusive domain of the individual.
11. Identify the statement that fails to reinforce the idea that the purchases made by consumers may not be truly voluntary:
- (a) The more consumers need a product, the less free they are to choose.
 - (b) The consumer may experience anxiety and stress, e.g., when purchasing an automobile.
 - (c) Price-fixing and price-gouging may restrict the consumer's freedom.
 - (d) children or the elderly
 - (e) All of the above.
 - (f) None of the above
12. Select the statement that represents a situation where informed consent is not operative:
- (a) The complexity of a product has been fully explained to a consumer.
 - (b) The customer is not clear about the calculation of the interest rate on a leased product transaction.
 - (c) The extended warranty conditions on a product have been fully disclosed to a consumer.
 - (d) Warning labels on a product have pointed out any potential hazards associated with operating it.
 - (e) All of the above.
 - (f) None of the above.
13. Choose the statement that does not challenge the assumptions commonly found in economic textbooks that customers are benefited, almost by definition, whenever their preferences are satisfied in the market:
- (a) Impulse buying cannot be justified by appeal to consumer interests.
 - (b) The exchange is prima facie ethically legitimate because it assumes that the individuals involved in the transaction act as free, autonomous agents capable of pursuing their own ends.

- (c) The ever-increasing number of bankruptcies suggests that consumers cannot purchase happiness.
 - (d) Empirical studies provide evidence that greater consumption can lead to unhappiness.
14. Select the question that is most likely never relevant to the examination of business' responsibility for its products:
- (a) What caused an event to happen?
 - (b) Who is to blame for any harms caused, who is liable?
 - (c) What was the agent's motive?
 - (d) Who was responsible for "caring for" a situation, accountable without any suggestion of culpability, fault, or blame?
15. The strict products liability standard requires a manufacturer to compensate injured consumers:
- (a) Only if it can be shown that the manufacturer was at fault in causing or failing to prevent a harm.
 - (b) Even if the manufacturer was not at fault, even if there was nothing the manufacturer could have done to prevent the harm.
 - (c) Only if the manufacturer used fraud or coercion at the time the contract for the product was agreed to by the consumer.
 - (d) Only if the product's features were described in a deceptive manner in advertising copy.
16. Select the statement that doesn't challenge the claim that producers should not be held strictly liable for harms not caused by their negligence:
- (a) Strict liability adds significant hidden costs to every consumer product.
 - (b) Strict liability places domestic producers at a competitive disadvantage with foreign businesses.
 - (c) If it is unfair to penalize businesses for harms they couldn't prevent, it is equally unfair to penalize consumers for harms they could not prevent.
 - (d) Strict liability discourages product innovation and encourages frivolous and expensive lawsuits.
17. Identify the statements that George Brenkert claims represent justifications that juries use to hold manufacturers strictly liable but that are not fully convincing:
- (a) The consumer who is injured by a product is unfairly disadvantaged in the economic competition and is denied an equal opportunity to compete in the marketplace.
 - (b) Manufacturers are best able to pay for the damages caused by their products.

- (c) Compensation returns the parties to equal standing and the economic competition can continue as a result.
 - (d) Strict liability creates an added incentive for producing safe products.
 - (e) Answers A and C are correct.
 - (f) Answers B and D are correct.
18. It is alleged that markets fail, in some situations, to insure a fair price and thereby limit consumers' freedom. Which statement does not support that allegation?
- (a) Sellers extract extraordinarily high prices in situations where consumers have few options for obtaining a needed product.
 - (b) From the utilitarian perspective, consumers are always benefited by low prices and balancing the benefits to buyers from low prices with the benefits to sellers of high prices is the only ethical pricing issue.
 - (c) Monopolistic pricing limits the variety of products available to consumers.
 - (d) The more uniformity of prices one finds within an industry, the less likely it is that competition exists.
19. Select the statement that is at odds with the idea that pricing strategies may be unfair:
- (a) Large stores in competition with smaller stores can absorb losses from undercutting the smaller stores on price, an option not available to the smaller ones.
 - (b) Distribution systems are established that reward large retailers with lower costs per unit than the cost per unit smaller stores must carry. As a result, the smaller ones may be driven from the market.
 - (c) A competitive market should drive out uncompetitive firms by driving prices down.
 - (d) Government subsidies of one industry may keep alternative industries from competing on price.
20. Select the preferential treatment policy that is likely to raise the least serious ethical challenge:
- (a) Giving preference to otherwise qualified but previously disadvantaged candidates.
 - (b) Identifying members of previously disadvantaged groups in the pool of qualified candidates and giving them preference in the hiring decision.
 - (c) Identifying members of previously disadvantaged groups in the pool of candidates who are less qualified than white males and giving them preference in the hiring decision.
 - (d) Hiring members of disadvantaged groups with only minimal consideration given to qualifications.

21. Which environmental issue might fit easily within standard ethical theory and can easily be integrated into the standard model of business' ethical responsibilities?
- (a) Responsibilities to generations of human beings not yet living.
 - (b) The moral standing of nonhuman living beings.
 - (c) Anthropocentric ethics allowing for responsibilities regarding the nonhuman natural world.
 - (d) Nonanthropocentric ethics claiming that we have direct moral responsibilities to the nonhuman natural world.
22. According to the anthropocentric, nonanthropocentric, and various biocentric approaches to environmental issues, which beings would not be holders of ethical value?
- (a) Individual humans.
 - (b) Whole ecosystems, populations, and species.
 - (c) Individual animals.
 - (d) Individual living beings other than animals
23. Identify the activity that ecocentric ethics would not accept as morally legitimate:
- (a) Using animals as food, pets, or game.
 - (b) Clear-cut forestry, hunting and fishing that threaten endangered species.
 - (c) Selective thinning of forests lands by logging
 - (d) Selective hunting and killing as a means to protect ecosystems from invasion by nonnative species.
24. Select the statements that do not express a good reason for preserving biological diversity among both plant and animal species:
- (a) Lost diversity among crops makes food production more prone to disease and weather- related failures.
 - (b) Plant diversity holds great promise for research into medicine production.
 - (c) Plant diversity holds great promise for research into food production.
 - (d) Biodiversity contributes to healthier ecosystems.
 - (e) All of the above.
 - (f) None of the above.
25. Select the statement challenging the view that from a strictly free market perspective, resources are "infinite":
- (a) Human ingenuity and incentive has always found substitutes for any shortages.
 - (b) As the supply of any resource decreases, the price increases and provides a strong incentive to supply more or provide a less costly substitute.
 - (c) All resources are fungible, i.e., can be replaced by substitutes.

- (d) Trading certain environmental goods like rhinoceros horns, tiger claws, elephant tusks, and mahogany on the black market seriously threatens their viability.
26. Identify the perspective that, if true, would challenge Mark Sagoff's argument against the use of economic analysis as the dominant tool of environmental policymakers:
- (a) Economics can only deal with wants and preferences because these are what get expressed in an economic market.
 - (b) Even though wants and beliefs are in different categories, markets can measure the intensity of our wants by our willingness to pay, and that fact, by extension, provides a measurement as well for our beliefs or values.
 - (c) When economics is involved in environmental policy, it treats beliefs as if they are mere wants and thereby seriously distorts the issues.
 - (d) Wants are personal and subjective, while beliefs are subject to rational evaluation. When environmentalists argue for preservation of a forest, or species, or ecology, they are stating convictions about a public good that can be accepted or rejected by others on the basis of reasons, not on who is most willing to pay for it.
27. Market analysis as applied to issues of the environment is ineffective because:
- (a) It treats us always as consumers, not as citizens, threatening our political process. It leaves no room for debate, discussion, or dialogue in which to defend our beliefs with reasons.
 - (b) The market ignores the fact that we are "thinkers," not just "wanters," and reduces our beliefs and values to mere matters of personal taste and opinion.
 - (c) As Mark Sagoff points out, environmental goals are views and beliefs that cannot be priced by markets or economic analysis.
 - (d) Our political system leaves room for both personal and public interests.
 - (e) All of the above:
 - (f) None of the above:
28. Select the statement that does not challenge the Mark Sagoff-Norman Bowie approach which holds that absent consumer demand or law that establish environmental policy, business has no particular environmental responsibility:
- (a) This approach underestimates the influence that business can have in establishing the law.
 - (b) The side constraints of law are a highly effective tool for controlling managerial decisions that might affect the environment.
 - (c) Norman Bowie's proposed obligations on the part of business to refrain from using its influence to shape environmental regulation is a praiseworthy proposal but it's unlikely to have any political effect.
 - (d) This approach underestimates the ability of business to influence consumer choice.

29. Choose the statement that defenders of the circular flow model which explains the nature of economic transactions in terms of a flow of resources from businesses to households would agree with:
- (a) The services that resources yield can be provided in many ways by substituting different factors of production and are, therefore, infinite.
 - (b) The possibility that the economy can grow indefinitely to keep up with significant population growth is ignored by this model.
 - (c) If resources are moved through the classical model of a productive system at a rate that outpaces the productive capacity of the earth or the earth's capacity to absorb wastes and by-products of the system, the entire classical model will prove unstable.
 - (d) Many resources like clean air, drinkable water, fertile soil, and food cannot, under the circular flow model, be replaced by the remaining factors of production.
30. Identify the statement that does not meet Natural Capitalism's principles for the redesign of business to meet its environmental responsibilities:
- (a) To serve the needs of the poorest 75 percent of the world's population, ecoefficient business practices focus on ways of increasing efficiency and, therefore, decreasing resource use by a factor of 5-10.
 - (b) To serve the needs of the poorest 75 percent of the world's population, the standard growth model would increase economic growth by a factor of 5-10.
 - (c) The principle of biomimicry attempts to eliminate by-products once lost as waste and pollution and reintegrate them into the production process or return them as a benign or beneficial product to the biosphere.
 - (d) Models of business as a producer of goods should be replaced with a model of business as a provider of services.
31. Corporate social responsibility has three components according to professors Basu and Palazzo:
- (a) cognitive, linguistic, and cognitive
 - (b) ethical, social, authoritative
 - (c) reflective, analytic, corporative
 - (d) conceptual, sensing, assertive
32. A socially responsible mutual fund will only purchase stocks in companies that
- (a) have a no-smoking policy in place
 - (b) have a culturally diverse management team
 - (c) hire some job candidates who are HIV positive
 - (d) have good social performance

33. A whistle blower is an employee who
- (a) exposes organizational wrongdoing
 - (b) complains a lot to company management
 - (c) engages in unethical behavior
 - (d) referees disputes with other employees
34. Which one of the following approaches to creating an ethical and socially responsible workplace is likely to be the most powerful?
- (a) Passing out buttons with the statement "Just Say No to Bad Ethics"
 - (b) Placing posters about ethics throughout the organization
 - (c) Top management acting as models of the right behavior
 - (d) Including a statement about ethics and social responsibility in the employee handbook
35. A recommended way of minimizing unethical behavior is for employees to
- (a) write anonymous notes to ethical violators.
 - (b) immediately report all suspicious behavior to top management.
 - (c) spend part of their vacation preparing a personal philosophy of ethics.
 - (d) confront fellow employees about ethical deviations.
36. External costs arise where:
- (a) a company sub-contracts a production task to an external supplier
 - (b) a company sub-contracts revenue collection to an external supplier
 - (c) a company causes other people to incur costs for which they receive no benefit
 - (d) a company produces benefits for which recipients bear no cost
37. External benefits are most closely associated with the economic policies of:
- (a) Keynes
 - (b) Freidman
 - (c) monetarism
 - (d) pragmatism
38. Whether a cost is external or internal to a company is essentially dependent upon:
- (a) the level of productivity in an economy
 - (b) the legislation of a country
 - (c) a firm's internal costing system
 - (d) a firm's auditing system

39. Corporate social responsibility can be understood in the context of Maslow's hierarchy of needs. The emergence of such an approach would suggest that consumers are increasingly at which level of the hierarchy?
- (a) physiological
 - (b) social
 - (c) self-esteem
 - (d) self-actualization
40. Which of the following is NOT generally accepted in most western countries as an objective of good corporate governance?
- (a) to make the maximum possible profits
 - (b) to have good internal control systems
 - (c) to split the roles of Chief Executive and Chairman
 - (d) to recognize employees as important stakeholders in organizations
41. The hand-of-government refers to the
- (a) ability of the government to interfere in business negotiations
 - (b) role of corporations to be profitable within the law
 - (c) effect of national politics on business decisions
 - (d) impact of changing government regulations
42. An organisation's obligation to act to protect and improve society's welfare as well as its own interests is referred to as
- (a) organisational social responsibility
 - (b) organisational social responsiveness
 - (c) corporate obligation
 - (d) business ethics
43. The view that business exists at society's pleasure and businesses should meet public expectations of social responsibility is the
- (a) iron law of responsibility argument
 - (b) enlightened self-interest argument
 - (c) capacity argument
 - (d) anti-freeloader argument
44. Managerial ethics can be characterized by all of the following levels except
- (a) immoral management
 - (b) amoral management
 - (c) demoral management
 - (d) moral management

45. The development of organisational decision processes where managers anticipate, respond to, and manage areas of social responsibility is
- (a) organisational social responsibility
 - (b) organisational social obligations
 - (c) organisational social responsiveness
 - (d) organisational social welfare
46. The social demands and expectations of organizations can be assessed by all of the following except
- (a) social planning
 - (b) social forecasting
 - (c) social scanning
 - (d) social audits
47. Management's social responsibilities include all of the following except
- (a) economic
 - (b) caretaker
 - (c) legal
 - (d) ethical
48. Which of the following does not contribute to the development of a manager's standard of ethics?
- (a) competitor behaviours
 - (b) society's norms and values
 - (c) individual life experiences
 - (d) environmental situations
49. A document prepared to guide organisation members when encountering ethical dilemmas is a(n)
- (a) code of conduct
 - (b) list of rules and responsibilities
 - (c) code of ethics
 - (d) outline of expected behaviours
50. Corporate contributions for charitable and social responsibility purposes is called
- (a) corporate philanthropy
 - (b) corporate charities
 - (c) corporate donations
 - (d) corporate discretionary

51. Carroll's model of social responsibility includes the social responsibilities categories of _____, _____, and _____ plus those at the discretion of the firm.
- (a) consumerism; discrimination; environment
 - (b) ethical responsibilities; discrimination; legal responsibilities
 - (c) ethical responsibilities; legal responsibilities; economic responsibilities
 - (d) occupational safety; legal responsibilities; economic responsibilities
52. The environmental analysis includes
- (a) Political conditions
 - (b) Social factors
 - (c) Economic conditions
 - (d) All of the above
53. The elements of management system in quality environment of TQM is
- (a) Method and procedure
 - (b) Process
 - (c) Focus
 - (d) All of the above
54. If you believe in making decisions for the good of most people, you can be described as following which school of thought?
- (a) Utilitarianism
 - (b) Teleology
 - (c) Deontology
 - (d) Egoism
55. Which statement is/are true?
- (a) Ethics is not synonymous to religious morality or moral theology
 - (b) Ethics is the principle that guide the human behavior
 - (c) The terms 'ethics' and 'morality' are not synonymous terms
 - (d) All of the above
56. Corporate social responsibility that extends beyond legal mandates can help meet societal expectations in the absence of
- (a) Statutory devices
 - (b) Social tool
 - (c) Cost tool and Techniques
 - (d) Science tool

57. Which statement is true?
- (a) Skills are not enduring due to fatigue
 - (b) The final proof of sincerity and seriousness is uncompromising emphasis on integrity of character in a job
 - (c) The mental contents of the good person are called moral and ethical values
 - (d) All of the above
58. According to the concept of moral intensity, a worker is most likely to behave ethically and legally when
- (a) a manager observes his or her behavior closely
 - (b) the worker has intense morals
 - (c) the consequences of the act are minor
 - (d) the consequences of the act are substantial
59. The ethical dilemma of choosing between two rights refers to
- (a) choosing between the lesser of two evils
 - (b) deciding which of two employee rights is the most important
 - (c) deciding to offer a bribe or lose out on an important opportunity
 - (d) choosing between the two types of sexual harassment
60. The hand-of-government refers to the
- (a) ability of the government to interfere in business negotiations
 - (b) role of corporations to be profitable within the law
 - (c) effect of national politics on business decisions
 - (d) impact of changing government regulations
61. Utilitarianism suggests that it is ethical to make decisions based on:
- (a) Moral virtues
 - (b) Common decency
 - (c) What is best for most people.
 - (d) None of the given
62. Which one of the following is the right order for three stages of moral development?
- (a) Principled morality, conventional morality and selfish
 - (b) Conventional morality, Principled morality and selfish
 - (c) Selfish, Conventional morality and Principled morality
 - (d) None of the above
63. Which one of the following is a type of moral standards?
- (a) Utilitarianism

- (b) Rights
 - (c) Justice
 - (d) All the above
64. An acquired disposition that is a valuable part of a morally good person, exhibited in the person's habitual behavior is known as?
- (a) Moral responsibility
 - (b) Moral ethics
 - (c) Moral virtue
 - (d) None of the above
65. In which of the following someone looks at individual acts to see whether they produce more pleasure, one looks only at moral rules at actions of a type?
- (a) Rule utilitarianism
 - (b) Conventional utilitarianism
 - (c) Weighting cost and benefit
 - (d) None of the above
66. A written statement of policies and principles that guides the behaviour of all employees is called
- (a) code of ethics
 - (b) Word of ethics
 - (c) Ethical dilemma
 - (d) None of the above
67. Which of the following is not usually the objective of a code of ethics?
- (a) To create an ethical workplace
 - (b) To evaluate the ethical components of the proposed actions of the employees
 - (c) To improve the public image of the company
 - (d) To enhance the profit of the business continuously
68. Which of the following stands for capitalist Justice?
- (a) Benefits should be distributed according to the value of the contribution the individual makes to a society
 - (b) Benefits should not be distributed according to the value of the contribution the individual makes to a society
 - (c) Benefits should be distributed according to employer judgement
 - (d) None of the above

69. Which of the following factors shapes the ethical behaviour of the members of an organization?
- Supervisor's behavior
 - Organizational culture
 - Code of ethics
 - All the above
70. Idea of a precise quantitative method for decision making is most fully realized in
- Bentham
 - James Rachel's
 - Carol Gilligan
 - Henry Fayol

Ans (1)(f), (2)(f), (3)(c), (4)(c), (5)(e), (6)(b), (7)(f), (8)(c), (9)(c), (10)(c), (11)(f), (12)(b), (13)(b), (14)(c), (15)(b), (16)(c), (17)(f), (18)(b), (19)(c), (20)(a), (21)(c), (22)(b), (23)(b), (24)(f), (25)(d), (26)(b), (27)(e), (28)(b), (29)(a), (30)(b), (31) (a), (32) (d), (33) (a), (34) (c), (35) (d), (36) (c), (37) (a), (38) (b), (39) (d), (40) (a), (41) (b), (42) (a), (43) (b), (44) (c), (45) (c), (46) (a), (47) (b), (48) (a), (49) (c), (50) (a), 51(c), 52 (d), 53 (d), 54 (a), 55 (d), 56 (a), 57 (d), 58 (d), 59 (a), 60 (d), 61 (c), 62 (b), 63 (d), 64 (c), 65 (a), 66 (a), 67 (d), 68 (a), 69 (d), 70 (b).

II Short Answer Type Questions:

- What do you think about the impact of globalization on corporate governance?
- Distinguish between corporate management & corporate governance.
- Explain basic mechanism of corporate governance.
- Why is consumer also known as a stakeholder?
- How can a manufacturer perform ethically without undermining the financial returns?
- How can ethical consumerism change business?
- Why is moral leadership important for entrepreneurs?
- How legitimate is the concept of stakeholders in business management?
- Why are branded goods high priced?
- Discuss various ethical problems the companies suffer when launching a product.
- What kind of packaging is harmful for humans?
- Discuss ethical implications of product positioning.
- Explain the ethical dimensions of pricing dynamics.
- What are the main issues involved in environmental ethics?
- Can businesses get any advantage if they adopt sustainability principle? Discuss.
- How does multi-stakeholder ship work? Does it have any moral value?
- How can environment be the responsibility of corporations? Discuss.
- What do you mean by environmental management?

19. Explain the concept of 'Deep ecology'.
20. What do you understand by 'Eco –feminism'?
21. Comment upon the importance of leadership in a corporate ethical structure.
22. Explain the objectives & scope of social audit.
23. What is meant by Ethics hotlines & ethics committees? Explain.
24. Discuss the role of ethics officers in organizations.
25. How can employee wellbeing be enhanced through human values? Explain
26. Explain the concept of "Cultural Relativism"
27. Write short note on:
 - (a) Stakeholder Management
 - (b) Affirmative action as a form of Corporate Governance
28. Explain the concept of human response management
29. Give examples of corporate governance in terms of modern day organizations
30. Why do organizations need value based holistic management?
31. What are spiritual values?
32. Explain the ethical regulations for federal employees.

III Long Answer Type Questions:

1. In corporate governance there is always a gap between the percept & the practice. Do you agree?
2. Elaborate the major OECD principles for corporate governance.
3. How can you ethically relate production & consumption and demand & supply in a consumerist society?
4. Why is the corporate governance important in a country? Discuss.
5. What is the role of business ethics in a free market system?
6. How would you implement brand management ethics in India? Discuss.
7. How can corporations meet the challenges of environmental degradation?
8. Would there be morality without human beings upon the earth? Explain.
9. Illustrate whether the environmental laws are consistent with moral laws?
10. The principle of survival is apt with natural justice, not only for human beings, but also for all living as well as nonliving earth systems. Comment.
11. Does Government play any role to observe sustainability principle? Explain.
12. What do you mean by power-bases? Explain how they are related to organizational leadership.
13. What do you think are ten most strong habits of an ethical leader? Elaborate.
14. What is value based management? Explain its basic features & determinants.
15. Write an essay on whistle blowing explaining its purposes, importance & limitations.
16. What are the functioning styles of different types of leaders?

17. Explain the role of values in making of business ethics. How organizational excellence can be achieved through human values? Discuss.
18. Virtues that support business transactions include trust fairness, truthfulness, competitiveness & focus. Do you agree? Discuss.
19. Can Triple Bottom-line be achieved by businesses through spiritual leadership? Discuss.
20. What is the relevance of ethics and values in business? How ethical decision making is incorporated in organizations?
21. How Organisational excellence and employee well being can be achieved by focusing on human values. Illustrate your answer from real corporate examples.
22. Write short notes on the following :-
 - a) Ethics in Marketing
 - b) Triple Bottom Line
23. What are the ethical dilemmas in modern business scenario? How ethical decision making process can help to reduce this dilemmas?
24. “It is not leadership but spiritual leadership which helps in complete business transformation”. Comment on this statement with relevant examples.
25. Is there any relation between law and ethics? If yes then explain taking into consideration the Indian organizational setup.
26. What role does the government play in enforcing ethical behavior on organizations specially in the Indian context?
27. Is it possible to achieve organizational excellence through strong ethical values? If yes, then explain with examples.
28. Explain in detail the factors that shape the ethical behavior of members of an organization.

UNIT - III

I Test Your Skills:

(a) Fill in the Blanks:

1. When independent business organizations form an association to regulate production, pricing and marketing of goods by the members, it is called_____
2. _____ relates to how far the organization perceives the activities of stakeholders as appropriate and desirable.
3. The advocates of _____ theory believe that environmental problems are directly related to social problems.
4. _____ refers to the relationship that exists between the different participants and defining the direction and performance of a corporate firm.

5. The moral values of conscience, duty, equality and freedom that are present in the society are sufficient reasons for _____.
6. Profit, Planet and People are the essential ingredients of the _____ approach.
7. _____ is a faculty that represents the nature of a person in his/her voluntary actions.
8. The Triple Bottom Line Approach was proposed by _____ in 1997.
9. In corporate governance there is always a gap between the _____ & the practice.
10. _____ is the desire to buy a product not out of need but to satisfy ego.

Ans. (1)(Cartel), (2)(Legitimacy), (3)(Social Ecology), (4)(Corporate Governance), (5)(CSR), (6)(Triple Bottom Line Approach), (7)(Conscience), (8)(John Ellington), (9)(Percept), (10) (Consumerism)

(b) Multiple Choice Questions:

1. Donating money to an orphanage by a corporation is an example of _____ activity
 - (a) CSR
 - (b) Ethical
 - (c) Philanthropic
 - (d) Negotiation

2. The Sarbanes-Oxley Act of 2002 (SOX) was largely a response to:
 - (a) a series of corporate scandals involving Enron, WorldCom, Global Crossing, Tyco and numerous others.
 - (b) a dramatic rise in the US trade deficit.
 - (c) charges of excessive compensation to top corporate executives.
 - (d) rising complaints by investors and security analysts over the financial accounting for stock options.

3. _____ refers to meeting the needs of the present without compromising the ability of future generations to meet their own needs.
 - (a) Corporate Social Responsibility (CSR)
 - (b) Sustainability
 - (c) Convergence
 - (d) Green Economics

4. A company's _____ is (are) potentially the most effective instrument of good corporate governance.
 - (a) Common stock shareholders
 - (b) Board of directors

- (c) Top executive officers
 - (d) Financers
- 5 The belief that a firm's obligation goes beyond that required by law and economics, and includes a pursuit of long-term goals that are good for society is known as:
- (a) Social responsiveness
 - (b) Ethical responsibility
 - (c) Social responsibility
 - (d) Social obligation
- 6 The resources within an organization, used to achieve its goal, make up the _____ of a business.
- (a) External environment
 - (b) Internal environment
 - (c) Social responsibility
 - (d) Workers motivation
- 7 The Sarbanes-Oxley Act was passed in the year _____
- (a) 2001
 - (b) 1999
 - (c) 2000
 - (d) 2002
- 8 The enactment of which act in the US was the embryonic beginning of the concept of Corporate Governance?
- (a) The Oxley Act
 - (b) Foreign and Corrupt Practices Act
 - (c) FEMA Act
 - (d) None of the above
- 9 As per SEBI, which clause introduced standard listing agreement to be followed by all the listed companies in India
- (a) Claues 28
 - (b) Clause 49
 - (c) Clause 40
 - (d) Clause 48
- 10 According to which committee should companies submit regular social reports:
- (a) Sachar Committee
 - (b) KB Report

- (c) Narasimha Report
 - (d) None of the above
- 11 Which capital is the sum total of the social goods relations that society generates in the course of its development?
- (a) Labour Capital
 - (b) Money Capital
 - (c) Social Capital
 - (d) All of them
- 12 The Triple Bottom Line consists of
- (a) Profit, Planet People
 - (b) Pace , Profit, People
 - (c) Profit, Peace, Pace
 - (d) None of these
- 13 CSR is a/an_____concept
- (a) Absolute
 - (b) Relative
 - (c) Social
 - (d) Phiantrophic
- 14 The framework for establishing good corporate governance and accountability was originally set up by the
- (a) Cadbury Committee
 - (b) Nestlé Committee
 - (c) Rowntree Committee
 - (d) Thornton Committee
- 15 Which of the following is not one the underlying principles of the corporate governance Combined Code of Practice?
- (a) integrity
 - (b) openness
 - (c) accountability
 - (d) acceptability
- 16 External audit of the accounts of a limited company is required
- (a) at the discretion of the shareholders
 - (b) by the Companies Act 2006
 - (c) because it is demanded by the company's bankers

- (d) to detect fraud
- 17 Directors' responsibilities are unlikely to include
- (a) a duty to propose high dividends for shareholders
 - (b) a duty to keep proper accounting records
 - (c) a duty of care
 - (d) a fiduciary duty
- 18 A company may become insolvent if it
- (a) cannot meet its budgeted level of profit
 - (b) makes a loss
 - (c) has negative working capital
 - (d) cannot pay creditors in full after realisation of its assets
- 19 A director of a limited company may not be liable for wrongful trading if he or she
- (a) introduced into the balance sheet an asset based on a valuation of its brands sufficient to meet any shortfall
 - (b) brought in some expected sales from next year into the current year
 - (c) increased the valuation of its inventories to cover any potential shortfall
 - (d) took every step to minimise the potential loss to creditors
- 20 Fraudulent trading may be
- (a) a criminal offence committed only by directors of a limited company
 - (b) a civil and a criminal offence committed only by directors of a limited company
 - (c) a civil offence committed by any employee
 - (d) a civil and a criminal offence committed by any employee
- 21 Disqualification of directors may result from breaches under the
- (a) Sale of Goods Act 1979
 - (b) Health and Safety at Work Act 1974
 - (c) Financial Services Act 1986
 - (d) Companies Act 2006 and Insolvency Act 1986
- 22 Directors may not be disqualified for
- (a) paying inadequate attention to the company finances
 - (b) being convicted of drunken driving
 - (c) persistent breaches of company legislation
 - (d) continuing to trade when the company is insolvent

- 23 Which of the following actions will not help directors to protect themselves from non-compliance with their obligations and responsibilities?
- (a) keeping themselves fully informed about company affairs
 - (b) ensuring that regular management accounts are prepared by the company
 - (c) including a disclaimer clause in their service contracts
 - (d) seeking professional help
- 24 Which of the following is NOT an influence on organisational purposes?
- (a) Minor stakeholders.
 - (b) Business ethics.
 - (c) Corporate governance.
 - (d) The organisational mission.
- 25 The governance framework determines:
- (a) Whom the organisation is there to serve.
 - (b) Whom the organisation is there to serve and how the purposes and priorities of the organisation should be decided.
 - (c) The legal framework for the administration of the organisation.
 - (d) The regulatory framework in which the organisation operates.
- 26 The main purpose of corporate governance is:
- (a) To separate ownership and management control of organisations.
 - (b) To maximise shareholder value.
 - (c) To separate ownership and management control of organisations and to make organisations more visibly accountable to a wider range of stakeholders.
 - (d) To ensure that regulatory frameworks are adhered to.
- 27 Stakeholders are the individuals or groups who:
- (a) Depend on the organisation to fulfill their own goals and on whom the organisation depend.
 - (b) Are shareholders in key competitors.
 - (c) Dominate the strategy development process in an organisation.
 - (d) Determine operational issues.
- 28 The purpose of stakeholder mapping is to:
- (a) Outline policies on stakeholder relationships.
 - (b) Geographically locate different stakeholders.
 - (c) Identify stakeholder power.
 - (d) Identify stakeholder interest and power.

29. Where a stakeholder has a high level of interest in the development of an organisation, but low level of power, strategists or managers should:
- (a) Keep these stakeholders informed.
 - (b) Keep these stakeholders informed and satisfied.
 - (c) Expend minimal effort on these stakeholders.
 - (d) Treat these stakeholders as key players.
30. Power is:
- (a) The ability of individuals to persuade, induce or coerce others into following certain courses of action.
 - (b) The ability of groups to persuade, induce or coerce others into following certain courses of action.
 - (c) The ability of individuals or groups to persuade others into following certain courses of action.
 - (d) The ability of individuals or groups to persuade, induce or coerce others into following certain courses of action.
31. Business ethics deals primarily with
- (a) Social responsibility.
 - (b) The pricing of products and services.
 - (c) Moral obligation.
 - (d) Being unfair to the competition
32. Ethics are important because
- (a) Suppliers prefer to deal with ethical companies.
 - (b) Customers prefer to deal with ethical companies.
 - (c) Employees prefer to deal with ethical companies.
 - (d) all of the choices
33. According to the concept of *moral intensity*, a worker is most likely to behave ethically and legally when
- (a) a manager observes his or her behavior closely.
 - (b) the worker has intense morals.
 - (c) the consequences of the act are minor.
 - (d) the consequences of the act are substantial
34. Pierre takes a utilitarian viewpoint of ethics. He will therefore judge a business decision to be ethical so long as
- (a) more good than bad results from the decision.
 - (b) everybody is treated fairly.

- (c) certain rights are not violated.
 - (d) he has good character and integrity
35. Small-business owner Jason is thinking about giving a potential customer an expense paid vacation to Las Vegas for her and her husband. When asked if he is being ethical, Jason replies, "Look whatever works, works." Which ethical principle is Jason most likely using?
- (a) focus on the rights of individuals
 - (b) pragmatism
 - (c) utilitarianism (consequences)
 - (d) focus on integrity (virtue ethics)
36. Bonita is an *ethically centered* production manager so she will ship a product
- (a) only after all its problems have been eliminated.
 - (b) only if the shipping people use packing material that does not harm the environment.
 - (c) only after an ethics committee has approved it.
 - (d) as quickly as she can to meet the customer's schedule
37. Benefits derived from social responsibility include;
- (a) enhanced organizational efficiency
 - (b) producing better products
 - (c) attracting people who want to work for the firm
 - (d) both a & c
38. According to concept of *moral laxity*, workers will often behave unethically because
- (a) they have planned to be unethical.
 - (b) they come from dysfunctional families.
 - (c) other issues seem more important at the time.
 - (d) management pressures them into unethical behavior
39. Unethical behavior is often triggered by
- (a) pressure from higher management to achieve goals.
 - (b) an organizational atmosphere that condones such behavior.
 - (c) both a & b
 - (d) a system of checks and balances
40. Building a sustainable environment includes
- (a) developing a green supply chain
 - (b) omitting hazardous emissions
 - (c) both a & b

- (d) writing a code of ethics
41. Fairness in employment practices centers on
- (a) hiring no family members or friends.
 - (b) giving people equal rewards for accomplishing the same tasks.
 - (c) obeying equal employment opportunity legislation.
 - (d) avoiding conflicts of interest
42. Which one of the following is *not* recommended as a method for a company to protect itself against sexual harassment charges?
- (a) Develop a zero-tolerance policy on harassment and communicate it to employees.
 - (b) Retaliate swiftly against employees who bring forth charges of harassment.
 - (c) Give swift and sure punishment to harassers.
 - (d) Train managers at all levels on sexual harassment issues.
43. Team leader Gary is scheduled to prepare a performance of Lisa, a team member who also happens to be his wife's closest friend. The ethical temptation Gary faces is
- (a) Sexual harassment.
 - (b) Misuse of corporate resources.
 - (c) Dealing with confidential information.
 - (d) Conflict of interest
44. Kate, the owner of a small telecommunications firm gives gifts of stock in her company to telephone company managers who purchase her equipment. Kate is giving in to the ethical temptation of
- (a) Kickbacks.
 - (b) Misuse of corporate resources.
 - (c) Sexual harassment.
 - (d) Treating people unfairly
45. Marvin has his own Website that carries ads for a dozen retailers. At night, Marvin spends hours clicking on these sites so he can collect commissions from the advertisers. Marvin is engaged in the scandal referred to as
- (a) Click fraud.
 - (b) Work-at-home scam.
 - (c) Cyber squatting.
 - (d) Backdating Websites
46. The purpose of backdating stock options is to give the stock-option holder
- (a) Large payout on his or her birthday.

- (b) Tax-free investment.
 - (c) Chance to diversify his or her stock portfolio.
 - (d) Sure profit on the options
47. Which one of the following questions is not asked in six-question ethics test?
- (a) How does it smell?
 - (b) Who gets hurt?
 - (c) What can we possibly get away with?
 - (d) Would you tell your child (or young relative) to do it?
48. The ethical dilemma of choosing between two rights refers to
- (a) Choosing between the lesser of two evils.
 - (b) Deciding which of two employee rights is the most important.
 - (c) Deciding to offer a bribe or lose out on an important opportunity.
 - (d) Choosing between the two types of sexual harassment
49. The stakeholder view of social responsibility states that organizations must respond to the needs of
- (a) Employees and customers.
 - (b) Shareholders and owners.
 - (c) All interested parties.
 - (d) All those who might sue the organization.
50. A firm is said to have good corporate social performance when
- (a) Stockholders invest in socially responsible causes.
 - (b) Charitable deductions are automatically deducted from pay without the consent of employees.
 - (c) The company has not been convicted of ethical violations for five consecutive years.
 - (d) Stakeholders are satisfied with its level of social responsibility
51. What does and Ethical Foundation for an organisation embody?
- (a) The basic principles which govern the external and internal relations of the organisation
 - (b) The structure, operational and conduct of the activities of the organisation
 - (c) Defines the social responsibility
 - (d) Neither of above

52. What does the importance of ethical behaviour, integrity and trust call into question?
- (a) The extent to which managers should attempt to change the underlying beliefs and values of individual followers
 - (b) Who does what
 - (c) What we do next
 - (d) All of the above
53. A _____ _____ sets out the purpose and general direction for the organisation?.
- (a) Mission statement
 - (b) Purpose statement
 - (c) Profit statement
 - (d) All of the above
54. What is the purpose of a balanced scorecard?
- (a) To relate business performance to customer satisfaction
 - (b) To combine a range of qualitative and quantitative indicators of performance
 - (c) To make a profit
 - (d) All of the above
55. What is the purpose of a balanced scorecard?
- (a) To relate business performance to customer satisfaction
 - (b) To combine a range of qualitative and quantitative indicators of performance
 - (c) To measure contribution of people to business growth
 - (d) All of the above
56. Which of the following does the term Corporate Social Responsibility relate to?
- (a) Environmental practice
 - (b) Ethical conduct
 - (c) Human rights and employee relations
 - (d) All of the above
57. Who are organisational stakeholders?
- (a) Employees
 - (b) Customers
 - (c) Community
 - (d) All of the above
58. What is ethics to do with?
- (a) The wider community

- (b) Nothing
 - (c) Right and wrong
 - (d) None of the above
59. Which of the following is an example of an area where business ethics apply?
- (a) Nowhere
 - (b) Conduct of international operations.
 - (c) In the personal life of staff
 - (d) None of the above
60. Which legislation relates to the concept of business ethics?
- (a) Building regulations
 - (b) Freedom of Information Act
 - (c) Food Act
 - (d) All of these
61. The person's reasons for acting must be reasons that he or she would be willing to have all others use, even as a basis of how they treat him or her is known as?
- (a) Reversibility
 - (b) Universalizability
 - (c) Rule utilitarianism
 - (d) None of the above
62. Which one of the country has more collectivist culture?
- (a) USA
 - (b) Japan
 - (c) Pakistan
 - (d) None of the above
63. Which principle of John Rawls assumes that a productive society will incorporate inequalities?
- (a) Principle 1
 - (b) Principle 2
 - (c) Part a of principle 2
 - (d) Part b of principle 2
64. Which one of the following is not a feature of moral standard?
- (a) Prohibit
 - (b) Value
 - (c) Condemn
 - (d) All of the above

65. Which of the following is TRUE regarding moral reasoning and its evaluation?
- (a) Moral reasoning does not involve factual or descriptive judgments
 - (b) Ordinary logical standards of validity do not apply to moral reasoning
 - (c) Special logical standards of validity do not apply to moral reasoning
 - (d) Moral reasoning involves normative or value judgments
66. Which of the following issues are not satisfied by utilitarianism?
- (a) Justice
 - (b) Right
 - (c) Justice & Right
 - (d) None of the above
67. What is meant by the phrase teleological ethics?
- (a) Is used to judge if an action is right, fair and honest.
 - (b) An action can only be judged by its consequences.
 - (c) Developing the individual personal characteristics.
 - (d) The purpose of ethics is to increase freedom
68. For Karl Marx, where do values come from?
- (a) They are a product of our upbringing and our parents.
 - (b) They are a product of the economic system within which they live.
 - (c) They are a product of social inequality.
 - (d) They are a product of what we are taught at school.
69. What does Milton Friedman believe to be the sole responsibility of business?
- (a) The only social responsibility of business is to its shareholders.
 - (b) Managers should act in ways that balance the interest of society and shareholders.
 - (c) The primary responsibility of organizations is to its employees.
 - (d) The primary responsibility of organizations is to its stakeholders
70. According to Cadbury, corporate governance is an issue of power and
- (a) Rights
 - (b) Accountability
 - (c) Profits
 - (d) Appropriability

Ans. (1)(c), (2)(a), (3)(b), (4)(b), (5)(c), (6)(b), (7)(d), (8)(a), (9)(b), (10)(a), (11)(c), (12)(a), (13)(b), (14)(a), (15)(d), (16)(b), (17)(a), (18)(d), (19)(c), (20)(d), (21)(d), (22)(d), (23)(c), (24)(f), (25)(d), (26)(c), (27)(a), (28)(a), (29)(b), (30)(d), (31) (c), (32) (d), (33)(d), (34) (a), (35) (b), (36) (a), (37) (d), (38) (c), (39) (c), (40) (c), (41) (b), (42) (b), (43)(d), (44) (a), (45) (a), (46) (d), (47)(c), (48) (a), (49) (c), (50) (d), 51(a), 52(a), 53(a), 54(c), 55(b), 56(d), 57(d), 58(C), 59(b), 60(b), 61(a), 62(b), 63(b), 64(d), 65(a), 66(d), 67(b), 68(b), 69(a), 70(b)

II Short Answer Type Questions:

1. What are the main issues in CSR and how can they be tackled?
2. Do corporate value their responsibility towards the society the most? Explain
3. What is Environmental Ethics?
4. What are the main issues that are involved in environmental ethics?
5. Why is sustainability an ethical principle?
6. How can the environment be the responsibility of corporations?
7. Why do we need to understand stakeholder trade-off?
8. Do you think stakeholder theory is best suited to achieve CSR?
9. Explain the Triple Bottom Line Approach to be followed by companies while taking CSR initiatives.
10. What are the drivers of CSR?
11. Is there any relation between conscious capitalism & spirituality? Comment.
12. Write short note on:
 - a. Triple Bottom Line
 - b. Organization's efforts in stakeholders' management
13. Write short notes on:
 - a. Consumerism
 - b. Corporate Conscience for CSR
14. What is Corporate Social Responsibility?
15. Who are the stakeholders?
16. How to identify the key stakeholders of a particular company?
17. How to engage stakeholders?
18. How to implement CSR?
19. What are the tools to communicate CSR activities?
20. How to measure the benefits of CSR?
21. Why do companies have a corporate mission statement?
22. What do you understand by corporate ethics?
23. What are the various environmental challenges that emerge in fulfilling business opportunities?
24. Explain in detail the code of corporate governance

25. Is there any relationship between business ethics and corporate governance?

III Long Answer Type Questions:

1. Why must companies adopt CSR?
2. What are the moral arguments for and against CSR?
3. Discuss the issues in CSR in detail.
4. What are the main issues in CSR and how can these be tackled?
5. What is the responsibility of the corporate towards its stakeholders?
6. Explain why modern organizations are emphasizing CSR Reporting. Give examples.
7. Discuss the principles of Environmental Ethics
8. Environmental Ethics is still in its nascent stage. Explain (Pg 455-daniel)
9. What advantages do businesses have in adoption of sustainable practices? (pg 457-daniel)
10. Identify a recent example of a corporation accused of false or deceitful advertising. How did it justify the claims made in its ad? Do you agree or disagree?
11. Explain the importance of CSR in Corporate Governance.
12. Define Stakeholder Theory and its importance in the modern business environment.
13. What are the arguments for and against CSR?
14. "CSR is a source of competitive advantage." Do you agree? Explain.
15. What is Code of Corporate Governance?
16. Explain development of Corporate Conscience as the moral principle of CSR.
17. Corporate Culture stems from fundamental ethical values of top managers. Comment.
18. Briefly explain corporate governance and code of corporate governance.
19. Briefly elucidate current CSR Practices in India and abroad? What differences exist in CSR practices in India as compared to others and why?
20. It is not leadership but spiritual leadership which helps in complete business transformation". Comment on this statement with relevant examples.
21. Explain the concept of social audit? Why social audit is important in present scenario especially for govt. organizations?
22. Briefly explain principles of environmental ethics.
23. Explain in detail the relationship between law and ethics
24. What are ethical and spiritual values? Differentiate between the two
25. Why do organizations need value based holistic management?
26. Organizations are continuously accused making false claims in advertisements. Are organizations justified in making such claims?
27. Give examples of organizations that have fulfilled their responsibility towards its stakeholders.

UNIT - IV

I Test Your Skills:

(a) Fill in the Blanks:

- 1 _____ serve as guidelines on how to act rightly and justly when faced with moral dilemmas
- 2 _____ is about self- regulation of the corporation.
- 3 The ISO standard that is Guidance on Social Responsibility is _____
- 4 Theft of _____ is when a hacker uses a computer to access web sites or Internet connections for which he did not pay.
- 5 _____ refers to illegal entry into a computer's hardware system.
- 6 _____ is the crime in which the criminal disseminates the information obtained to defame the giver and take revenge and cause loss

Ans. (1)(Ethics), (2)(Corporate Governance), (3)(ISO-26000S), (4)(service), (5)(Hacking), (6)(Cyber Defamation)

(b) Multiple Choice Questions

1. The process of evaluating a firm's _____ to determine its effect on a society.
 - (a) operating procedures
 - (b) code of conduct
 - (c) Policies compliance
 - (d) All of the above
2. An indicator of power held by external stakeholders is:
 - (a) The organisational perception of the status of an external party.
 - (b) Negotiating skills.
 - (c) Personal relationship with a key decision-maker.
 - (d) Mutual resource dependency.
3. Ethical issues concerning business and public sector organisations exist at three levels:
 - (a) Macro; Corporate; Individual.
 - (b) Corporate; Business; Functional.
 - (c) Corporate; Functional; Individual.
 - (d) Business; Family; Individual.
4. An ethical stance is the extent to which:

- (a) An organisation meets the expectations of its stakeholders.
 - (b) An organisation will exceed its minimum obligations to stakeholders and society at large.
 - (c) An organisation meets regulatory requirements.
 - (d) An organisation respects the dominant religious beliefs of the country in which it operates.
- 5 Corporate social responsibility concerns:
- (a) How an organisation meets the expectations of its stakeholders.
 - (b) The behaviour of individual managers.
 - (c) External stakeholder relationships.
 - (d) The ways in which an organisation exceeds its minimum required obligations to stakeholders.
- 6 The cultural frames of reference include (this is not a comprehensive list):
- (a) National; organisational field; competitors.
 - (b) National; organisational; organisational field and functional/divisional.
 - (c) Unions; organisational; industrial.
 - (d) Organisational; colleagues; organisational field.
- 7 An organisational field is a:
- (a) Definition of the competitive structure of an industry.
 - (b) Set of assumptions held in common within an industry.
 - (c) Set of benchmarks which organisations should achieve in order to be successful.
 - (d) Community of organisations with a common meaning system and which interact more frequently with each other than with those outside the field.
- 8 The culture of an organisation can be conceived as consisting of four layers:
- (a) Values; beliefs; behaviours; and taken-for-granted assumptions.
 - (b) Values; beliefs; tasks.
 - (c) Beliefs; tasks; personalities.
 - (d) Individual; functional; organisational.
- 9 The cultural web is a:
- (a) Representation of the taken-for-granted assumptions, or paradigm, of an organisation and the physical manifestations of the organisation culture.
 - (b) Representation of the taken-for-granted assumptions, or paradigm, of an organisation and its competitors.
 - (c) Representation of the power in an organisation.

- (d) Representation of the politics in an organisation.
- 10 An organisational paradigm is:
- (a) The dilemma facing an organisation.
 - (b) The beliefs in an organisation.
 - (c) The values in an organisation.
 - (d) A set of taken for granted assumption.
- 11 A mission statement is:
- (a) A statement of the overriding direction and purpose of the organisation.
 - (b) A specific statement of the overriding strategy of the organisation.
 - (c) A description of the organisation's main activities and the position it wishes to attain in its industry or sector.
 - (d) An expression of the desired sales or profit levels.
- 12 In a 'turnaround' situation objectives need to be:
- (a) Broad, so as to allow maximum flexibility.
 - (b) Specific, so as to focus attention on a limited number of priority requirements.
 - (c) Multiple, so that all business areas are addressed.
 - (d) Radical, to meet the dire organisational problems.
- 13 A difference between corporate and unit objectives is:
- (a) Multiple objectives might well be more common at the unit rather than the corporate level.
 - (b) Unit level objectives will be more financially focused.
 - (c) Corporate level objectives will be less financial.
 - (d) Unit level objectives will be set by corporate managers.
- 14 Are all listed companies in the UK required to comply with the principles found in the UK Corporate Governance Code?
- (a) Yes
 - (b) No
- 15 Which ONE of the following would not be described as an institutional investor?
- (a) Banks
 - (b) Pension funds
 - (c) Insurance companies
 - (d) Employees holding shares through an employee share scheme
- 16 What is meant by the 'separation of ownership and control'?

- (a) That the owners of companies have become separated from those who control companies.
 - (b) That the law should seek to keep the owners and controllers of company apart in order to avoid an over-concentration of power.
 - (c) That owners and controllers of companies should not act in concert to defeat resolutions.
 - (d) That those who control the company should be separate to those who own it.
- 17 Which ONE of the following is not a principle of the UK Stewardship Code?
- (a) Institutional investors must exercise their voting rights at annual general meetings.
 - (b) Institutional investors should monitor their investee companies.
 - (c) Institutional investors should be willing to act collectively with other investors where appropriate.
 - (d) Institutional investors should report periodically on their stewardship and voting activities.
- 18 As a matter of law, are directors generally entitled to be paid for their services?
- (a) Yes
 - (b) No
- 19 Which ONE of the following statements is untrue?
- (a) Companies should set up a remuneration committee consisting of independent non-executive directors.
 - (b) The remuneration of the non-executive directors should be determined by the executives.
 - (c) The model articles provide that directors should not be permitted to determine their own levels of remuneration.
 - (d) Remuneration committees should consist of at least three directors, although in smaller companies, this may be reduced to two.
- 20 Regarding the disclosure and approval of remuneration, which ONE of the following statements is true?
- (a) If the members reject the policy section of the remuneration report, then the company must act.
 - (b) The Directors' Remuneration Report Regulations 2002 provide that quoted companies must prepare a directors' remuneration report.
 - (c) The UK Corporate Governance Code provides members with the opportunity to approve the company's remuneration report.
 - (d) Only the directors of listed companies need disclose details of their remuneration in their annual accounts.

- (e) The binding vote on remuneration policy must take place every year.
- 21 Which ONE of the following is not a valid difference between executive and non-executive directors?
- (a) Executive directors work full-time, whereas non-executive directors work part-time.
 - (b) Executive directors tend to be paid considerably more than non-executive directors.
 - (c) Executive directors are involved in the management of the company, whereas non-executive directors are not expected to be involved in management.
 - (d) Non-executive directors should be independent, whereas the executives will usually not be.
- 22 Which ONE of the following is not a recommendation of the UK Corporate Governance Code?
- (a) The board should identify, in the annual report, which directors are considered to be independent.
 - (b) Unless invited, only the chairman and the members of the remuneration committee may attend the meetings of the remuneration committee.
 - (c) If the board considers a director to be independent, it should state its reasons why it considers that director to be independent.
 - (d) In all companies, the majority of directors on a board should be independent non-executive directors.
- 23 Which corporate governance report focused specifically on non-executive directors?
- (a) The Cadbury Report
 - (b) The Greenbury Report
 - (c) The Hampel Report
 - (d) The Myners Report
 - (e) The Smith Report
 - (f) The Higgs Report
24. Ethics are moral principles and values which...
- (a) Guide a firm's behaviour
 - (b) Govern the actions of an individual
 - (c) Provide employees with rules on how to behave
 - (d) Are legally enforceable
- 25 CSR stands for...
- (a) Customer Satisfaction Ratios
 - (b) Corporate Sales Returns

- (c) Customer Sales Ratios
 - (d) Corporate Social responsibility
- 26 Truthfulness in marketing communications is an example of:
- (a) Ethics
 - (b) Business ethics
 - (c) Marketing ethics
 - (d) Corporate Social Responsibility
- 27 All unethical practices are illegal
- (a) True
 - (b) False
- 28 Tobacco companies have been criticized for marketing cigarettes which are said to cause lung cancer. In this example, which element of the marketing mix is considered to be at blame?
- (a) Product
 - (b) Price
 - (c) Promotion
 - (d) Place
- 29 Exaggerated claims made by promotional marketing communications are referred to as
- (a) Deceptive selling
 - (b) Marketing misdemeanor
 - (c) Misleading advertising
 - (d) Sagging
- 30 What is a slotting allowance?
- (a) A bribe made by a member of a manufacturer's sales team used to close a sale
 - (b) A fee paid by a manufacturer to a retailer as part of an agreement to place a product on a retailer's shelves
 - (c) The gap between actual sales and predicted sales
 - (d) A margin of error in certain manufacturing processes
- 31 An individual who owns status symbols such as designer wear and high-tech gadgets could be accused of...
- (a) Short-termism
 - (b) Environmentalism
 - (c) Socialism
 - (d) Materialism

32. Neo-Croms are a rapidly growing group of consumers who support:
- (a) Maverick behaviour
 - (b) Reducing consumption
 - (c) Controlling society
 - (d) Banning 4 X 4 vehicles
33. A company promoting 'tasty' fatty foods that might lead to consumers suffering from heart disease and obesity could be accused of
- (a) Deceptive selling
 - (b) Misleading advertising
 - (c) Invasion of privacy
 - (d) Short-termism
34. CSR is based on _____ Theory
- (a) Stakeholder
 - (b) Involvement
 - (c) Ethical
 - (d) Marketing
35. Carroll's four-part model of corporate social responsibility focuses on 4 interrelated responsibilities. Which of the following group of responsibilities is not included in this model
- (a) Economic
 - (b) Legal
 - (c) Ethical
 - (d) Technological
36. In which dimension of CSR responsibility would you classify the issue of recycling and non-wasteful packaging?
- (a) Consumer
 - (b) Social and community involvements
 - (c) Physical environment
 - (d) Employee relations
37. One aim of societal marketing is to
- (a) Consider consumers needs and long-term welfare
 - (b) Encourage satisfaction of short-term needs
 - (c) Demand support from local communities
 - (d) Form partnerships which benefit the selling organization

38. Integrity, transparency, sincerity and mutual respect are important principles for
-
- (a) e-marketing
 - (b) Cause-related marketing
 - (c) Reciprocal marketing
 - (d) Fair trade marketing
39. Which of the following is not a criticism of CSR?
- (a) CSR is too costly
 - (b) CSR encourages cynicism
 - (c) CSR leads to enhanced brand reputation
 - (d) CSR is misguided
40. The consumerism movement seeks to
- (a) Protect company's rights
 - (b) Protect retailer's rights
 - (c) Protect advertiser's rights
 - (d) Protect consumers' rights
41. If you joined Greenpeace you might be referred to by your friends as an
-
- (a) Environmentalist
 - (b) Ethical economist
 - (c) Philanthropist
 - (d) Socialist
42. 70% of consumers consider a company's commitment to social responsibility important when buying a product.
- (a) True
 - (b) False
43. How much is a European air passenger who suffers from over booking and cancellations entitled to:
- (a) Nothing
 - (b) Between £10 to £160
 - (c) Between £170 to £410
 - (d) Between £420 to £1000
44. Industries like to be in control and as a result prefer self-regulation to laws imposed by governments. Self-regulation is often controlled by

- (a) Company law
 - (b) Tribunals
 - (c) Codes of practice
 - (d) Common law
45. Which of the following is another name for the required return on a stock?
- (a) Retention ratio.
 - (b) Dividend payout ratio.
 - (c) Value.
 - (d) Discount rate.
46. Which of the following is equal to the present value of all cash proceeds received by a stock investor?
- (a) Dividend payout ratio.
 - (b) Retention ratio.
 - (c) Discount rate.
 - (d) Value.
47. Corporation B is a normal-growth company that expects to earn 13% on reinvested earnings. If the company pays 30% of its earnings as dividends, what will be the stock's dividend growth rate?
- (a) 17.0%
 - (b) 39.0%
 - (c) 3.9%
 - (d) 9.1%
48. Which of the following best describes the constant-growth dividend discount model?
- (a) It is the formula for the present value of a growing perpetuity.
 - (b) It is the formula for the present value of a finite, uneven cash flow stream.
 - (c) It is the formula for the present value of an ordinary annuity.
 - (d) It is the formula for the present value of a growing annuity.
49. Which of the following do financial analysts consider least important when assessing the long-run economic and financial outlook of a company?
- (a) Prospects of the relevant industry.
 - (b) Expected return on equity.
 - (c) General economic conditions.
 - (d) Expected changes in EPS.

50. Analysts commonly consider all of the following to be indicators that the market is overvalued except:
- (a) High average dividend yield.
 - (b) High average ratio of stock prices to corporate sales.
 - (c) High average P/E ratio.
 - (d) High average price-to-book ratio
51. Employee relations, philanthropy, pricing, resource conservation, product quality and safety, and doing business in countries that violate human rights are some obvious examples of _____
- (a) social responsibility ethics that managers must decide on a daily basis
 - (b) social responsibility issues that employees must confront while at work
 - (c) areas of social responsibility that influence managers, not employees
 - (d) decisions that managers face that have a social responsibility dimension
52. The classical view of social responsibility holds that management's only social responsibility is to _____
- (a) maximize organizational profits for stockholders
 - (b) maximize adherence to the laws for stockholders
 - (c) maximize organizational profits for stakeholders
 - (d) minimize adherence to the laws for stockholders
53. Which of the following is associated with the classical view of social responsibility?
- (a) economist Robert Reich
 - (b) concern for social welfare
 - (c) stockholder financial return
 - (d) voluntary activities
54. Proponents of the socioeconomic view of social responsibility believe that business organizations are _____.
- (a) not just merely economic institutions
 - (b) just merely economic institutions
 - (c) to be leaders in social responsibility
 - (d) not to be involved in social responsibility, but to maximize profits for stakeholder
55. Applying social criteria to investment decision refers to _____.
- (a) socio economic view
 - (b) social responsiveness
 - (c) social responsibility
 - (d) social screening

56. _____ is defined as a business firm's obligation, beyond that required by law and economics, to pursue long-term goals that are good for society
- (a) Social obligation
 - (b) Social responsibility
 - (c) Social screening
 - (d) Values-based management
57. The most outspoken advocate of the classical view of social responsibility is economist and Nobel laureate, _____.
- (a) Carnegie Milton
 - (b) Charles Darwin
 - (c) Milton Freeman
 - (d) Milton Friedman
58. The belief that businesses should be responsible because such actions are right for their own sake is known as which argument for social responsibility?
- (a) public expectation
 - (b) ethical obligation
 - (c) public image
 - (d) discouragement of further government regulation
59. The belief that businesses that help solve difficult social problems create a desirable community and attract and keep skilled employees is known as which argument for social responsibility?
- (a) ethical obligation
 - (b) public image
 - (c) better environment
 - (d) possession of resource
60. Although companies are increasingly recognizing the negative impacts they have on society, many are also increasingly trying to contribute positively to societal development through_____.
- (a) Ethics
 - (b) The marketing concepts
 - (c) Facilitating functions of marketing.
 - (d) Corporate social responsibility programs
61. We suggested that the domain of ethics lies between two others ill-defined and changing domains. What are they?

- (a) Altruism and enlightened self-interest
 - (b) Coercion and personal freedom
 - (c) Fixed principles and relative values
 - (d) Free choice and law
 - (e) Altruism and hedonism
62. The moral course is the one that offers the greatest good to the greatest number of people.' Which approach to ethics is this?
- (a) Unitarian
 - (b) Utilitarian
 - (c) Deontological
 - (d) Deterministic
63. Regarding the disclosure and approval of remuneration, which ONE of the following statements are true?
- (a) If the members reject the policy section of the remuneration report, then the company must act.
 - (b) The Directors' Remuneration Report Regulations 2002 provide that quoted companies must prepare a directors' remuneration report.
 - (c) The UK Corporate Governance Code provides members with the opportunity to approve the company's remuneration report.
 - (d) Only the directors of listed companies need disclose details of their remuneration in their annual accounts.
 - (e) The binding vote on remuneration policy must take place every year.
64. Which ONE of the following is not a valid difference between executive and non-executive directors?
- (a) Executive directors work full-time, whereas non-executive directors work part-time.
 - (b) Executive directors tend to be paid considerably more than non-executive directors.
 - (c) Executive directors are involved in the management of the company, whereas non-executive directors are not expected to be involved in management.
 - (d) Non-executive directors should be independent, whereas the executives will usually not be.
65. _____ is the philosophical study of moral values and rules.
- (a) Morality
 - (b) Ethics
 - (c) Business Ethics
 - (d) Philosophy

66. Which one of the following is not a feature of moral standard?
- (a) Prohibit
 - (b) Value
 - (c) Condemn
 - (d) All the above
67. Equality of income and equality of opportunity is referred to
- (a) Equality
 - (b) Political equality
 - (c) Economic equality
 - (d) Human equality
68. Which of the following stands for capitalist Justice?
- (a) Benefits should be distributed according to the value of the contribution the individual makes to a society
 - (b) Benefits should not be distributed according to the value of the contribution the individual makes to a society
 - (c) Benefits should be distributed according to employer judgement
 - (d) None of the above
69. Which of the following is TRUE regarding moral reasoning and its evaluation?
- (a) Moral reasoning does not involve factual or descriptive judgments
 - (b) Ordinary logical standards of validity do not apply to moral reasoning
 - (c) Special logical standards of validity do not apply to moral reasoning
 - (d) Moral reasoning involves normative or value judgments
70. Literally the word ethics stand for
- (a) Understanding human nature
 - (b) Study of morality
 - (c) properties of chemical substances
 - (d) Both 2 & 3

Ans: (1) (c), (2)(a), (3)(b), (4)(b), (5)(c), (6)(b), (7)(d), (8)(a), (9)(b), (10)(a), (11)(c), (12)(a),(13)(b), (14) (b), (15) (d) , (16) (a) , (17) (a) , (18) (b) , (19) (c) , (20) (a) , (21) (c) , (22) (d) , (23) (f) , (24) (b) , (25) (d) , (26) (c) , (27) (b) , (28) (a) , (29) (c) , (30) (b) , (31) (d) , (32) (b) , (33) (d) , (34) (a) , (35) (d) , (36) (c) , (37) (a) , (38) (b) , (39) (c) , (40) (d) , (41) , (a) , (42) (a) , (43) (c) , (44) (c) , (45) (d) , (46) (b) , (47) (c) , (48) (b) , (49) (d) , (50) (d) , 51(d), 52(a), 53(c), 54(a), 55(d), 56(b), 57(d), 58(b), 59(c), 60(a), 61(c), 62(a), 63(a), 64(c), 65(b), 66(d), 67(c), 68(a), 69(a), 70(a)

II Short Answer Type Questions:

1. Elaborate on the main features of corporate governance in India.
2. Why do ethical codes fail?
3. State the objective of Social Audit for a corporate.
4. In short explain your opinion of whether the advertising industry requires regulation.
5. What are surrogate advertisements?
6. Are consumers being justly and fairly treated?
7. Are the public welfare and the common good taken into consideration for the effects as well as the intention of advertisements?
8. Why is Cyber technology a moral issue?
9. What relevance does data privacy have?
10. What are the core subjects and issues of ISO-26000
11. Write short note on:
 - a. Enron and failure of Corporate Governance
 - b. Internet Crime
12. Write short notes on:
 - a. ISO-26000
 - b. Internet Crime and Punishment
13. Explain the term corporate governance
14. How can good governance improve the performance of organizations?
15. Explain the golden rules of ethics
16. How do moral values have a bearing on work issues related to corporates?
17. Explain the ISO guidelines in relation to CSR management

III Long Answer Type Questions:

1. Explain the history and evolution of corporate governance in India.
2. What are the defects of Corporate Governance System in India?
3. Discuss the contemporary issues in Corporate Governance in India.
4. How is maintaining a social audit help corporate?
5. Explain in detail the ethical issues in Advertising and Marketing.
6. How does an organization go about implementing ISO 26000?
7. What are Intellectual Property Rights?
8. Discuss about Combating Computer and Internet Fraud and what are the punishments for such crimes?

9. Why should companies execute social responsibility? What are the core subjects and issues of social responsibility addressed in ISO 26000? What are the different types of programmes that an organization can implement for promoting CSR activities?
10. What are the objectives of Corporate Governance? How SEBI does monitors and regulates corporate governance of listed companies in India?
11. Leo Burnett, the famous advertising professional said, “Let’s gear our advertising to sell goods, but let’s recognize also that advertising has a broad social responsibility.” What are the unethical dimensions in the advertisements that we see? Discuss.
12. Why Social Audit is important? Explain your answer with reference to public sector and government organisations?
13. What are Intellectual Property Rights? What are the problems associated with IPR in India? What laws are practiced safeguarding IPR?
14. Mr. VirSinha, M.D. Natural Beverages Ltd., was looking at the “AD Punchline” created by his product manager Jatin Shah. He was taken aback by the claim that their new product “NATU-RAS” energy drink is “The best fitness plan for your health-real fruit and no sugar”. Jatin Shah, the product manager, was little uneasy when asked by his M.D as to how we can claim “Best health plan drink” when they know that they are preservatives and permissive food color. Jatin defended by saying that all shampoo and hair oil advertisements also make similar hyper claims as a mode of communicating superiority of their respective brands.
 - a) Discuss how in this case the question of ethics in advertising has been linked to persuasive product communication for “NATU-RAS”.
 - b) What ethical advice you will to Mr. VirSinha to develop a persuasive advertisement, without compromise on the ethical aspects of advertising
15. What are Intellectual Property Rights? Explain in detail.
16. Why is equitable treatment of shareholder’s important?
17. Do international corporate governance standards apply to emerging markets?
18. What problems to Indian companies face in taking care of Intellectual Property Rights?
19. Explain in detail the laws laid down by the government to safeguard the interests of companies in relation to IPR.

QUESTION BANK

RETAIL MANAGEMENT

MS-212

QUESTION BANK
RETAIL MANAGEMENT - MS 212
MBA - IV

UNIT – I

I

(a) Multiple Choice Questions:

1. Functions performed by retailer
 - (a) Providing an assortment of products and services
 - (b) Breaking bulk
 - (c) Holding Inventory
 - (d) All of the above

2. Hyper markets are large
 - (a) 1,00,000 to 3,00,000 sq. feet
 - (b) 1,50,000 to 2,20,000 sq. feet
 - (c) None of the above

3. Discount store is a retailer that offers
 - (a) Broad variety of merchandize
 - (b) Limited service
 - (c) Low price
 - (d) All of three

4. Specialty store concentrates on a
 - (a) Limited no. of merchandize
 - (b) Large no. of merchandize
 - (c) None of the above

5. Toshiba manufacturer a range of laptop computers and accessories. This range is an example of a:
 - (a) Product line
 - (b) Product packaging
 - (c) Cash cow
 - (d) Market segment

6. Own-label brands are owned by:
- (a) Manufacturers
 - (b) Retailers
 - (c) Distributors, including wholesalers and retailers
 - (d) Manufacturers and retailers
7. _____ exists when a few large independent firm accounts for bulk of an industry's sales
- (a) Monopoly
 - (b) Perfect competition
 - (c) Monopolistic
 - (d) Oligopoly
8. _____ of physical distribution activities increases its productivity as well as of manufacturer
- (a) Maximisation
 - (b) Automation
 - (c) Frequency
9. _____ distribution is used when a small percentage of customers account for a large part of sale.
- (a) Intensive
 - (b) Selective
 - (c) Exclusive
 - (d) Multi
10. _____ research involves using past experiences to find solutions to marketing problems
- (a) Historical
 - (b) Observational
 - (c) Estimate based
 - (d) Analyst
11. Which is the shortest marketing channel for an industrial product?
- (a) Producer--->Industrial user
 - (b) Producer--->Consumer
 - (c) Producer--->Agent--->Consumer
 - (d) Producer--->Agent---> Industrial user
12. _____ planning determines the number , location and ownership of warehouses.
- (a) Warehouse
 - (b) Logistics

- (c) Target market selection
 - (d) Retail location
13. Competition tends to focus on _____ as a product moves through its life cycle.
- (a) Price
 - (b) Sales volume
 - (c) Profit
 - (d) Growth
14. Concentration on that segment of market which has the maximum number of people is called _____
- (a) Market fallacy
 - (b) Market differentiation
 - (c) Market segmentation
15. In which stage of product life cycle , reference group influence is strong in product and brand choice
- (a) Growth
 - (b) Introductory
 - (c) Maturity
 - (d) Decline
16. _____ can price it's product without any regard to competitor.
- (a) Pure monopolist
 - (b) Monopolist
 - (c) Perfect competition
 - (d) Oligoploly
17. New product forms and brands enter in which stage of product life cycle?
- (a) Growth
 - (b) Decline
 - (c) Entry phase
 - (d) Vulnerability phase
18. Trialling a new product in a limited geographical area or with a small group of customers is known as:
- (a) Brand extending
 - (b) Product profiling
 - (c) Test marketing
 - (d) Geographical segmentation

19. The way in which firms try to create differences between their products and those of competitors is known as:
- (a) Product branding
 - (b) Product promotion
 - (c) Product mixing
 - (d) Product differentiation
20. The proportion of the market held by one company or brand is known as
- (a) Market share
 - (b) Market leadership
 - (c) Market slice
 - (d) Market segment
21. The particular market segment at which a business aims its products is known as the
- (a) Target market
 - (b) Market leader
 - (c) Main market
 - (d) Unique selling point
22. The market for a product or service can often be broken down into different areas where customers have distinct needs and wants. These areas are called market
- (a) Synergies
 - (b) Forces
 - (c) Segments
 - (d) Sections
23. Which of the following car brands could be set to be targeting a niche market segment?
- (a) Vauxhall Astra
 - (b) Lotus spirit
 - (c) Ford Mondeo
 - (d) Reynolds clio
24. When a business divides up groups of customers using terms like working class, middle class, professionals, etc. What kind of market segmentation are they using?
- (a) Religion segmentation
 - (b) Demographic segmentation
 - (c) Lifestyle segmentation
 - (d) Socio-economic segmentation

25. The clothing retailer topshop tries to appeal to the Junky who goes shopping every week in pursuit of the latest hot fashion. What kind of market segmentation is being used by Topshop?
- (a) Religion segmentation
 - (b) Demographic segmentation
 - (c) Lifestyle segmentation
 - (d) Socio-economic segmentation
26. Saga offers a wide range of products such as Holidays and insurance for adults aged over 55. What kind of segmentation is Saga using in its marketing strategy?
- (a) Lifestyle segmentation
 - (b) Gender segmentation
 - (c) Demographic segmentation
 - (d) Socio-economic segmentation
27. Which of the following products is the best example of the product sold to a mass market segment?
- (a) Mercedes S class Salon
 - (b) Organix(organic) baby food
 - (c) Cartile Watch
 - (d) Andren Toilet Tissue
28. What is market mapping?
- (a) A spreadsheet showing market shares and profits compared with competitors.
 - (b) A visual representation of how a firm's products are positioned in a market.
 - (c) A plan to conduct primary market research.
 - (d) A map showing the location of key competitors
29. Manufacturer/wholesaler functions include:
- (a) pricing merchandise and inventory control
 - (b) display layout preparation
 - (c) research and sales forecasting
 - (d) checking quality of incoming inventory
 - (e) All of the above
30. The element of service quality which is defined as 'willingness to help customers and provide prompt service'.
- (a) Reliability.
 - (b) Tangibles.
 - (c) Responsiveness.

- (d) Assurance.
 - (e) Empathy
31. A specialty product is _____ intensively distributed than a shopping product
- (a) Less
 - (b) Widespread
 - (c) Generally
32. Toshiba manufacturer a range of laptop computers and accessories. This range is an Example of a:
- (a) Product line
 - (b) Product packaging
 - (c) Cash cow
 - (d) Market segment
33. Own-label brands are owned by:
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34. Hyper markets are large
- (a) 1,00,000 to 3,00,000 sq. feet
 - (b) 1,50,000 to 2,20,000 sq. feet
 - (c) 2,20,000 to 3,20,000 sq. feet
 - (d) None of the above
35. Specialty store concentrates on a
- (a) Limited no. of merchandize
 - (b) Large no. of merchandize
 - (c) Specific category of merchandise
 - (d) None of the above
36. Discount store is a retailer that offers
- (a) Broad variety of merchandize
 - (b) Limited service
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- (a) Religion segmentation
 - (b) Demographic segmentation
 - (c) Lifestyle segmentation
 - (d) Socio-economic segmentation
41. Which of the following statements is FALSE regarding Internet retailing?
- (a) Internet retailing is a booming and increasingly competitive business.
 - (b) Apparel is one of the largest sales categories on the Internet and one of the fastest growing.
 - (c) Research has shown that consumers shop online for reasons different to those for shopping from catalogs.
 - (d) Catalogs and the Internet appear to work in a complementary fashion.
 - (e) With respect to apparel, lack of touch can be a major barrier for nonstore retailers.
42. Which of the following is the major reason consumers give for shopping online?
- (a) want product delivered
 - (b) unique merchandise

- (c) price
 - (d) impulse
 - (e) convenience
43. Sales for which product or service classified as “researched items” are the highest?
- (a) food & beverage
 - (b) travel
 - (c) automotive parts
 - (d) computer hard/software
 - (e) event tickets
44. The major reason people give for not shopping on the Internet is _____.
- (a) lack of “touch”
 - (b) security concerns
 - (c) too difficult
 - (d) unfamiliar merchants
 - (e) none of the above
45. Which of the following barriers to online purchasing is related to consumer fears regarding how personal information about them that is gathered online might be used?
- (a) lack of “touch”
 - (b) online privacy concerns
 - (c) economic costs
 - (d) opportunity costs
 - (e) dispersion concerns
46. How can firms enhance consumers' control with regard to online privacy concerns?
- (a) don't ask for information
 - (b) use bots
 - (c) use blogs
 - (d) use “opt in” approach
 - (e) use search engine optimization approaches
47. Sarah just purchased some casual twill pants from L.L.Bean. When she was checking out, she was asked for her e-mail address. Below that box was a box that was checked that indicated she would like to receive promotion messages and have her information shared with similar marketers. She unchecked that box because she did not want to receive these promotional offers and did not want her information shared. This is an example of which approach online retailers are using to enhance consumers' control?

- (a) “opt-in” approach
 - (b) behavioral targeting
 - (c) search engine optimization
 - (d) bots
 - (e) blogs
48. MVM (My Virtual Model) helps consumers shopping online overcome which barrier?
- (a) security
 - (b) information quantity
 - (c) lack of touch
 - (d) flow
 - (e) difficulty
49. Which of the following is an online shopper segment?
- (a) Shopping Lovers
 - (b) Adventurous Explorers
 - (c) Suspicious Learners
 - (d) Fun Seekers
 - (e) all of the above
50. Which of the following is NOT an online shopper segment?
- (a) Technocrats
 - (b) Adventurous Explorers
 - (c) Suspicious Learners
 - (d) Fun Seekers
 - (e) all of the above are online shopper segments
51. Which of the following is a recommended strategy for retailers when consumers select the outlet first and the brand second?
- (a) appropriate pricing
 - (b) brand availability advertising
 - (c) brand image management
 - (d) price special on brands
52. Which of the following is a recommended strategy for manufacturers when consumers select the outlet first and the brand second?
- (a) retailer image advertising
 - (b) more exclusive distribution
 - (c) point-of-purchase displays

- (d) price special on brands
53. Any source of products or services for consumers is referred to as a _____.
- (a) retail outlet
 - (b) contact point
 - (c) transaction point
 - (d) distribution outlet
54. Consumers acquiring product through mail, telephone, or computer orders is referred to as _____.
- (a) outsourcing
 - (b) outlet shopping
 - (c) non-traditional shopping
 - (d) in-home shopping
55. Which of the following is a category of products and services based on their purchase characteristics relative to Internet shopping identified by Forrester Research?
- (a) “high-touch” goods
 - (b) search goods
 - (c) replenishment goods
 - (d) adventurous goods
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 - (d) Assurance.
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- (a) lack of "touch"
 - (b) online privacy concerns
 - (c) economic costs
 - (d) opportunity costs
61. The word Retail is derived from the----- word.
- (a) Latin.
 - (b) French.
 - (c) English.
 - (d) German.
62. Retailer is a person who sells the goods in a-----
- (a) large quantities
 - (b) small quantities.
 - (c) none of these
63. The main objective of the management is-----.
- (a) profitability.
 - (b) sales growth.
 - (c) return on investment
 - (d) all of these
64. In retailing there is a direct interaction with-----
- (a) producer
 - (b) customer
 - (c) wholesaler
 - (d) all of these.

65. Retailing creates-----
- (a) time utility
 - (b) place utility
 - (c) ownership utility
 - (d) all of these
66. -----activities performed by the retailers.
- (a) assortment of offerings
 - (b) holding stock.
 - (c) extending services.
 - (d) all of these.
67. The term stakeholders which includes-----
- (a) stock holders
 - (b) consumers
 - (c) suppliers
 - (d) all the above
68. The term stakeholders which includes-----
- (a) stock holders
 - (b) consumers
 - (c) suppliers
 - (d) all the above
69. The functions of management start with-----
- (a) buying
 - (b) planning
 - (c) organizing
 - (d) supervising.
70. This is equal to the inventory we have at the beginning of the month plus what we buy minus what we get rid of through sales or other inventory reductions
- (a) Planned EOM stock
 - (b) Actual EOM stock
 - (c) projected EOM stock
 - (d) Actual BOM stock

Ans. (1)(c), (2)(b), (3)(a), (4)(a), (5)(a), (6)(c), (7)(d), (8)(b), (9)(b), (10)(b), (11) (a), (12)(a), (13)(b), (14)(a), (15)(a), (16)(a), (17)(a), (18)(c), (19)(d), (20)(a), (21)(a), (22)(c), (23)(b), (24)(d), (25)(c), (26)(c), (27)(d), (28)(b), (29)(c), (30)(c), (31)(a), (32)(a), (33)(c), (34)(b), (35)(c), (36)(c), (37)(c), (38)(b), (39)(d), (40)(c), (41)(c), (42)(e), (43)(b), (44)(b), (45)(b), (46)(d), (47)(a), (48)(c), (49)(e), (50)(a), 51(b), 52(c), 53(a), 54(d), 55(c), 56(c), 57(c), 58(b), 59) (b), 60(b), 61(B), 62(B), 63(D), 64(D), 65(D), 66(D), 67(D), 68(A), (69) (B), 70(B)

(c) Fill in the Blanks:

- 1 In retail, order sizes tend to be small, but _____.
- 2 A stove selling standard merchandize at low price and for low margins is known as a _____ stove.
- 3 Modern retailing systems are characterized by low margins, high inventory turnover and _____ service level.
- 4 FDI is permitted upto _____ in single brand business in India.
- 5 Merchandising planning relates to merchandize variety and _____.

Ans. (1) (Many), (2)(Discount), (3)(Excellent), (4)(51), (5)(Assortment)

II Short Answer Type Questions:

- 1 What is retail and what is its role in marketing?
- 2 What are the functions of a retailer? How do these functions fit into the marketing mix for a retailer?
- 3 What are the functions performed by a retailer?
- 4 Explain the significance of retail as an industry.
- 5 Explain the classification of retail units.
- 6 What are some of the promotions which a retailer can organize to:
 - (a) Increase footfalls to his store?
 - (b) Ensure stickness of his customers?
 - (c) Increase the size of the average shopping basket?
- 7 How can a store enlarge its trading area?
- 8 What is merchandizing? How does the store manager prepare his merchandizing plan?
- 9 What kind of information do retailers communicate to customers to suppliers?
- 10 Explain the wheel of retailing. Is this theory applicable today? Why or why not?
- 11 What strategic emphasis should be used by institutions in the introduction stage of the retail life cycle compared with the emphasis by institutions in the decline stage?
- 12 What are the opportunities and threats in global retailing?

- 13 What are the factors affecting the success of a global retailing strategy?
- 14 Why has the retailer emerged as a leader in the marketing channel?
- 15 What are the issues facing global retailers and how can they be overcome?
- 16 What would be the social and economic impact of retail help in removing these inefficiencies? Explain how this can take place.
- 17 List any four sources of sustainable competitive advantage?
- 18 Give the various performance measures that retailers may use to evaluate their performance.
- 19 What are the major retail formats in India? What are the characteristics of each of them?
- 20 What are the types of retail format? Explain in brief.
- 21 Explain the retail life cycle concept.
- 22 Enumerate the relevance of wheel of retailing in today's retailing concept.
- 23 What options can a retailer use to develop a sustainable competitive advantage?
- 24 What competitive advantage and disadvantages do regional chains have in comparison with national chains?
- 25 Why does the concept of ease of entry usually have less impact on chain retailers than on independent retailers?
- 26 Briefly explain the various retail formats adopted by key Indian retailers. How can Small independent retailers compete against large national chains?
- 27 Write short note on retail lifecycle.
28. Compare Convenience store format with departmental store format
- 29 Discuss the advantages and Drawbacks of the high-low pricing strategy
- 30 Elaborate the concept and significance of retailing.
- 31 Briefly discuss Indian retailing scenario.
- 32 There is an argument that modern retail formats can never match the customer service flexibility of the corner grocery store. Discuss.
- 34 How space is important for a retail store.
- 35 What do you mean by merchandising?
- 36 Explain four sources of sustainable competitive advantage?
- 37 Give the various performance measures that retailers may use to evaluate their performance.
- 38 Explain the origin of the term retailing.
- 39 Explain the significance of retail life cycle.
- 40 Discuss various retail format.

III Long Answer Type Question:

- 1 Why is retailing so important to a society? Can a nation be prosperous without a well-managed retail system?
- 2 Discuss the economic significance of retailing in India.

- 3 Under what circumstances can a retailer extend credit to his customers? In such a case, what should be his collection model?
- 4 List down all the points to be considered for developing a retail strategy.
- 5 Can franchising be used as a route by retail chain before establishing its own stores? In such a case, what happens to the franchisees?
- 6 Do you expect factory outlet stores to keep growing? Explain your answer.
- 7 Contrast the strategy mixes of convenience stores, conventional supermarkets, food based superstores, and warehouse stores. Is there room for each? Explain your answer.
- 8 Contrast the strategy mixes of specialty stores, traditional department stores, and full line discount stores.
- 9 Can large retail chains become distributors for FMCG companies? How?
- 10 There is an argument that modern retail formats can never match the customer service flexibility of the corner grocery store. Discuss.
- 11 "These are not the best times for retail business in the light of current recession". Comment.
- 12 Explain whether the wheel of retailing theory is applicable in today's context.
- 13 Identify the various dimensions on the basis of which local retailers have to re-design their retail mix to meet competition from organized retail chain.
- 14 Examine the various elements on the basis of which diversity in retail sector be managed?
- 15 Describe the factors contributing to the current growth of the retail industry in India.
- 16 Distinguish between the retail mix of convenience stores, specialty stores and discount stores. Use suitable examples to illustrate your answer.
- 17 Give an overview of the current retail scenario in India. What are the major challenges, organized retailing is facing in the country?
- 18 Describe the various retail formats along with relevant examples. What factors must be considered in determining retail locations?
- 19 Can a retailer ever operate in a pure monopoly situation? If you believe that this is possible, provide an example and explain what dangers this retailer faces. If you believe this is not possible, explain why not?
- 20 If a new format is a hit in one country, it generally will be successful in all countries. Agree or disagree.
- 21 Is it better for a retailer to develop a new private label brand or to try to revive a once prestigious brand that has been discontinued? Explain your reasoning.
- 22 There is an argument that modern retail formats can never match the customer service flexibility of the corner grocery store. Discuss.
- 23 Discuss the various challenges facing organized retail in India.
- 24 Define the term "total retail experience". Then describe a recent retail situation in which your expectations were surpassed and state why.
- 25 Why would one retailer seek to be part of an exclusive distribution channel while another seeks to be part of an intensive distribution channel?

- 26 In many malls, Fast Food retailers are located together in an area known as food court. What are this arrangements advantages and disadvantages to the fast food retailers?
- 27 What is retailing? Briefly explain the role and the function performed by the retailers. Illustrate with suitable example.
- 28 Discuss the Indian retail environment today detailing the evolution of retailing in India. What are the challenges and opportunities that are available in the retail sector?
- 29 Discuss the concept of multichannel retaining. How do retailers provide more value to the customer through the multi channel strategy? Give examples.
- 30 Discuss the importance of retailing and scope of retailing in India. What are the emerging trends in India? Discuss with example.
- 31 What are Private Label Brands? What are the different strategies used by manufacturers to promote their Private Label Brands? Quote examples in Indian context.
- 32 Jacqueline went to Walgreens to purchase some cold medicine, but the brand she wanted was not on the shelf. There was an empty space on the shelf where it should have been. Explain the variable that most likely will influence Jacqueline's brand decision right now and the impact of this situation.
- 33 Explain in detail the opportunities available to retail industry in India.
- 34 Explain the characteristics of each retailing format.
- 35 Provide an impression of the current retail scenario in India.?
36. Explain the economic significance of retailing in India.
37. Explain the strategy mixes of different store format.
38. There is an argument that modern retail formats can never watch the customer service flexibility of the corner grocery store. Discuss.
39. Describe the various retail formats along with relevant examples. What factors must be considered in determining retail locations?
40. Discuss an argument that modern retail formats can never match the customer service flexibility of the corner grocery store. Discuss.

UNIT – II

(a) Multiple Choice Questions:

1. Visual communication is represented
 - (a) Lighting
 - (b) Music
 - (c) Color
 - (d) All of above

2. Merchandize presentation techniques
 - (a) Price Rising
 - (b) Tonnage Merchandize
 - (c) Vertical Merchandizing
 - (d) All of these

3. Communicating with the customer is a
 - (a) Controllable Variables
 - (b) Controllable Variables
 - (c) Uncontrollable Variables
 - (d) None of these

4. The 80-20 rule states
 - (a) 80% of loss comes from 20% of your customers
 - (b) 80% of profit comes from 20% of your customers
 - (c) 80% of profit comes from 20% of your vendors
 - (d) 20% of profit comes from 80% of your customers
 - (e) Both B&D

5. Amount of time between recognition that an order needs to be placed and when it arrives in the store and is ready for sale
 - (a) Order Point
 - (b) Lead Point
 - (c) Lead Time
 - (d) Review Point

6. Open to Buy system
 - (a) Starts after merchandise is purchased using the merchandise budget plan or staple merchandise system.
 - (b) Keeps track of merchandise flow while they're occurring specifically they record how much is spent each month, and how much is left to spend.
 - (c) Prevents merchandise from being delivered when it is not need.
 - (d) Helps merchandise to be delivered when it is needed.
 - (e) All of the above

7. An assortment of items that the customer sees as reasonable substitutes for each other is called
 - (a) Variety
 - (b) Assortment
 - (c) Category

- (d) Backup
 - (e) Buffer
8. _____ is a part of the company that has a separate mission and objectives.
- (a) Strategic planning
 - (b) SBU
 - (c) Functional department
 - (d) Divisional structure
9. Wholesalers and retailers help manufacturer in carrying _____ flow to final buyers.
- (a) Title
 - (b) Information
 - (c) Promotion
10. Which of the following is not a kind of product extension strategy?
- (a) Encouraging increased usage
 - (b) Finding new users / customers
 - (c) Finding new users for the product
 - (d) Increasing the selling price.
11. Which of the following terms is not used in the Boston Consulting Group's Matrix?
- (a) Dogs
 - (b) Cash Cows
 - (c) Sheep
 - (d) Problem Children
12. According to the Boston Consulting Group Matrix what category refers to products that are potentially very profitable but which need large investment?
- (a) Stars
 - (b) Problem Children
 - (c) Dogs
 - (d) Cash Cows
13. According to the Boston Consulting Group Matrix what category refers to products that are the main generators of cash and profit - and therefore support investment in new products?
- (a) Stars
 - (b) Problem Children
 - (c) Dogs
 - (d) Cash Cows.

14. The financial ratio that is useful for planning and measuring/evaluating merchandise performance is a return on investment measure called
- (a) ROI
 - (b) GROI
 - (c) GMROI
 - (d) ROA
 - (e) PME
15. This analysis utilizes the general 80-20 principle that implies that approximately 80 percent of a retailers sales or profits come from 20 percent of the products
- (a) Multi-Attribute Analysis
 - (b) ABC Analysis
 - (c) Sell-through Analysis
 - (d) Gross Margin Analysis
 - (e) GMROI Analysis
16. Strategic Profit Model id developed by:
- (a) Dupont
 - (b) Walmart
 - (c) McDonald's
 - (d) F.W. Taylor
17. Gross margin is calculated by:
- (a) Gross sales+ COGS
 - (b) Gross sales- COGS
 - (c) Net sales+ COGS
 - (d) Net sales- COGS
18. You go into Christian Family store to buy a Bible making you the 100th customer in there. Unfortunately, after the 90th Bible, they run out of Bibles. Christian Family store has a level of support of
- (a) 100% because of their caring customer service
 - (b) 10% because of their shortage of Bibles
 - (c) 90% because of being able to have a supply of 90
 - (d) 0% for running out of Bibles
 - (e) None of the Above
19. Quantity available is
- (a) Quantity on hand - Quantity on order
 - (b) Quantity on hand + Quantity on order

- (c) Quantity on order / Quantity on hand
 - (d) Quantity on hand * Quantity on order
20. A fictional store called Christian Family has a Gross Margin of 45% , Cost of Goods sold at 11,000, calculate the net sales
- (a) 9,000
 - (b) 22,000
 - (c) 20000
 - (d) 12,000
 - (e) 15,000
21. If you have Inventory Turnover on Christian CD's to be 7 times in 6 months, the IT expressed on an annual basis is
- (a) 13
 - (b) 1.1
 - (c) 42
 - (d) 12
 - (e) 14
22. For a month that is over,
- (a) The Actual EOM stock = Projected BOM stock
 - (b) The Actual EOM stock = Planned EOM stock
 - (c) The Actual EOM stock = Projected EOM stock
 - (d) The Actual EOM stock = Planned BOM stock
 - (e) The Actual EOM stock =0
23. Average Inventory in GMROI is measured at
- (a) Cost because a retailer's investment in inventory is the cost of the inventory
 - (b) Cost because a retailer's investment in inventory is the retail of the inventory.
 - (c) Retail because a retailer's investment in inventory is the retail of the inventory.
 - (d) Retail because a retailer's investment in inventory is the cost of the inventory.
 - (e) None of the above
24. This is equal to the inventory we have at the beginning of the month plus what we buy minus what we get rid of through sales or other inventory reductions
- (e) Planned EOM stock
 - (f) Actual EOM stock
 - (g) projected EOM stock
 - (h) Actual BOM stock
 - (i) Planned BOM stock

25. GMROI is a financial ratio that
- (a) Measures how many gross margin rupees are spent on every dollar of inventory investment.
 - (b) Measures how many gross margin rupees are earned on every dollar of inventory investment.
 - (c) Measures how many gross margin rupees are earned on every 100 dollars of inventory investment at retail
 - (d) Measures how many gross margin rupees are earned on every 100 dollars of inventory investment at cost
 - (e) None of the Above
26. GMROI that is
- (a) Higher is better for business
 - (b) Lower is better for business
 - (c) Higher is worse for business
 - (d) Lower is worse for business
 - (e) Both A & D
27. _____cost accounting measures the cost of producing and ignores the cost of non-producing.
- (a) Traditional
 - (b) Conventional
 - (c) Management
28. If the cost of producing one unit of a product is Rs. 5.00 and the firm adds a “mark up” of 40%, what is the resulting S.P.?
- (a) 6.25
 - (b) 7.00
 - (c) 5.4
 - (d) 9.00
29. The onus of advertising, pricing and sales promotion policies is put on _____ distribution.
- (a) Exclusive
 - (b) Integral
 - (c) Integrated
 - (d) Multi
30. _____ provides more information than Advertising and is relatively inexpensive.
- (a) Personal selling

- (b) Publicity
 - (c) Sales promotion
 - (d) Direct selling
31. The layout strategy that deals with low-volume, high-variety production is
- (a) fixed-position layout
 - (b) retail layout
 - (c) warehouse layout
 - (d) office layout
 - (e) none of the above
32. A good layout requires determining
- (a) material handling requirements
 - (b) capacity and space requirements
 - (c) environment and aesthetics
 - (d) cost of moving between various work areas
 - (e) all of the above
33. In the use of relationship charts for office layouts, the code "U" means the closeness between two departments is
- (a) (U)nknown
 - (b) (U)nusually important
 - (c) (U)nimportant
 - (d) of (U)sual importance 3
34. Which rating reflects the highest importance for two departments' closeness to each other?
- (a) A
 - (b) E
 - (c) I
 - (d) O
 - (e) X
35. Which of the following does not support the retail layout objective of maximizing customer exposure to products?
- (a) convey the store's mission with the careful positioning of the lead-off department
 - (b) use prominent locations for high-impulse and high-margin items
 - (c) maximize exposure to expensive items
 - (d) use end-aisle locations

36. Which type of layout is used to achieve a smooth and rapid flow of large volumes of output?
- (a) process-oriented
 - (b) batch-oriented
 - (c) product-oriented
 - (d) unit production
 - (e) e. fixed-position
37. A product layout would be most appropriate in which of the following cases?
- (a) a grocery store
 - (b) a doctor's office
 - (c) a gourmet restaurant
 - (d) a fast food restaurant
38. Retail store is a place where decisions by consumer regarding _____ is taken.
- (a) To buy a commodity at the spot.
 - (b) To ensure sales of goods
 - (c) Allocation of resources
39. Registration certificate is required to run a particular store. Why is this required?
- (a) This gives an identity to particular store
 - (b) store is then known by registered name
 - (c) Registration certificate is not required
 - (d) Both a and b
40. Inventory turnover is ratio at which the retailer primarily decides
- (a) depletes and refills stock over period of time
 - (b) takes decision about display strategy
 - (c) retail outlet ambience is decided
 - (d) Both a and c
41. OMS is a plan for retail store which systematically
- (a) lists all operating functions to be performed in store
 - (b) Ensures optimum utilization of resources
 - (c) Make employees accountable for their responsibilities
 - (d) None of the above
42. The concept of centralized retailer is applicable
- (a) Where retailer has many stores
 - (b) Where retailer has only one store
 - (c) Where retailer has adopted selective distribution strategy

- (d) Where retailers have adopted intensive distribution strategy
43. Which model is used to calculate the level of store attraction based on store size and distance from the consumer?
- (a) retail multiattribute model
 - (b) retail attraction model
 - (c) retail attribution model
 - (d) retail geographic model
 - (e) retail distribution model
44. Jim is trying to determine the level of his store's attraction by using the square footage as a measure of breadth of merchandise and the distance to the store from different geographic areas. Which model is he using?
- (a) retail multiattribute model
 - (b) retail gravitation model
 - (c) retail attribution model
 - (d) retail geographic model
 - (e) retail distribution model
45. For which product are consumers more willing to travel longer distances to shop for?
- (a) toothpaste
 - (b) wedding dress
 - (c) beer
 - (d) laundry detergent
 - (e) soft drinks
46. The purchase of products involves the risk that they may not perform as expected, causing which of the following to be high?
- (a) social cost
 - (b) time cost
 - (c) effort cost
 - (d) physical cost
 - (e) all of the above
47. Which of the following is NOT a type of cost associated with perceived risk?
- (a) social cost
 - (b) time cost
 - (c) effort cost
 - (d) physical cost
 - (e) spatial cost

48. Tylenol, which is an analgesic known as acetaminophen, warns in some of its advertising that consumers should read labels carefully because several other types of medications include acetaminophen (e.g., Tylenol Sinus) and consumers could overdose on this medicine and potentially suffer liver damage. Which type of cost is associated with this risk?
- (a) social cost
 - (b) time cost
 - (c) effort cost
 - (d) physical cost
 - (e) mental cost
49. Lori purchased new tires for her car, and she can bring it back every 5,000 miles to have the tires rotated for free. However, Lori doesn't do it because that would require that she take her car to the shop and either leave it and have someone get her and take her back later or sit and wait for the tires to be rotated. Which type of cost does this represent?
- (a) social cost
 - (b) time cost
 - (c) effort cost
 - (d) physical cost
 - (e) mental cost
50. Purchase of which product typically represents low social risk and low economic risk for consumers?
- (a) deodorant
 - (b) automobile
 - (c) socks
 - (d) auto repairs
 - (e) hair cut/style
51. Which of the following barriers to online purchasing is related to consumer fears regarding how personal information about them that is gathered online might be used?
- (a) lack of "touch"
 - (b) online privacy concerns
 - (c) economic costs
 - (d) opportunity costs
 - (e) dispersion concerns
52. How can firms enhance consumers' control with regard to online privacy concerns?
- (a) don't ask for information
 - (b) use bots
 - (c) use blogs
 - (d) use "opt in" approach

- (e) use search engine optimization approaches
53. Sarah just purchased some casual twill pants from L.L.Bean. When she was checking out, she was asked for her e-mail address. Below that box was a box that was checked that indicated she would like to receive promotion messages and have her information shared with similar marketers. She unchecked that box because she did not want to receive these promotional offers and did not want her information shared. This is an example of which approach online retailers are using to enhance consumers' control?
- (a) “opt-in” approach
 - (b) behavioral targeting
 - (c) search engine optimization
 - (d) bots
 - (e) blogs
54. MVM (My Virtual Model) helps consumers shopping online overcome which barrier?
- (a) security
 - (b) information quantity
 - (c) lack of touch
 - (d) flow
 - (e) difficulty
55. Which of the following is an online shopper segment?
- (a) Shopping Lovers
 - (b) Adventurous Explorers
 - (c) Suspicious Learners
 - (d) Fun Seekers
 - (e) all of the above
56. Which of the following is NOT an online shopper segment?
- (a) Technocrats
 - (b) Adventurous Explorers
 - (c) Suspicious Learners
 - (d) Fun Seekers
 - (e) all of the above are online shopper segments
57. Cindy did almost all of her Christmas shopping on the Internet last year. She enjoys buying online and does so frequently. She'll tell anybody who will listen how wonderful it is to shop online, especially since she lives in a small city that does not have all the wonderful retail stores she likes. Cindy would be categorized as which segment of online shopper?
- (a) Retailer's Dream

- (b) Shopping Lovers
 - (c) Fun Seekers
 - (d) Adventurous Explorers
 - (e) Cyber Shopper
58. Hank is seen by others as the guy to go to if they have questions related to the Internet. He recently helped his friend download music from iTunes for his new iPod MP3 player. Hank also likes to shop online because, to him, it's more fun than going to a store. To which segment of online shoppers does Hank belong?
- (a) Retailer's Dream
 - (b) Shopping Lovers
 - (c) Fun Seekers
 - (d) Adventurous Explorers
 - (e) Cyber Shopper
59. Which segment of online shoppers, while open to new ways of doing things, are reluctant to purchase online because of their lack of computer training?
- (a) Suspicious Learners
 - (b) Business Users
 - (c) Fearful Browsers
 - (d) Technology Muddlers
 - (e) Shopping Avoiders
60. While John is open to new ways of doing things and he's not afraid of giving a computer his credit card number, he is reluctant to purchase online due to his lack of confidence in using a computer. He has never had any training on using a computer. To which segment of online shoppers does John belong?
- (a) Suspicious Learners
 - (b) Business Users
 - (c) Fearful Browsers
 - (d) Technology Muddlers
 - (e) Shopping Avoiders
61. Which of the following is NOT a type of cost associated with perceived risk?
- (a) social cost
 - (b) time cost
 - (c) effort cost
 - (d) physical cost

62. Inventory turnover is ratio at which the retailer primarily decides
- (a) depletes and refills stock over period of time
 - (b) takes decision about display strategy
 - (c) retail outlet ambience is decided
 - (d) Both a and c
63. _____ provides more information than Advertising and is relatively inexpensive.
- (a) Personal selling
 - (b) Publicity
 - (c) Sales promotion
 - (d) Direct selling
64. A fictional store called Christian Family has a Gross Margin of 45% , Cost of Goods sold at 11,000, calculate the net sales
- (a) 9,000
 - (b) 22,000
 - (c) 20000
 - (d) 12,000
- 65 Which of the following components represent the service dimension of a store's image?
- (a) quality, selection, style, and price
 - (b) layaway plan, sales personnel, easy return, credit, and delivery
 - (c) location and parking
 - (d) congeniality, fun, excitement, and comfort
 - (e) store reputation
66. Good product offers and information, value, and alignment with consumers' interests are components of which dimension of online retailer image?
- (a) usefulness
 - (b) enjoyment
 - (c) trustworthiness
 - (d) style
 - (e) familiarity
67. Kelly likes to shop at Target. She really likes the Archer Farms brands with the rooster on the label, which is one of Target's own brands and can only be purchased there. These types of brands are known as _____.
- (a) primary brands
 - (b) secondary brands
 - (c) store brands

- (d) internal brands
- (e) limited distribution brands

68. What is the key to success of store brands?

- (a) low price
- (b) low quality, but at a low price
- (c) high quality at a high price
- (d) high quality at a reasonable price
- (e) attractive packaging

69. The total number of members in a channel is called

- (a) Channel Length.
- (b) Distribution Pattern.
- (c) Distribution Intensity.
- (d) Channel Width.

70. For which of the following markets would producers use a short channel of distribution:

- (a) Baby boomers
- (b) Local consumers
- (c) Generation X
- (d) Senior citizens

Ans: (1)(e), (2)(d), (3)(e), (4)(c), (5)(b), (6)(a), (7)(d), (8)(c), (9)(a), (10)(d), (11)(c), (12)(b), (13)(a), (14)(d), (15)(c), (16)(b), (17)(c), (18)(e), (19)(e), (20)(a), (21)(c), (22)(b), (23)(a), (24)(a), (25)(b), (26)(a), (27)(b), (28)(a), (29)(d), (30)(a), 31(e), 32(e), 33(c), 34(a), 35 (c), 36 (c), 37 (d). 38 (a), 39(d), 40 (a), 41 (a), 42 (b), (43)(b), (44)(b), (45)(b), (46)(e), (47)(e), (48)(d), (49)(b), (50)(c), 51(b), 52(d),53(a), 54(c), 55(e), 56(a), 57(b), 58(d), 59(a), 60(a), 61(d), 62(a), 63(a), 64(a), 65(c), 66(a), 67(c), 68(c), (69) (a), 70(b)

(c) **Fill in the Blanks:**

1 _____ analysis is a candid evaluation of the opportunities and threats facing an existing retailer.

2 A _____ is a retail firm that is formally incorporated under state law.

3 In _____ retailing, retailers identify specific customer segments and deploy unique strategies to address the desires of those segments rather than masses.

4 _____ aiming at two or more distinct consumer gps.

5 Store location is a _____ variable.

- 6 Consumers are _____ variables.
 7 _____ laws prohibit retailers from discussing selling price, with competitors.
 8 _____ laws make it illegal to lure shoppers into a store to buy low prices item
 and then aggressively switch them to higher price ones.
 9 _____ layout is best illustrated by most grocery and drugstore.
 10 _____ is also known as boutique layout.

Ans. (1)(Situational), (2)(Corporation), (3)(Miche), (4)(Differentiated), (5)(Controllable),
 (6)(Uncontrollable), (7)(Collusion), (8)(Bait and Switch), (9)(Grid), (10)(Free-from
 Layout)

II Short Answer Type Questions:

- 1 Describe how a retailer can use fine-tuning in strategic planning.
- 2 How are the control and feedback phases of retail strategy planning interrelated?
- 3 Present a brief operations blueprint for a fast food restaurant.
- 4 What are the pros and cons of prototype stores? For which kind of firms in this type of store least desirable?
- 5 What factors should retailers consider when assessing opportunity cost?
- 6 Why is it necessary to develop a thorough, well-integrated retail strategy? What could happen if a firm does not develop such a strategy?
- 7 How would situation analysis differ for a major appliance store chain and an online major appliance retailer?
- 8 What are the pros and cons of starting a new bakery versus buying an existing one?
- 9 Develop a checklist to help a prospective service retailer choose the proper service category in which to operate.
- 10 Why do retailers frequently underestimate the financial and time requirements of a business?
- 11 Differentiate between an IPO and an LBO?
- 12 What is zero-budgeting? Why do most retailers utilize incremental budgeting despite its limitations?
- 13 How could a seasonal retailer improve its cash? How during periods when it must buy goods for future selling periods?
- 14 Describe the relationship of assets, liabilities and net worth for a retailer? How is a balance sheet useful in examining these items?
- 15 Why would a retailer be interested in job-standardization and cross training for its employees?
- 16 Why have location decisions become more important in recent years?
- 17 What are the factors that a retailer needs to take into account while closing a location for a retail store?

- 18 What is the trade area? Would a trading area vary for different types of retailers? Discuss.
- 19 What are the factors contributing to store atmospherics?
- 20 Present a five-step plan for a retailer to reassure customers that it is safe to shop there.
- 21 What are the benefits of trade area analysis?
- 22 Describe the benefits and drawbacks of the grid vs bouquet layouts.
- 23 What are the objectives of a good store design?
- 24 Briefly describe the responsibilities of a store manager.
- 25 Why it is important for retailers to know the difference between needs and desires?
- 26 Is Customer service more important for store based retailer or electronic retailer? Why? Illustrate giving importance for customers service.
- 27 Write notes on retail formats in India and abroad and their unique characteristics.
- 28 Write short notes on methods of CRM practiced in retailing.
- 29 Explain the meaning of Store Atmospherics and its importance
- 30 Compare the grid and free-form layout
- 31 What makes locational decisions in retailing, strategic in nature? Discuss with suitable examples the factors necessary to consider before selecting a final site for any store.
- 32 How important is the role of pricing in retail marketing mix? Briefly discuss the various retail pricing approaches available to the retailer.
33. Describe role of franchisor and franchisee. Discuss the reasons for the success of franchising in India .
34. Explain the strategic retail planning process in detail.
35. What factors that a retailer needs to take into account while choosing a location for a retail store.
36. Explain zero-budgeting? Why do most retailers utilize incremental budgeting techniques?
37. Discuss relationship of assets, liabilities and net worth for a retailer?
38. What is the trade area? Would a trading area vary for different types of retailers? Discuss.
39. What are the benefits of trade area analysis?
40. Briefly describe the concept of CRM.

III Long Answer Type Questions:

- 1 Does strategic planning become more or less important as the uncertainty that the retailer faces increases?
- 2 Describe the various steps in the retail strategic planning process.
- 3 Discuss the developments in the retail property in India? What are the problems that are likely to arise due to the rapid and unplanned development?
- 4 Discuss the impact of high real estate cost and the general unavailability of large sites in metropolitan areas on the retail industry in India.
- 5 Explain the following terms with Indian examples
 - (a) Hypermarket

- (b) Supermarket
 - (c) Discount Store
 - (d) Dollar Stores
 - (e) Airport Retailing
- 6 Explain the following terms
- (a) Scrambled Merchandizing
 - (b) Off price Retailers
 - (c) Leased Departments
 - (d) Cash and Carry
- 7 How do facilities like adequate parking and easy access to public transportation affect the developments of shopping areas?
- 8 What are the challenges that will be faced by a concept like airport retailing in India?
- 9 In many malls, fast food retailers are located together in an area known as a food court. What are this arrangement's advantages and disadvantages of the fast food retailer?
- 10 Pick your favourite store. Explain why you believe it is in the best location given its target market.
- 11 Choose a pure-play internet retailer. Do you think it will be profitable in the next five years?
- 12 Compare the strategy mixes of specialty and convenience stores.
- 13 Differentiate between the consumer decision process for goods and services
- 14 Discuss the advantages and disadvantages of carrying a retailers own brand.
- 15 Why should the retailers employ multiple performance measures to evaluate performance?
- 16 Why is strategic planning so important in retailing today? Has it always been this way, or has the ever-changing retail environment influenced your answer?
- 17 Explain the importance of merchandize planning in merchandize management.
- 18 What are the elements of merchandize planning?
- 19 How would the function of merchandizing differ for a lifestyle retailer as compared to as food and grocery retailer?
- 20 How does a staple merchandise buying system operate? Also describe the advantages and limitations of any two alternatives store layouts
- 21 Compare in detail, the retail mix of convenient stores, specialty stores and departmental stores.
- 22 What factors need to be considered in identifying an attractive geographic location for a store?
- 23 Why do consumers engaged in outshopping? What could be done to encourage them to shop closure to home?
- 24 Is cross shopping good or bad for a retailer? Explain your answer.
- 25 Contrast the mass market approach used by a fast food restaurant with the concentrated marketing approach used by an upscale restaurant. What is the key to each firm succeeding?

- 26 Explain the strategic profit model. How does this model assist the retailers in planning and evaluating their market and financial strategies?
- 27 What are the strategic decisions with respect to store design and its layout? How to make the design and layout effective in influencing the target customers and helps improve consumer behavior in retailing? Discuss with the example.
- 28 Discuss the GAP's model of customer service in retailing. What types of customers and other gaps exist? What strategies are used to bridge these gaps? Give examples.
- 29 Describe in detail the steps involved in developing a retail communication programme.
- 30 What is Trade Area Analysis? Explain using an example.
- 31 Explain Store and Non-Store Retailing in detail. Do you think Non-Store retailing will grow faster than Store retailing? Justify your answer.
- 32 Explain the strategic retail planning process in detail. Why is it necessary to develop a well integrate strategy?
- 33 Explain any five pricing strategies adopted by retailers. What is markup pricing?
- 34 What are the factors that a retailer needs to take into account while designing a store?
- 35 Why is strategic planning so important in retailing today? Discuss its importance in today's context.
- 36 What do you understand by service quality perception. Discuss the significance of SERVQUAL.
- 37 Discuss various method of trade area analysis.
- 38 Is cross shopping good or bad for a retailer? Explain your answer.
- 39 Discuss the significance of merchandising in retail. Elaborate various methods of merchandising.
- 40 Explain the stages for the evolution of retailing.

UNIT - III

I Test Your Skills:

(a) State Whether the Following Statements are True or False:

- 1 Advertising is paid, non-personal communication transmitted through out of store mass media by an identified sponsor.
- 2 Retailers usually have more geographically concentrated target markets than manufacturers.
- 3 Public diversity entails any communication that fosters a favorable image for the retailer among its publics.
- 4 Managing diversity is a human resource management adversely designed to realize the benefits of diverse workforce.

- 5 Employee's privacy protection is unlimited.
- 6 Developing retail programs for small group or individual customers is referred to as 1-to 1 retailing.
- 7 Development of sense of community is one of the approaches for building CRM.
- 8 Category management is process of managing wholesale business
- 9 Reason for category management was that collaboration with supplier will be helpful in development of categories
- 10 Precondition of category management is that it should be divided and arranged as per retailers case
- 11 Category management is process of classifying and managing product categories as strategic business units
- 12 It is said that definition of category remains same from situation to situation
- 13 Under category assessment step, retailer conduct an analysis of category's . sub category's , segments with respect to sales , turnover , profits , return on assets by reviewing consumer, market, retailer
- 14 Under category management step, retailers develop marketing and product supply strategies that determine category role and performance objectives.
- 15 Traffic building strategy is used to divert customers attention towards store , or category

Ans. (1)(T), (2)(T), (3)(T), (4)(T), (5)(F), (6)(T), (7)(T), 8 (F), 9(T), 10 (F), 11 (T), 12 (F), 13(T), 14(T), 15(F)

(b) Multiple Choice Questions:

1. Purchase data collected at the point of sale goes into a huge database known as
 - (a) POS
 - (b) PDA
 - (c) Data Warehouse
 - (d) EDI
 - (e) None of the Above

2. The computer-to-computer exchange of business documents from retailer to vendor, and back. In addition to sales data, purchase orders, invoices, and data about returned merchandise are transmitted from retailer to vendor
 - (a) Electronic Data Interchange
 - (b) Electronic Data Exchange
 - (c) Exchange Date Interchange
 - (d) Data Electronic Interchange
 - (e) Data Warehouse Exchange

3. The part of the supply chain process that plans, implements, and controls the efficient, effective flow and storage of goods, services, and related information from the point of origin to the point of consumption in order to meet customers requirements.
 - (a) Data Warehouse
 - (b) Logistics
 - (c) EDI
 - (d) ROI
 - (e) GMROI

4. Internal records are an important source of information. Which of the following are not deemed as internal records?
 - (a) Customer service records.
 - (b) Marketing and sales records
 - (c) Competitor information
 - (d) Manufacturing records
 - (e) Accounting records

5. Dunn and Bradstreet is the world's largest research organisation that specialises in information management and marketing intelligence. Which is one of its largest subsidiaries that are focused upon the retail industry?
 - (a) Key Account Scantrack.
 - (b) Nielsen.
 - (c) Info Act Workstation
 - (d) Homescan

6. There are various types of research designed to obtain different types of information. What type of research is used to define problems and suggest hypotheses?
 - (a) Descriptive research
 - (b) Causal research.
 - (c) Secondary research
 - (d) Primary research

7. What type of research would be appropriate in the following situation?
L'Oreal wants to determine whether a new line of deodorants for teenagers will be profitable.
 - (a) Mixed methodology
 - (b) Primary research
 - (c) Focus groups.
 - (d) Qualitative research

- (e) Quantitative research
8. Which of the following is not a defined use of marketing research?
- (a) To justify previous marketing decisions.
 - (b) To improve understanding of the marketing process.
 - (c) To generate, refine and evaluate marketing actions
 - (d) To monitor marketing performance.
 - (e) To identify and define marketing opportunities and problems
9. Which of the following is not a sales forecasting method?
- (a) Binomial regression
 - (b) Leading indicators
 - (c) Time series analysis
 - (d) Time lag analysis
10. What type of research would be appropriate in the following situation?
Nestlé wants to investigate the impact of children on their parents' decisions to buy breakfast foods.
- (a) Mixed methodology.
 - (b) Secondary research
 - (c) Quantitative research
 - (d) Qualitative research
 - (e) Focus groups
11. What type of research would be appropriate in the following situation?
A college or university bookshop wants to get some insights into how students feel about the shop's merchandise, prices and service.
- (a) Quantitative research
 - (b) Mixed methodology.
 - (c) Secondary research
 - (d) Focus groups
12. Why is market research an essential tool for the marketing manager?
- (a) Develop more appropriate marketing mixes
 - (b) Understand segments' needs and wants.
 - (c) Monitor progress and diagnose the root causes of marketing problems.
 - (d) Define and locate market segments.
 - (e) Monitor changing needs and attitudes, etc.
 - (f) All of the above.

13. Approaches that retailers use to retain their best customer are
- (a) Frequent Shopper Programs
 - (b) Special Customer Service
 - (c) Personalization
 - (d) All of the above
14. Cross-selling is selling of
- (a) Complementary product/service
 - (b) Selling of crosses
 - (c) None of these
15. Add-on selling
- (a) Selling additional new product/services
 - (b) Cross selling of the product
 - (c) Selling of other bank's product
16. The areas which become active after promotion budgets have been set and funds are allocated to promotion mix elements are known as-
- (a) Sales promotion, Advertising
 - (b) Sales management, Advertising
 - (c) Sales promotion, Sales management
 - (d) Publicity, Sales management
17. The use of a name, symbol or design to identify a particular product is known as:
- (a) Advertising
 - (b) Promotion
 - (c) Pricing
 - (d) Branding
18. Communicating with the customer is a
- (a) Controllable Variables
 - (b) External Variable
 - (c) Uncontrollable Variables
 - (d) None of these
19. Sarah just purchased some casual twill pants from L.L.Bean. When she was checking out, she was asked for her e-mail address. Below that box was a box that was checked that indicated she would like to receive promotion messages and have her information shared with similar marketers. She unchecked that box because she did not want to receive these

- promotional offers and did not want her information shared. This is an example of which approach online retailers are using to enhance consumers' control?
- (a) “opt-in” approach
 - (b) behavioral targeting
 - (c) search engine optimization
 - (d) bots
 - (e) blogs
20. MVM (My Virtual Model) helps consumers shopping online overcome which barrier?
- (a) security
 - (b) information quantity
 - (c) lack of touch
 - (d) flow
 - (e) difficulty
21. Which of the following is an online shopper segment?
- (a) Shopping Lovers
 - (b) Adventurous Explorers
 - (c) Suspicious Learners
 - (d) Fun Seekers
 - (e) all of the above
22. Which of the following is NOT an online shopper segment?
- (a) Technocrats
 - (b) Adventurous Explorers
 - (c) Suspicious Learners
 - (d) Fun Seekers
 - (e) all of the above are online shopper segments
23. Cindy did almost all of her Christmas shopping on the Internet last year. She enjoys buying online and does so frequently. She'll tell anybody who will listen how wonderful it is to shop online, especially since she lives in a small city that does not have all the wonderful retail stores she likes. Cindy would be categorized as which segment of online shopper?
- (a) Retailer's Dream
 - (b) Shopping Lovers
 - (c) Fun Seekers
 - (d) Adventurous Explorers
 - (e) Cyber Shopper

24. Hank is seen by others as the guy to go to if they have questions related to the Internet. He recently helped his friend download music from iTunes for his new iPod MP3 player. Hank also likes to shop online because, to him, it's more fun than going to a store. To which segment of online shoppers does Hank belong?
- (a) Retailer's Dream
 - (b) Shopping Lovers
 - (c) Fun Seekers
 - (d) Adventurous Explorers
 - (e) Cyber Shopper
25. Which segment of online shoppers, while open to new ways of doing things, are reluctant to purchase online because of their lack of computer training?
- (a) Suspicious Learners
 - (b) Business Users
 - (c) Fearful Browsers
 - (d) Technology Muddlers
 - (e) Shopping Avoiders
26. While John is open to new ways of doing things and he's not afraid of giving a computer his credit card number, he is reluctant to purchase online due to his lack of confidence in using a computer. He has never had any training on using a computer. To which segment of online shoppers does John belong?
- (a) Suspicious Learners
 - (b) Business Users
 - (c) Fearful Browsers
 - (d) Technology Muddlers
 - (e) Shopping Avoiders
27. Which online shopper segment is the most computer literate, does not view online shopping as novel, and aren't usually champions of the practice?
- (a) Suspicious Learners
 - (b) Business Users
 - (c) Fearful Browsers
 - (d) Technology Muddlers
 - (e) Shopping Avoiders
28. Barry is considerably computer literate, and he uses it all the time in his profession. He's a free-lance writer and uses the Internet to search for information, and most of his work is sent back and forth to his editors via the Internet. While Barry does shop online, it's nothing novel to him. To which segment of online shoppers does Barry belong?

- (a) Suspicious Learners
 - (b) Business Users
 - (c) Fearful Browsers
 - (d) Technology Muddlers
 - (e) Shopping Avoiders
29. Christine has never purchased anything from the Internet. She likes to look at items on the Internet, but she doesn't want to give her credit card number or pay shipping charges. To which segment of online shoppers does Christine belong?
- (a) Suspicious Learners
 - (b) Business Users
 - (c) Fearful Browsers
 - (d) Technology Muddlers
 - (e) Shopping Avoiders
30. Which segment of online shoppers has an appealing income, but they don't purchase from the Internet because they don't like to wait for products to be shipped to them, and they like seeing merchandise in person before buying?
- (a) Suspicious Learners
 - (b) Business Users
 - (c) Fearful Browsers
 - (d) Technology Muddlers
 - (e) Shopping Avoiders
31. Tasha doesn't understand all the hype about Internet shopping. When she shops, she wants to personally see the item, and she wants it right then, not 5-9 business days latter. Tasha belongs to which segment of online shoppers?
- (a) Suspicious Learners
 - (b) Business Users
 - (c) Fearful Browsers
 - (d) Technology Muddlers
 - (e) Shopping Avoiders
32. Even though Sam has a computer and online access, he doesn't spend much time using it. He hears how his friends purchase items online, but he really has no interest in that area. Sam belongs to which segment of online shoppers?
- (a) Suspicious Learners
 - (b) Business Users
 - (c) Fearful Browsers
 - (d) Technology Muddlers

- (e) Shopping Avoiders
33. Which segment of online consumers are the least wealthy and least educated, sees entertainment value in the Internet, but buying things online frightens them?
- (a) Suspicious Learners
 - (b) Fun Seekers
 - (c) Fearful Browsers
 - (d) Technology Muddlers
 - (e) Shopping Avoiders
34. Scott is twenty years old and has a high school education. He likes to go on the Internet to play games, but he's afraid to buy things online. Even if this was not so, he doesn't make enough money for him to be able to buy much anyway. Scott belongs to which segment of online shoppers?
- (a) Suspicious Learners
 - (b) Fun Seekers
 - (c) Fearful Browsers
 - (d) Technology Muddlers
 - (e) Shopping Avoiders
35. Which of the following is NOT a reason consumers gave for why they don't like shopping in stores?
- (a) don't like shopping
 - (b) dealing with crowds
 - (c) salespeople are poorly informed
 - (d) parking and traffic
 - (e) all of the above were reasons why consumers don't like shopping in stores
36. What was the MAIN reason consumers gave in a survey for why they don't like shopping in stores?
- (a) don't like shopping
 - (b) dealing with crowds
 - (c) salespeople are poorly informed
 - (d) parking and traffic
 - (e) the time it takes to shop
37. Suzy is having her 6th birthday party at Club Libby Lu at a department store in the mall. She and six of her friends will get a complete “make-over” with glittery makeup and shiny

- extensions added to their hair. This is an example of which approach retailers are taking to improve the shopping experience?
- (a) kiosks
 - (b) mini-stores
 - (c) lifestyle centers
 - (d) brand stores
 - (e) “destination areas” within stores
38. Consumers who browse and/or purchase in more than one channel are known as _____.
- (a) cosmopolitan
 - (b) multi-channel shoppers
 - (c) multi-taskers
 - (d) market mavens
 - (e) opinion leaders
39. Which of the following affects consumers' retail outlet selection?
- (a) outlet image
 - (b) retailer brands
 - (c) retail advertising
 - (d) outlet location and size
 - (e) all of the above
40. Which of the following is NOT a factor affecting consumers' retail outlet selection?
- (a) outlet image
 - (b) retailer brands
 - (c) retail advertising
 - (d) outlet location and size
 - (e) number of levels of distribution
41. A shopping style that puts particular emphasis on certain activities or shopping motivations is called a _____.
- (a) shopping segment
 - (b) shopping typology
 - (c) shopping orientation
 - (d) shopping perspective
 - (e) store atmosphere
42. Which of the following is a segment of consumers based on shopping orientation?
- (a) Chameleons
 - (b) Shopping Lovers

- (c) Adventurous Explorers
 - (d) Shopping Avoiders
 - (e) Fun Seekers
43. Kim likes to go to Sam's Warehouse because she can purchase large quantities of products such as paper and cleaning products. She likes to buy large quantities because she doesn't like to buy these things, so she figures she won't have to buy them that often if she purchases large quantities. Which shopping orientation best describes Kim?
- (a) Chameleons
 - (b) Scavengers
 - (c) Foragers
 - (d) Collectors/Gatherers
 - (e) Predators
44. Which of the following is a description of the shopping orientation known as *Predators*?
- (a) Their shopping styles are situation-specific or constantly changing.
 - (b) They are purposive and speed oriented in their shopping.
 - (c) They shop both to make purchases and as an activity.
 - (d) They like to shop.
 - (e) They have a propensity to stockpile items and to purchase large quantities to either save money or alleviate the need for shopping.
45. Which of the following is a variable that influences brand decisions inside a retail outlet?
- (a) point-of-purchase materials
 - (b) price reductions
 - (c) outlet atmosphere
 - (d) stockout situations
 - (e) all of the above
46. Purchases made in a retail outlet that are different from those the consumer planned to make prior to entering that retail outlet are called _____.
- (a) incremental purchases
 - (b) irrational purchases
 - (c) unplanned purchases
 - (d) emotional purchases
 - (e) deviant purchases
47. Unplanned purchases are further subdivided into which two categories?
- (a) primary and secondary
 - (b) direct and indirect
 - (c) reminder and impulse

- (d) generally planned and substitute
 - (e) latent and manifest
48. Which of the following is a theory proposed to explain why so many retail prices end just below a round number (i.e., 99)?
- (a) “left-to-right” theory
 - (b) sale-association theory
 - (c) multiattribute theory
 - (d) a and b
 - (e) a, b, and c
49. A retailer being temporarily out of a particular brand is called _____.
- (a) whiteouts
 - (b) blackouts
 - (c) stockouts
 - (d) shortage
 - (e) shrinkage
50. Which of the following is an ambient condition related to store atmosphere?
- (a) customer characteristics
 - (b) symbols
 - (c) layout
 - (d) temperature
 - (e) furnishings
51. Use of in-store advertising to broaden brand equity and encourage favorable purchase decisions is classified as
- (a) exclusive marketing
 - (b) shopper marketing
 - (c) outbound marketing
 - (d) inbound marketing
52. Collection of activities used to sell products to directly to end user for non business use is classified as
- (a) inter-modeling
 - (b) distribution operation
 - (c) wholesaling
 - (d) retailing

53. Retailer store which carries deep assortment of specialty product line and customers are served by knowledgeable staff is classified as
- (a) category killer
 - (b) discount killer
 - (c) limited inbound retailers
 - (d) limited outbound retailers
54. Retailing operation which is operated and owned by manufacturer and carries surplus or irregular goods is classified as
- (a) factory outlets
 - (b) warehouse clubs
 - (c) factory clubs
 - (d) surplus center
55. Retail stores such as Best Buy, Staples and Pet Smart are examples of
- (a) superstore
 - (b) outbound stores
 - (c) inbound stores
 - (d) intensive stores
56. Considering franchise organization, independent business people involved other than service organization is represented as
- (a) specialty line handlers
 - (b) corporate units
 - (c) franchisor
 - (d) franchisee
57. Contractual agreement between independent retailers that has set up central wholesale operation and conduct joint promotion is classified as
- (a) voluntary franchise
 - (b) involuntary cooperative
 - (c) retailer cooperative
 - (d) voluntary cooperative
58. Considering types of retailer stores, one which is low margin, high volume and offers self service operations to serve consumers grocery needs is classified as
- (a) selective market
 - (b) super market
 - (c) extensive market
 - (d) exclusive market

59. Retailer store 'Sears' is an example of
- (a) outbound store
 - (b) inbound store
 - (c) department store
 - (d) intensive store
60. Considering types of retailers, stores that are located near your residence, carry limited product line and remain open for seven days are called
- (a) selective store
 - (b) extensive store
 - (c) exclusive store
 - (d) convenience stores
61. Collection of activities used to sell products too directly to end user for non-business use is classified as
- (a) inter-modeling
 - (b) distribution operation
 - (c) wholesaling
 - (d) retailing
62. Use of in-store advertising to broaden brand equity and encourage favorable purchase decisions is classified as
- (a) exclusive marketing
 - (b) shopper marketing
 - (c) outbound marketing
 - (d) inbound marketing
63. Retailer store which carries deep assortment of specialty product line and customers are served by knowledgeable staff is classified as
- (a) category killer
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 - (c) limited inbound retailers
 - (d) limited outbound retailers
64. Retailing operation which is operated and owned by manufacturer and carries surplus or irregular goods is classified as
- (a) factory outlets
 - (b) warehouse clubs
 - (c) factory clubs
 - (d) surplus center

65. Merchandising and display are an important part of the marketing plan and should have a reasonable budget allocated, even for a retailer operating on a
- (a) corner.
 - (b) dime.
 - (c) limit.
 - (d) Shoestring.
66. The most important retail marketing decision a retailer has to make is to _____.
- (a) identify its target market
 - (b) choose the right service response it wants to support
 - (c) select the service mix
 - (d) Develop a nice store atmosphere
67. Expenses that benefit the entire store are called:
- (a) Controllable
 - (b) direct
 - (c) indirect
 - (d) Margin results
68. Consumers who browse and/or purchase in more than one channel are known as _____.
- (a) cosmopolitan
 - (b) Multi-channel shoppers
 - (c) multi-taskers
 - (d) Market mavens
69. In which of the following retailers are salespeople ready to assist in every phase of the locate-compare-select process?
- (a) self-service.
 - (b) self-selection.
 - (c) limited service.
 - (d) full service.
70. Retailers often stock generic brands because they want to appeal to _____ customers.
- (a) quality-conscious
 - (b) high-income
 - (c) status-oriented
 - (d) price-oriented

Ans. 1(c), 2(a), 3(b), 4(c), 5 (b), 6 (a), 7 (a). 8 (a), 9(a), 10 (e), (11)(b), 12 (f), (13)(d), (14)(a), (15)(a), (16)(d), (17)(d), (18)(c), (19)(a), (20)(c), (21)(e), (22)(a), (23)(b), (24)(d), 25)(a), (26)(a), (27)(b), (28)(b), (29)(c), (30)(e), 31(e), 32(d), 33(b), 34(b), (35)(e), (36) (c), (37) (e), (38)(b), (39)(e), (40)(e), (41)(c), (42)(a), (43)(d), (44)(b), (45)(e), (46)(c), (47)(c), (48)(d), (49)(c), (50)(d), 51(b), 52(d), 53(a), 54(a), 55(a), 56(d), 57(c), 58(b), 59(c), 60(d), 61(d), 62(b). 63(a), 64(a), 65(d), 66(a), 67(c), 68(b), 69(d), 70(d)

(c) Fill in the Blanks:

- 1 _____ is an assortment of items that the customer sees as a reasonable substitute for each other.
- 2 GMROI stands for _____.
- 3 A _____ is a merchandize category that generates a lot of sales for a relatively short time.
- 4 A _____ is a category of merchandise that typically lasts several seasons.
- 5 _____ are text files that identify visitors when they return to website.
- 6 _____ is a technique used to identify patterns in data.
- 7 RFM analysis stands for _____, _____ and _____.
- 8 _____ are organizations located in major buying centers.
- 9 _____ are fees paid by a vendor for space in a retail store.

- 10 A _____ is any mark, word, picture, device or nonfunctional design associated with certain merchandize.

Ans. (1)(Category), (2)(Gross Margin Return on Inventory), (3)(FTD), (4)(Fashion), (5)(Cookies), (6)(Data Mining), (7)(Recency, Frequency, Monetary), (8)(Resident Buying Offices), (9)(Slotting Allowances), (10)(Trademark)

II Short Answer Type Questions:

- 1 What are the major constraints in designing the optimal merchandising mix?
- 2 Do retailers explain the concept of lifestyle merchandizing? Is this concept applicable in India?
- 3 Explain the difference between the role of a buyer and the merchandiser. How has this role evolved over the past ten years?
- 4 What are the key personality traits needed for a person to be effective as a buyer and the merchandize manager?
- 5 Explain the five rights of merchandizing and their relevance in modern day retail.

- 6 Explain the importance of sourcing in the merchandize process.
- 7 Does your favorite clothing store have a strong private brand strategy? Should it?
- 8 When setting goals for a negotiation session with a vendor, what issues should a buyer consider?
- 9 What do you think will be the future of retail exchanges?
- 10 What factors should a buyer consider when deciding which vendors to develop a close relationship with?
- 11 What are the advantages and disadvantages of EDLP to a manufacturer?
- 12 What is the benefit of category management?
- 13 What are the advantages of private labels?
- 14 What problems can occur to buyer's open-to-buy if they misjudge planned sales?
- 15 How does the type of customer affect the level of customer service a retailer should offer?
- 16 Provide examples of suggestions selling in a home improvement store.
- 17 Should a retailer view its employees as a "cost" or as an "investment"? Support your reasoning.
- 18 Describe the different ways of measuring productivity in retail.
- 19 What are the components of a merchandise budget?
- 20 Describe various sales promotion measures that can be used in retail.
- 21 What are the elements of a store design?
- 22 Describe the Role of IT in retailing.
- 23 Does a sales script intended for use with retail customers a retail communication?
- 24 Who is a "retail investor"?
- 25 If a firm uses social media or a website to communicate with investors, is that a retail communication?
- 26 Differentiate between normal retail price communications and RPM?
- 27 Write a short note on Merchandise Budget.
- 28 Explain ABC analysis and its significance,
- 29 Explain the implications of open to buy system.
- 30 Explain the problems involved in case of very high or very low inventory.
- 31 What are the various pricing options available before today's retailers.
- 32 Describe the factors affecting a retail supply chain.

III Long Answer Type Questions:

- 1 What is the importance of the function of merchandizing in a retail organization.
- 2 Assume you have been hired to consult with the GAP on sourcing decision for sportswear.
- 3 You are considering opening a bath and linen shop. How would you go about finding a suitable resident buying office? What factors would you consider before making a decision?
- 4 Briefly explain:

- (a) Resident Buying Office
 - (b) Resident Buyer
 - (c) Independent Buying Office
 - (d) Salaried or Fixed Fee Office
- 5 List the merchandize hierarchy for the children's section of a department store.
- (a) Department
 - (b) Class
 - (c) Subclass
 - (d) Price Point
 - (e) Style
 - (f) Color
 - (g) Size
- 6 Why is model stock plan established?
- 7 Explain
- (a) Price Lining
 - (b) Price Zone
 - (c) Price Range
 - (d) Odd Pricing
- 8 Do retailers take advantage of their power positions by charging slotting fee, buy-backs and charge backs?
- 9 Is pricing really an interactive decision? Provide an example of how pricing should interact with a retailer's location, merchandise selection, and services offered.
- 10 Which markdown policy would be best for sporting goods? Explain your reasoning. Would your answer be the same for a specialty apparel store?
- 11 How can advertising, sales promotion and personal selling complement each other for a retailer?
- 12 How does a retailer coordinate employee's activities and motivate them to work towards the retailer's goals.
- 13 "Gap analysis provides a systematic method of examining a customers service programs effectiveness". In the light of the above statement explain hoe GAPS model can improve the retail service quality.
- 14 How can the GAPs model be applied towards reducing the service gap for a retail store?
- 15 Devise a customer relationship programme for a national chain of stores dealing in apparels?
- 16 In retailing customers and employees are distinct groups and have little in common. Agree or disagree and explain your answer.
- 17 Why should a new buyer look over the previous buyer's confidential vendor analysis before going to market?
- 18 Why is customer service important in retailing? Describe the various types of customer service a retailer can offer?

- 19 Suggest methods to reduce GAP3 in the context of retail.
- 20 Think about a hypothetical situation and describe how people navigate through a store.
- 21 Write a detailed note on merchandise planning and merchandise pricing. What is the concept of EDLP in retailing? Discuss with example.
- 22 What are the strategic decisions with respect to store design and its layout? How to make the design and layout effective in influencing the target customers and helps improve consumer behavior in retailing? Discuss with example.
- 23 What is Franchising? What are the advantages and drawbacks of franchising?
- 24 Elaborate Merchandise Management Process.
- 25 Describe the effectiveness of GAP analysis in retail management.
- 26 Explain the concept of Promotional Mix in context of Retailing.
- 27 Discuss central concept for setting price in Retail.
- 28 What are the difficulties in conducting Audit.
- 29 Is it right to say that “SCM is the process of effectively managing the flow of materials, information and finished goods from manufacturing and distribution chain to the ultimate consumer” Explain.
- 30 Setting the retail price of merchandise is complicated, but the most important aspects of managerial decision making. Explain
- 31 What do you mean by retail pricing? How elasticity of demand can be calculated/ Explain how consumer can affect retail pricing policy?
- 32 Critically explain the various methods of analyzing merchandise performance with suitable examples.
- 33 What do you mean by merchandise budget plan? Explain its various components and also discuss how a retailer can evaluate its merchandise budget plan effectively and prudently.

UNIT - IV

I Test Your Skills:

(a) State Whether the Statements are True or False:

- 1 The flow of information is complex in a retail environment.
- 2 Date warehousing is the coordinated and periodic copying of data from various sources, both inside and outside the enterprise, into an environment ready for analytical and informational processing.
- 3 Advanced shipping notice (ASN) is an electronic document received by the retailer's Computer from a supplier in advance of a shipment.
- 4 Popular in the grocery and drug industries, collaborations, planning, forecasting and recency.

- 5 A UPC code-the black and white bar code printed on the package of most products.
- 6 Audits are conducted regularly.
- 7 A vertical retail audit analysis – in depth- a firm’s performance in one area of the strategy mix or operations.
8. Selecting a retail outlet involves a different type of process as selecting a brand.
9. Catalogs have appeared to suffer due to the growth of the Internet.
10. Concern regarding credit card security is the major reason given among those who are online but have never made a purchase online.
11. Online marketers of apparel will never be able to overcome the lack of “touch” issue with consumers and as a consequence, apparel is having little sales success online.
12. For many people in-store shopping is perceived as neither fun nor an efficient use of time.
13. Multi-channel shoppers often browse/search in one channel and use that information to make a purchase in another channel.

Ans. (1)(T), (2)(T), (3)(T), (4)(F), (5)(T), (6)(T), (7)(T), (8)(F), (9)(F), (10)(T), (11)(F), (12)(T), (13)(T)

(b) Multiple Choice Questions:

1. The totality of the tangible and intangible product and customer service attributes offered to customers is referred to as:
 - (a) an augmented retail strategy
 - (b) an expected retail strategy
 - (c) value
 - (d) the value chain

2. The right to safety, the right to be informed, the right to choose, and the right to be heard are all parts of:
 - (a) an ethical code of conduct
 - (b) social responsibility
 - (c) consumerism
 - (d) ethics

3. The activities that seek to balance corporate citizenship with a fair level of profits for stockholders, management, and employees are referred to as:
 - (a) consumerism
 - (b) an ethical code of conduct
 - (c) social responsibility
 - (d) ethics

4. The intangibility of the service offering affects which service retailer the most?
- (a) owned goods
 - (b) rented goods
 - (c) non-goods
 - (d) non-rented goods
5. As the use of telemarketing grows, _____ has become a topic of discussion among consumers, Government, the Federal Trade Commission (FTC), and businesses. Product quality
- (a) price differences
 - (b) on-time delivery
 - (c) the choice of language to use
 - (d) consumer privacy
6. Which of the following statements about telemarketing is true?
- (a) Shopping bots are computers that place automated telemarketing calls.
 - (b) Direct mail is typically viewed as more efficient than telemarketing.
 - (c) Telemarketing has declined in popularity as companies have searched for ways to decrease costs.
 - (d) As the use of telemarketing grows, consumer privacy has become a greater concern.
 - (e) All of the above statements about telemarketing are true.
7. In response to the changes in the United States, many direct sellers are implementing a _____ strategy, expanding into other countries with their current product lines.
- (a) market development
 - (b) market penetration
 - (c) harvesting
 - (d) product development
 - (e) diversification
8. “Even among consumers who opt in to the e-mail barrage, there’s a fine line between legitimate marketing and _____.”
- (a) junk mail
 - (b) spam
 - (c) illegal marketing
 - (d) black marketing
 - (e) all of the above

9. There are two major concerns about the darker side of the Web. What are they?
- (a) Operating on analog information and digitalization.
 - (b) Internet profitability and legal and ethical issues.
 - (c) Using the old economy and the new economy.
 - (d) Problems with dot-coms and ISPs.
 - (e) None of the above.
10. Which of the following is not a category of marketing ethical issues?
- (a) Infringement of consumer rights.
 - (b) Price collusion amongst large producers.
 - (c) Over-pricing.
 - (d) Morality of the marketing director.
11. Which of the following is not a common source of criticism against marketing?
- (a) World Trade Organisation.
 - (b) United Nations.
 - (c) Society.
 - (d) Individuals.
12. The marketing concept holds that customers will remain loyal if:
- (a) The company produces a product with enough features to satisfy everybody.
 - (b) A company offers numerous 'specials'.
 - (c) The company's marketing activities are persuasive enough.
 - (d) The customers' needs are met at a price that represents value for money.
13. Select the correct definition of a market:
- (a) A market is a collection of people who actually or potentially want or need a product, and are able to exchange in order to acquire it.
 - (b) A market is a collection of buyers and sellers willing to exchange a product.
 - (c) A market is a mechanism that determines the price of products and services.
14. The process of turning marketing strategies into specific day-to-day, month-to-month actions is called:
- (a) Marketing Analysis.
 - (b) Marketing Control.
 - (c) Marketing Implementation.
 - (d) Marketing Planning.

15. A major tool of marketing controls is a comprehensive, systematic, independent, and periodic review of the company's environment, objectives, strategies, and activities to determine problem areas and opportunities. This tool is called the:
- (a) Profitability Plan.
 - (b) Strategic Plan.
 - (c) Marketing Plan.
 - (d) Marketing Audit.
16. The characteristics of customers is part of the:
- (a) Market Audit.
 - (b) Target Market.
 - (c) Demographics.
 - (d) Marketing Mix.
17. Which of the following does not represent part of the 5 step model for the marketing process?
- (a) Capture value from customers to create profit and customer quality.
 - (b) Designing a customer-driven marketing strategy.
 - (c) Understanding the marketplace and customer needs and wants.
 - (d) Conducting a competitor analysis, using the Porter's Five Forces Model.
18. A given consumer's or target market's perception of all the attributes associated with a retail outlet is generally referred to as the _____.
- (a) store atmosphere
 - (b) servicescape
 - (c) store image
 - (d) store ambiance
 - (e) store personality
19. The "Merchandise" dimension of store image includes _____.
- (a) quality
 - (b) selection
 - (c) price
 - (d) style
 - (e) all of the above
20. The "Service" dimension of store image includes all of the following EXCEPT _____.
- (a) easy return
 - (b) sales personnel
 - (c) delivery

- (d) credit
 - (e) all of the above are included
21. Which dimension of store image consists of quality, selection, style, and price components?
- (a) merchandise
 - (b) service
 - (c) physical facilities
 - (d) store atmosphere
 - (e) institutional
22. Rebecca is opening a women's shoe store. She is carefully considering the quality, selection, style, and price that she wants for her store. Which dimension of store image is she concerned with?
- (a) merchandise
 - (b) service
 - (c) physical facilities
 - (d) store atmosphere
 - (e) institutional
23. Which of the following components represent the service dimension of a store's image?
- (a) quality, selection, style, and price
 - (b) layaway plan, sales personnel, easy return, credit, and delivery
 - (c) location and parking
 - (d) congeniality, fun, excitement, and comfort
 - (e) store reputation
24. Wendy was describing to her friend what the American Girl store in Chicago is like. She was telling her about all the different rooms that were in the store, such as a room for each doll (e.g., Bitty Baby, Felicity, Kit, etc.), a room for furniture, a room for girl-sized clothing that matched the dolls' clothing, the tea room, and the auditorium where she saw a stage show. Which dimension of store image was Wendy describing?
- (a) merchandise
 - (b) service
 - (c) physical facilities
 - (d) convenience
 - (e) institutional
25. Good product offers and information, value, and alignment with consumers' interests are components of which dimension of online retailer image?
- (a) usefulness

- (b) enjoyment
 - (c) trustworthiness
 - (d) style
 - (e) familiarity
26. The trustworthiness dimension of an online retailer's image is represented by which components?
- (a) good product offers and information, value, aligned with interests
 - (b) fun, attractive, pleasant to browse
 - (c) easy to use and navigate, flexible site
 - (d) reputation, information safety and security
 - (e) fast and flexible delivery and transactions
27. Brands owned and sold by a specific retail outlet are known as _____.
- (a) primary brands
 - (b) secondary brands
 - (c) store brands
 - (d) internal brands
 - (e) limited distribution brands
28. Kelly likes to shop at Target. She really likes the Archer Farms brands with the rooster on the label, which is one of Target's own brands and can only be purchased there. These types of brands are known as _____.
- (a) primary brands
 - (b) secondary brands
 - (c) store brands
 - (d) internal brands
 - (e) limited distribution brands
29. What is the key to success of store brands?
- (a) low price
 - (b) low quality, but at a low price
 - (c) high quality at a high price
 - (d) high quality at a reasonable price
 - (e) attractive packaging
30. Sales of additional items to customers who came to purchase an advertised item are referred to as _____.
- (a) incremental sales
 - (b) spillover sales

- (c) marginal sales
 - (d) sales plus
 - (e) impulse sales
31. Harriet is very frugal, so she regularly combs the grocery ads looking for bargains. Usually she'll go to a particular store just to buy an advertised item, but sometimes she purchases other items that were not advertised as well. The purchase of the unadvertised items represent which type of sales?
- (a) incremental sales
 - (b) spillover sales
 - (c) marginal sales
 - (d) sales plus
 - (e) impulse sales
32. Which of the following is NOT a key decision for retailers considering price advertising?
- (a) How large a discount to use?
 - (b) Should a reference price be used?
 - (c) What verbal statements should be used?
 - (d) What is the cost of the item compared to the total media cost?
 - (e) None of the above are key decisions.
33. A price with which other prices are compared is known as a(n) _____.
- (a) reference price
 - (b) comparison price
 - (c) base price
 - (d) starting price
 - (e) internal price
34. When a retailer represents a price as “regularly \$15.99, now \$9.99,” the \$15.99 is called the _____.
- (a) starting price
 - (b) base price
 - (c) reference price
 - (d) comparison price
 - (e) markup
35. Leslie loves to shop at T.J. Maxx and feels she is saving a lot of money because the price tags usually have the manufacturer's suggested retail price (MSRP) listed and crossed off and the T.J. Maxx price below much lower. The MSRP is being used as a _____.
- (a) markup

- (b) base price
 - (c) reference price
 - (d) deceptive price
 - (e) perceptual price
36. Which of the following are types of reference prices?
- (a) primary and secondary
 - (b) direct and indirect
 - (c) latent and manifest
 - (d) internal and external
 - (e) high and low
37. Which type of reference price is presented by a marketer for the consumer to use to compare with the current price?
- (a) base reference price
 - (b) external reference price
 - (c) private reference price
 - (d) outlet reference price
 - (e) public reference price
38. Todd owns a discount sporting goods store, and several of the items in his store have a manufacturer's suggested retail price (MSRP) above Todd's lower price. Todd is using the MSRP as a(n) _____.
- (a) base reference price
 - (b) external reference price
 - (c) perceptual reference price
 - (d) internal reference price
 - (e) disclosed reference price
39. Which type of reference price or price range does a consumer retrieve from memory to compare with a price in the market?
- (a) base reference price
 - (b) historical reference price
 - (c) private reference price
 - (d) internal reference price
 - (e) repeat reference price

40. Neil is considering the purchase of a 4-wheeler ATV. He visited a distributor to look at different models, and when he looked at prices he compared them with a price his brother told him he paid for an ATV. The price Neil retrieves from memory is known as a(n) _____.
- (a) base reference price
 - (b) external reference price
 - (c) internal reference price
 - (d) private reference price
 - (e) personal reference price
41. IBM has developed the Shopping Buddy, which is a _____.
- (a) full-body scanner that collects full body measurements in 10 seconds
 - (b) computerized touchscreen PC that can be attached to shopping carts
 - (c) system in which consumers register their fingerprint and then pay by having their finger scanned at checkout
 - (d) a shopping “bot” that searches the Internet for the lowest prices for consumers
 - (e) computerized shopping list of favorite and frequently purchased items
42. Which of the following is a recommended strategy for retailers when consumers select the outlet first and the brand second?
- (a) appropriate pricing
 - (b) brand availability advertising
 - (c) brand image management
 - (d) price special on brands
 - (e) co-op ads featuring brands
43. Which of the following is a recommended strategy for manufacturers when consumers select the outlet first and the brand second?
- (a) retailer image advertising
 - (b) more exclusive distribution
 - (c) point-of-purchase displays
 - (d) price special on brands
 - (e) brand availability advertising
44. Any source of products or services for consumers is referred to as a _____.
- (a) retail outlet
 - (b) contact point
 - (c) transaction point
 - (d) distribution outlet
 - (e) channel outlet

45. Consumers acquiring product through mail, telephone, or computer orders is referred to as _____.
- (a) outsourcing
 - (b) outlet shopping
 - (c) non-traditional shopping
 - (d) in-home shopping
 - (e) all of the above
46. Jane was looking through the Pottery Barn catalog and saw some lamps she liked. Instead of calling the toll-free number to purchase the lamps, she went to Pottery Barn's Web site and ordered them. This is an example of _____.
- (a) alternative shopping
 - (b) outsourcing
 - (c) multi-level marketing
 - (d) non-traditional shopping
 - (e) in-home shopping
47. It is predicted that total US retail expenditures online will be _____ in 2008
- (a) \$130 million
 - (b) \$38 billion
 - (c) \$1.2 billion
 - (d) \$94 billion
 - (e) \$232 billion
48. Which of the following is a category of products and services based on their purchase characteristics relative to Internet shopping identified by Forrester Research?
- (a) "high-touch" goods
 - (b) search goods
 - (c) replenishment goods
 - (d) adventurous goods
 - (e) tangible goods
49. Which of the following category of products and services identified by Forrester Research based on their purchase characteristics relative to Internet shopping consists of moderate cost, high-frequency purchases?
- (a) replenishment goods
 - (b) researched items
 - (c) convenience items
 - (d) shopping goods

- (e) selective items
50. Shelly orders her disposable contact lenses online, and she is sent two boxes every six weeks. Based on Forrester Research's categories of products and services, which does this represent?
- (a) replenishment goods
 - (b) researched items
 - (c) convenience items
 - (d) shopping goods
 - (e) selective items
51. Which of the following is a characteristic of debtor-creditor relationships?
- (a) Designed To Monitor Accounts
 - (b) Intended to increase competition
 - (c) Controlled by industry standards
 - (d) Regulated by various laws
52. Which of the following is a benefit of the business-format franchise arrangement?
- (a) Strict Operating Hours
 - (b) Limited Number of Vendors
 - (c) Reduced Risk Of Failure
 - (d) Uniform Store Appearance
53. The total number of members in a channel is called
- (a) Channel Length.
 - (b) Distribution Pattern.
 - (c) Distribution Intensity.
 - (d) Channel Width.
54. For which of the following markets would producers use a short channel of distribution:
- (a) Baby boomers
 - (b) Local consumers
 - (c) Generation X
 - (d) Senior citizens
55. Channel members' sharing inventory and order-processing information through databases and computer systems is an example of the use of technology in
- (a) Pricing
 - (b) Distribution
 - (c) B. Planning

(d) Promotion.

56. One reason a channel of distribution that has strong leadership is often able to avoid conflict within the channel is because the leader has the
- (a) ability to provide training.
 - (b) authority to demand cooperation.
 - (c) personality to develop friendships.
 - (d) capacity to regulate change.
57. In a weekly staff meeting, Morgan presents a set of new procedures that she believes will improve the department's productivity levels. Jacob disagrees with Morgan's approach and provides an alternative for improvement. Although Morgan agrees with a couple of Jacob's points, she still thinks her plan will be better for the company in the long run. How can Morgan effectively defend her idea for improvement?
- (a) Tell Jacob that most of his ideas are weak and restate her suggestions
 - (b) Present supporting research for her suggestions in an unbiased way
 - (c) Request that the group meet again, so she has time to come up with new ideas
 - (d) Ask the other members of the group for their input and ideas
58. Employees should answer the telephone in a businesslike manner in order to
- (a) be a candidate for a promotion.
 - (b) handle a lot of calls at one time.
 - (c) reflect the importance of the job.
 - (d) project the image of the business.
59. Before organizing an oral presentation, the presenter should
- (a) gather information from a variety of sources.
 - (b) determine the size of the audience.
 - (c) determine the purpose or nature of the message.
 - (d) prepare appropriate visual aids.
60. Retailers often stock generic brands because they want to appeal to _____ customers.
- (a) quality-conscious
 - (b) high-income
 - (c) status-oriented
 - (d) price-oriented
61. During each stage in the development of a retail strategy, retail managers should:
- (a) consider only controllable variables
 - (b) refrain from "fine tuning" the strategy

- (c) look for both positive and negative feedback
 - (d) consider no problems with the government to be a form of negative feedback
62. Which of the following is a recommended strategy for retailers when consumers select the outlet first and the brand second?
- (a) Appropriate pricing
 - (b) Brand availability advertising
 - (c) Brand image management
 - (d) Price special on brands
 - (e) Co-op ads featuring brands
63. Which of the following types of retail businesses have unlimited liability?
- (a) Partnership and sole trader
 - (b) Partnership and private company
 - (c) Private company and sole trader
 - (d) Private company and public company
64. A retail firm owned by its customers in which members contribute money to open their own store, vote on its policies, elect a group to manage it, and receive dividends is called a
- (a) corporate chain store.
 - (b) merchandising conglomerate
 - (c) voluntary chain
 - (d) consumer cooperative
65. The oldest and most heavily trafficked city area is called
- (a) regional shopping center
 - (b) prime location
 - (c) urban district
 - (d) Central business district
66. Giant retailers called _____ concentrate on one product category such as toys or home improvement
- (a) Category killers
 - (b) Variety stores
 - (c) supercentres
 - (d) box stores
67. Retailers such as Benetton, The Body Shop, and Marks and Spencer carry mostly own- brand merchandise. These are called _____ brands
- (a) creative label

- (b) private label
- (c) house
- (d) retail label

68. A _____ fee is the charge many supermarkets impose for accepting a new brand to cover the cost of listing and stocking it.

- (a) inventory
- (b) slotting
- (c) initiation
- (d) stocking

69. Which of the following is not one of the four major decisions that must be made with regard to market logistics?

- (a) How should orders be handled?
- (b) Where should stock be located?
- (c) How much stock should be held?
- (d) How should stock be financed?

70. Which statement is not a benefit of formulating a retail strategy?

- (a) A retailer is forced to study the legal, economic, and competitive market
- (b) A retailer is shown how it can differentiate itself from competitors.
- (c) Sales maximization is stressed.
- (d) Crises are anticipated and often avoided

Ans: 1(c), 2(c), 3(c), 4(c), 5 (c), 6 (d), 7 (a). 8 (b), 9(b), 10 (d), 11(b), 12 (d), 13(a),14(c), 15(d), 16(b), 17(d), (18)(e), (19)(c), (20)(e), (21)(e), (22)(a), (23)(a), (24)(b), (25)(c), (26)(a), (27)(d), (28)(c), (29)(c), (30)(d), 31(b), 32(b), 33(d), 34(a), 35 (c), 36 (c), 37 (d), 38 (b), 39(b), 40 (d), (41)(b), (42)(a), (43)(c), (44)(a), (45)(d), (46)(e), (47)(e), (48)(c), (49)(a), (50)(a) 51.(d) 52(c), 53(a), 54(b), 55(c), 56(b), 57(b), 58(b), 59(b), 60(d), 61(c), 62(a). 63(a), 64(d), 65(d), 66(a), 67(b), 68(b), 69(d), 70(c)

(c) Fill in the Blanks:

- 1 People in the potential target market _____.
- 2 Consumer lifestyles are based on _____ and _____ and influenced by _____.
- 3 A _____ is a distinction heritage shared by a group of people.

- 4 _____are discretionary shopping goals that have an impact on attitudes and behaviour.
- 5 The decision process includes _____, _____ information search, evaluation of _____, post purchase alternatives behaviour.
- 6 Retail information system anticipates the information needs of retail managers, _____, _____ and _____ on a continuous basis.
- 7 With _____retailers and suppliers regularly exchange information through their computers with regard to inventory levels, delivery times, unit sales.

Ans. (1)(Market Size), (2)(Social, Psychological Factors, Demographics), (3)(Culture), (4)(Desires), (5)(Stimulus, Problem Awareness, Purchase), (6)(Collects, organizes, store relevant data), (7)(Electronic Data Interchange)

II Short Answer Type Questions:

- 1 Briefly explain retail management information systems?
- 2 What would you include in the ideal retailing data warehouse? Why would you include it?
- 3 What are the attributes of good retail auditing?
- 4 What is it imperative for a firm to view its strategy as an integrated and ongoing process?
- 5 Write five performance measures commonly used by retailers, and explain what can be learned by studying each.
- 6 What is benchmarking? Present a five-step procedure to do retail benchmarking.
- 7 Distinguish between horizontal and vertical retail audits. Develop a vertical audit form for a TV repair store.
- 8 Distinguish among these auditors. Under what circumstances would each be preferred?
- (a) Outside Auditor
- (b) Company Audit Specialist
- (c) Company Department Manager
- 9 Under what circumstances should a disguised audit is used?
- 10 How should management respond to the findings of an audit? What can happen if the findings are ignored?
- 11 Why do many retailers not conduct any form of retail audit?
- 12 Enumerate the various attributes of good retail audit.
- 13 Discuss the frauds of online retailing.
- 14 Why is global logistics much more complicated than domestic logistics?
- 15 Design a logistics system for a national retailer that is embarking on a multi-channel strategy.
- 16 India is seen by many overseas customers to be a location for cheap and low quality products. Discuss how this can be remedial?
- 17 Write short note on frauds of online retailing.

- 18 Explain what impact the entry of large formats stores will have on distribution in India?
- 19 Compare the merits of using local brands vs. international brands with examples India?
- 20 Give an overview of the responsibilities of a store manager.
- 21 Should a retailer be held liable for selling tobacco, alcohol, products laden in fat, firearms?
- 22 What are the various legal issues in retailing?
- 23 Briefly explain the various steps involved in conducting a retail audit.
- 24 Write short note on legal and ethical issues in retailing.
- 25 Explain in brief the importance of global retailing.
- 26 Discuss the difference between traditional retailing and online retailing.
- 27 Describe ways of controlling inventory shrinkage.
- 28 Discuss the strategy implications for both retailers and manufacturers if consumers' decision sequence is outlet first, brand second.
- 29 Define store image, and discuss five of the several dimensions of store image
- 30 Name and describe three of the shopping orientations
- 31 How does merchandising effect buying
- 32 How space is important in retail store
- 33 How is retail shopper behavior understood
- 34 Discuss on Governments Policy implication on retail sector in India.
- 35 Write a short note on Design & Visual Merchandising.
- 36 Discuss some guidelines for using displays?
- 37 Why the use of visual merchandising is using day by day? Explain its objectives.
- 38 Explain different elements of an effective visual signage.
- 39 List few factors of recruiting retail employees.
- 40 Explain the role of training and development in retailing.

III Long Answer Type Questions:

- 1 Liberalization has changed the scenario of Indian retail market? Discuss.
- 2 Describe what you understand by RFID.
- 3 What are environmental factors affecting consumers?
- 4 How can EDI enhance effectiveness in a retail firm
- 5 How can EDI enhance effectiveness in a retail firm
- 6 Describe the major steps involved in conducting a retail audit.
- 7 Explain the benefits of online retailing and its features.
- 8 Differentiate between in-home shopping, online shopping, out –shopping with suitable examples.
- 9 Explain in detail the consumer decision making process.
- 10 Discuss the attitude/behaviour towards online shopping.
- 11 Is cross-shopping good or bad for a retailer? Explain your answer.

- 12 Differentiate among the three types of impulse purchases.
- 13 What are the unique customer benefits offered by online retailing? What are the hurdles in online retailing?
- 14 Explain the advantages of global retailing.
- 15 Discuss the legal and ethical issues in retailing?
- 16 Deceptive pricing harms not only the consumer but also competition. Do you agree or disagree and explain your reasoning.
- 17 Discuss the concept of exclusive dealing. Are exclusive dealing arrangements in the retailer's best interest? Are they in the consumer's best interest?
- 18 Retailers should abide by the philosophy that "as long as it is legal, it is ethical." Do you agree or disagree and explain your reasoning.
- 19 Discuss the role of information technology in retail management.
- 20 Why is human resource more important in retailing than in manufacturing? Briefly explain the approaches to motivating the retail employees.
- 21 What is a retail Audit? What are the performance matrices of retail outlets? Discuss the process involved.
- 22 Explain the various routes to profitability that retailers can choose from. Give examples of retailers who are using these strategies.
- 23 Describe various Customer Relationship Management strategies a retailer can employ to capture greater share of customer lifetime value.
- 24 Discuss Internal External Atmospherics of Retail Decision.
- 25 Detail on MNC's role in organizing retail format.
- 26 Explain impact of socio economic changes on Indian organized retail format.
- 27 Explain how retail location influences the buying decision of the customer.
- 28 Discuss in detail the Ethical & Legal Issues in Retailing.
- 29 Why cyber retailing is becoming popular day by day? What suggestion you would like to give to the traditional retailers to face this impending danger?
- 30 What are your suggestions and guidelines for a multinational retailer who just has decided to enter into Indian retail industry?
- 31 Discuss the future of mall retailing considering the growth and development of online retailing throughout the globe.
- 32 Being a business graduate, discuss a strategy for developing a strategy for developing an organisation chart for a person who is interested to start a garment store? Also, illustrate a few organisation structure charts as applicable to small and independent retailers in Indian context.
- 33 What store layouts mean for a store? Explain various types of store layouts used in Indian retail industry with its merits and demerits.