



FINAL EXAM

Course # 371007 Managing for Competitive Advantage

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Managing for Competitive Advantage

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10 CPE Credit Hours
Management

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Chapter 1 - Approaches to Management

1. _____ is an information system that unites a company's major business functions, such as order processing, product design, purchasing, and inventory
 - E-businesses.
 - Enterprise resource planning.
 - Extranets.
 - E-commerce.

2. Managers will describe the workplace in the 21st century with terms such as
 - Static workers.
 - Free staffers.
 - Empowerment.
 - Inflexible.

3. Corporate leaders in the 21st century know that to be successful, they must focus on
 - Concentration on benchmarking.
 - Commitment to operating efficiency.
 - Extraordinary mass production.
 - Currency management.

4. Managers in the 21st century will build credibility in organizations by all of the following except:
 - Promoting innovation among employees.
 - Excelling continuously on performance criteria.
 - Encouraging employee development.
 - Emphasizing profits over customer satisfaction.

Chapter 2 - Managerial Functions

5. _____ is not one of functions of management.
 - Planning
 - Costing
 - Organizing

Controlling

Chapter 3 - The Manager as a Decision Maker

6. There has been an increased emphasis on group decision making in organizations. Which of the following statements has been found to hold true in studies of individual decision making as compared with group decision making? Individual decision making tends to

- Be more conservative.
- Evaluate more complete information.
- Generate more alternatives.
- Increase the perceived legitimacy of the decision.

Chapter 4 - Setting Objectives

7. The types of objectives in most organizations do not include

- Organizational.
- Managerial.
- Developmental.
- Individual.

8. MBO managers are most likely to believe that employees

- Are self-motivated.
- Dislike their work.
- Avoid responsibility whenever possible.
- Work best when threatened with punishment.

9. What is the first step to take when implementing MBO in a department accustomed to Theory X?

- Teach the employees about MBO.
- Verify that top management supports MBO.
- Set up individual goals with each employee on a one-to-one basis.
- Discuss overall organizational goals with the employees.

Chapter 5 - The Work of Planning

10. Characteristics of informal planning do not include

- Hard documents.

- Emotional.
- Disorganized.
- Past evaluation.

11. "What would happen to our costs if we close plant No.3?" Is this an example of?

- "What-if" analysis.
- Project management analysis.
- Break-even analysis.
- Linear programming.

Chapter 6 - Premises, Strategies, and Policies

12. Which level of management is most concerned with determining how specific tasks can be accomplished with available resources by a given date?

- First-line manager.
- Department head.
- General Manager.
- Chief executive officer.

13. A lumber mill must carefully plan production for 160 different varieties of plywood. To do this, a linear programming model is used to generate a 6-month production schedule that is adapted to a weekly plan. The level of management responsible for this type of planning is

- The board of directors.
- Top management.
- Middle management.
- First-line supervision.

14. Basic types of top level strategies do not include:

- Special order decision strategies.
- Retrenchment strategies.
- Stability strategies.
- Growth strategies.

15. Policy statements often contain certain words as follows, except

- To ensure.
- To appraise.
- To follow.
- To maintain.

Chapter 7 - Putting Plans to Action

16. Planning is characterized by key steps, except

- Visualize and state the problem.
- Obtain and classify usable information.
- Reduce cost opportunities.
- Select planning premises.

Chapter 8 - Organization Concepts

17. Horizontal division of labor includes

- Job scope and job depth.
- Job rating and job factoring.
- Job security and job certainty.
- Job performance and job maintenance.

Chapter 9 - Departmentation

18. In almost every organization there are three basic activities to be performed: minimal, optimal, and maximization. T F

- True
- False

19. Departmentation is the grouping of organizational subsystems. The greatest advantage of functional departmentation is that it

- Provides the benefits of specialization.
- Facilitates communication between primary functions.
- Helps to focus on achievement of organizational goals.
- Is appropriate for geographically dispersed companies.

20. _____ is not one of the major means of departmentalization

- Activity.
- Function.
- Product.
- Territory.

21. The organizational chart

- Is used only in centralized organizations.

- Is applicable only to profit-oriented companies.
- Depicts only line functions.
- Depicts the lines of authority linking various positions.

Chapter 10 - Authority

22. A manager can use power and authority to accomplish objectives. The relationship between these two important concepts is best explained as follows
- Power is the right to do things, while authority is the ability to do things.
 - Authority is the right to do things, while power is the ability to do things.
 - Power and authority are both required to accomplish a task.
 - Power and authority are simply two words that describe the same concept—how to get things done in organizations.
23. Span of authority or control refers to
- Number of line supervisors.
 - Number of subordinates that report to a manager.
 - Number of upper managers.
 - Number of board members.
24. Which of the following is a reason that a manager may be reluctant to delegate?
- The manager fears being held accountable for the subordinate's performance.
 - The manager fears he or she may fail because of some lack of knowledge.
 - The manager did not monitor the subordinate's work.
 - The manager fears unknown goals.
25. Which of the following is a benefit of decentralization?
- The head of the company is aware of and can influence all decisions before they are made.
 - The company is operated as one unit.
 - Specialists for a particular product have no authority but advise the company's top management.
 - Decisions are made on a timelier basis.
26. Line and staff positions are most likely to be in conflict because
- Line managers have no authority over staff employees,
 - Staff managers consider line managers' functional authority threatening to their own authority.
 - Line managers believe that staff managers are resistant to their advice,
 - Staff managers dislike relying on line expertise.
27. A line position

- Is indirectly responsible for achieving the organization's basic objectives.
- Makes administrative and operating decisions.
- Advises and assists staff positions,
- Is indirectly involved with the organization's product(s) and/or services,

Chapter 11 - Organization Structures

28. The simplest organizational structure is

- Functional organization.
- Limited organization.
- Line organization.
- Mechanical organization.

29. In what form of organization does an employee report to multiple managers?

- Bureaucracy.
- Matrix.
- Departmental.
- Mechanistic.

30. The president of an organization assigned the chief information officer (CIO) the task of developing a disaster recovery plan for the organization. The recovery plan was to encompass all activities of the organization, not merely information systems. Therefore, the CIO needed to draw on the expertise of specialists from all over the organization. Identify the type of organizational structure that would be best to successfully complete this project.

- Focus group.
- Reengineering process team.
- Matrix organization.
- Ad hoc committee.

Chapter 12 - Organization

31. Factors common to all informal work groups do not include

- A group norm.
- Cohesiveness.
- Interaction.
- Disloyalty to the firm.

Chapter 13 - Organization Dynamics

32. An organization must be adaptive to the changing needs of those identities of which it is made up of, as well as, to its changing environment. T F
- True
- False
33. If a company makes a fundamental change in its organizational structure, resistance by employees
- Is likely to be minimal if affected persons suffer no economic loss.
- Can be minimized by adopting a participative management approach.
- Can be minimized by adopting an autocratic management approach.
- Will be greatest if they receive notice long before the change is implemented.

Chapter 14 - Staffing the Organization

34. Staffing involves screening and developing strategies to delegate duties and job functions. T F
- True
- False
35. Staffing does not include
- Recruiting.
- Lobbying.
- Selecting.
- Promoting.

Chapter 15 - Motivation and Modern Managers

36. Both Maslow and Herzberg have developed popular motivational theories. Which statement best distinguishes Herzberg's theory?
- Job performance improves as job satisfaction increases.
- Job performance improves as physiological needs are met.
- Job esteem improves as physiological needs are met.
- Job esteem improves as job satisfaction increases.
37. Job enlargement is typified by
- Horizontal loading of the job.
- Vertical loading of the job.

Increased worker control of tasks.

More rapid performance feedback.

38. Herzberg postulated a two-factor theory of human behavior that included satisfiers and dissatisfiers. Which of the following is a dissatisfier?

Challenging work.

Promotion to another position.

Supervision.

Responsibility.

Chapter 16 - Directing

39. Good directing is not

Communication.

Dictatorship.

Consideration.

Employee participation.

Chapter 17 - Leadership in Management

40. A Theory X manager most likely believes that employees

Require little supervision.

Are creative and imaginative.

Need direction and security.

Solve problems outside their immediate control.

41. Which of the following motivation theories is based on Japanese management practices?

Theory Z.

Theory X.

Theory Y.

Herzberg's Two-Factor Theory.

42. Which of the leadership skills is not suggested in recent thinking on crisis management?

Be visible.

Stay loud.

Put people before business.

Tell the truth.

Chapter 18 - Communicating

43. Which one of the following is not an example of formal communication within an organization?

- The grapevine.
- Variance analysis.
- The performance evaluation system.
- A budget.

Chapter 19 - Appraising and Developing Employees

44. _____ is not an employee performance measure

- Essay appraisal.
- Graphic rating scale.
- Forced-choice rating.
- Work variance approach.

Chapter 20 - Controlling

45. Statistical data effectively express certain types of performance. Most common are those dealing with time, work, space, capital, debt, and profit. T F

- True
- False

Chapter 21 - Key Areas for Control

46. Which one of the following statements about quality circles is false?

- A quality circle is typically composed of a group of 8 to 10 subordinates and supervisors.
- Part of the quality circle concept includes teaching participants communication skills, quality strategies, and problem analysis techniques.
- Quality circles meet on the company premises and on company time.
- The quality circle has the final control over implementation of recommended solutions.

Chapter 22 - Overall Controls

47. Which of the following is not a control tool?

- Control reports.
- Budget summaries.
- Ratios.
- Return of product.

Chapter 23 - Total Quality Management (TQM) and Just in Time (JIT)

48. A company has recently introduced total quality management (TQM). The company's top management wants to determine a new and innovative approach to foster total participation throughout the company. Management should

- Seek isolation from all distractions in order to think the problem through.
- Bring the employees together for a brainstorming session.
- Rely on themselves to develop a new approach.
- Use a disciplined problem-solving approach.

Chapter 24 - International Management

49. To understand management in any foreign country it is necessary to understand all except

- Economic conditions.
- Political conditions.
- Cultural conditions.
- Geographical conditions.

Chapter 25 - Management Information Systems and Decision Making Models

50. A company is deciding whether to purchase an automated machine to manufacture one of its products. Expected net cash flows from this decision depend on several factors, interactions among those factors, and the probabilities associated with different levels of those factors. The method that the company should use to evaluate the distribution of net cash flows from this decision and changes in net cash flows resulting from changes in levels of various factors is

- Simulation.
- Linear programming.
- Correlation analysis.
- Differential analysis.

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