

# National Testing Agency

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## Advanced Corporate Strategy

<b>Group Number :</b>	1
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## Advanced Corporate Strategy 1

<b>Section Id :</b>	512452859
<b>Section Number :</b>	1
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**Section Marks :** 100  
**Mark As Answered Required? :** Yes  
**Sub-Section Number :** 1  
**Sub-Section Id :** 512452934  
**Question Shuffling Allowed :** Yes

**Question Number : 1 Question Id : 51245216085 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following can be classified as a type of diversification?

1. Horizontal diversification
2. Vertical Integration
3. Geographic diversification
4. All of the options

**Options :**

- 51245251511. 1
- 51245251512. 2
- 51245251513. 3
- 51245251514. 4

**Question Number : 2 Question Id : 51245216086 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Who made the statement, "The firm resources could be on a continuum, between specialized through generic,"?

1. Campbell, Gould and Alexander
2. Collins and Montgomery
3. Prashant Kale and Harbir Singh
4. Gawer & Cusumano

**Options :**

- 51245251515. 1

51245251516. 2

51245251517. 3

51245251518. 4

**Question Number : 3 Question Id : 51245216087 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the statements about outsourcing is correct?

1. Helps firm reduce fixed costs into variable costs
2. Allows for activities that are best performed by specialists with economies of scale and scope
3. Helpful in industries fraught with frequent changes
4. All of the options

**Options :**

51245251519. 1

51245251520. 2

51245251521. 3

51245251522. 4

**Question Number : 4 Question Id : 51245216088 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is a type of cost that a multi-business firm has to face?

1. Bureaucratic costs
2. Transaction costs
3. Coordination costs
4. All of the options

**Options :**

51245251523. 1

51245251524. 2

51245251525. 3

51245251526. 4

**Question Number : 5 Question Id : 51245216089 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not a pillar of the OLI framework:

1. Ownership
2. Integration
3. Internationalization
4. Location

**Options :**

- 51245251527. 1
- 51245251528. 2
- 51245251529. 3
- 51245251530. 4

**Question Number : 6 Question Id : 51245216090 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Businesses are called 'cash cows' because:

1. They are in low growth industries with low market shares
2. They are in low growth industries with dominant market positions
3. Business in high growth industries with low market shares
4. Businesses in high growth industries with dominant positions

**Options :**

- 51245251531. 1
- 51245251532. 2
- 51245251533. 3
- 51245251534. 4

**Question Number : 7 Question Id : 51245216091 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Which of the following cannot be considered explicit discrimination?

1. High import duties
2. Foreign exchange controls
3. Advertising restrictions
4. Unfavourable treatment by the government

**Options :**

- 51245251535. 1
- 51245251536. 2
- 51245251537. 3
- 51245251538. 4

**Question Number : 8 Question Id : 51245216092 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following businesses neither consume a lot of cash, nor generate it?

1. Cash cows
2. Stars
3. Dogs
4. Question marks

**Options :**

- 51245251539. 1
- 51245251540. 2
- 51245251541. 3
- 51245251542. 4

**Question Number : 9 Question Id : 51245216093 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which matrix focuses on parenting advantage?

1. GE McKinsey Matrix
2. BCG Matrix
3. Growth share model
4. Ashridge portfolio matrix

**Options :**

- 51245251543. 1
- 51245251544. 2
- 51245251545. 3
- 51245251546. 4

**Question Number : 10 Question Id : 51245216094 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which is the first step in the M&A process?

1. Articulate intent
2. Target appraisal and selection
3. Valuation
4. Due diligence

**Options :**

- 51245251547. 1
- 51245251548. 2
- 51245251549. 3
- 51245251550. 4

**Question Number : 11 Question Id : 51245216095 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following best describes Heartland businesses:

1. Does not have any fit or synergies with the existing businesses
2. Represent opportunities for high value creation due to similarities in businesses
3. Has low benefits and low feel
4. Can neither add significant value to the business, nor can it leverage synergies from its existing businesses

**Options :**

- 51245251551. 1
- 51245251552. 2
- 51245251553. 3
- 51245251554. 4

**Question Number : 12 Question Id : 51245216096 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following best describes related-linked diversification?

1. Attempts to leverage both operational and corporate relatedness in its diversification strategy
2. Leverages operational relatedness with little corporate relatedness
3. When operational and corporate relatedness are low
4. Leveraging corporate relatedness more than operational relatedness

**Options :**

- 51245251555. 1
- 51245251556. 2
- 51245251557. 3
- 51245251558. 4

**Question Number : 13 Question Id : 51245216097 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the below statements best describes the product market in India?

1. Well developed and the consumer protection is high
2. There are many sources of information that make it easy for consumers to figure out the quality of goods being sold
3. Powerful consumer activists have also ensured that consumer rights are protected
4. The consumer protection is very low, brand name of reputed business group is valuable

**Options :**

- 51245251559. 1
- 51245251560. 2
- 51245251561. 3
- 51245251562. 4

**Question Number : 14 Question Id : 51245216098 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

When a firm chooses to buy a portion of its input from the market and make it the rest by itself, it is known as:

1. Forward integration
2. Backward integration
3. Tapered integration
4. Vertical integration

**Options :**

- 51245251563. 1
- 51245251564. 2
- 51245251565. 3
- 51245251566. 4

**Question Number : 15 Question Id : 51245216099 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**



Which of the following is not a benefit of an alliance?

1. It is easier to terminate an alliance
2. Their losses are contained as partners share equity
3. Reduces redundant resources
4. The companies have complementary resources

**Options :**

51245251567. 1

51245251568. 2

51245251569. 3

51245251570. 4

**Question Number : 16 Question Id : 51245216100 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

What kind of contract should be used if the asset specificity and durability is high, but the frequency of transaction is rare?

1. Detailed, standard contracts
2. Standardized contract
3. Detailed, custom-drafted contracts
4. Undetailed contracts

**Options :**

51245251571. 1

51245251572. 2

51245251573. 3

51245251574. 4

**Question Number : 17 Question Id : 51245216101 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

When should a firm adopt tapered outsourcing for an activity?

1. When the market failure is high and is critical for competitive advantage
2. When there are sufficient vendors, terms of agreement for the activity and it is not critical for competitive advantage
3. When the activity is critical for competitive advantage and the potential for market failure is low
4. When the activity is not critical for competitive advantage, but the potential for market failure is high

**Options :**

- 51245251575. 1
- 51245251576. 2
- 51245251577. 3
- 51245251578. 4

**Question Number : 18 Question Id : 51245216102 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is a traditional reason for internationalization?

1. Enter new markets in response to specific customer enquiries
2. To respond to their competitors' internationalization behaviours
3. Internationalize only after their domestic operations have stabilised
4. Extending the product life cycle

**Options :**

- 51245251579. 1
- 51245251580. 2
- 51245251581. 3
- 51245251582. 4

**Question Number : 19 Question Id : 51245216103 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following best describes the 'International Organizational Form' formulated by Bartlett and Ghosal?

1. Need for global integration is low and local responsiveness are both low
2. Need for global integration is low and local responsiveness is high
3. Need for global integration is high and local responsiveness is low
4. Need for global integration is high and local responsiveness is high

**Options :**

- 51245251583. 1
- 51245251584. 2
- 51245251585. 3
- 51245251586. 4

**Question Number : 20 Question Id : 51245216104 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following does not fall under economic distance?

1. Cost of labors
2. Managerial capabilities
3. Organizational capabilities
4. Free trade agreements

**Options :**

- 51245251587. 1
- 51245251588. 2
- 51245251589. 3
- 51245251590. 4

**Question Number : 21 Question Id : 51245216105 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not evaluated by firms during the due diligence stage of the M&A process:

1. Assets and liabilities
2. Current and future profitability potential
3. Numerical values
4. Investment needs and opportunities

**Options :**

- 51245251591. 1
- 51245251592. 2
- 51245251593. 3
- 51245251594. 4

**Question Number : 22 Question Id : 51245216106 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

What kind of firm would acquirers *not* target with the purpose of restructuring?

1. Those firms with inefficient operations
2. Those firms with inferior market positions in spite of acceptable product qualities
3. Those firms with stable financial performance
4. Those firms which are unable to expand or grow

**Options :**

- 51245251595. 1
- 51245251596. 2
- 51245251597. 3
- 51245251598. 4

**Question Number : 23 Question Id : 51245216107 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which statement matches the definition of liability of origin?

1. Include those barriers imposed on the firm, primarily due to it not belonging to the host country
2. The firm's need to establish the credibility of their home country as a legitimate producer of such goods and services
3. The need for the firm to compete with established incumbents
4. The need to offer products and services using proven technologies and stable processes

**Options :**

- 51245251599. 1
- 51245251600. 2
- 51245251601. 3
- 51245251602. 4

**Question Number : 24 Question Id : 51245216108 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

When should a firm avoid an alliance?

1. When there are high transaction - specific investments
2. When anti-trust issues exist
3. When critical employees from the target company are likely to leave post acquisition
4. When the two firms cannot be integrated easily because of cultural and structural issues

**Options :**

- 51245251603. 1
- 51245251604. 2
- 51245251605. 3
- 51245251606. 4

**Question Number : 25 Question Id : 51245216109 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is NOT a disadvantage of exporting?

1. Transportation costs and import duties are high
2. Uncertainty is high due to fluctuation in exchange rates
3. It is an easy undertaking, as the firm only handles marketing and distribution
4. Difficult to customize products through local markets

**Options :**

- 51245251607. 1
- 51245251608. 2
- 51245251609. 3
- 51245251610. 4

**Question Number : 26 Question Id : 51245216110 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following statements about the disadvantages of licensing and franchising is incorrect?

1. Local contractors may not adhere to the contractual agreements
2. Local contractors may undertake action that maybe harmful to the company's reputation
3. Provides higher returns compared to other forms of entry
4. The firm could lose its intellectual property through this

**Options :**

- 51245251611. 1
- 51245251612. 2
- 51245251613. 3
- 51245251614. 4

**Question Number : 27 Question Id : 51245216111 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

During an alliance between a multinational company and a local player, which of the following complementary resources does the local player provide?

1. Knowledge about the host country and take actions to reduce legal and political risks
2. Capabilities
3. Management practices
4. Brands and technologies

**Options :**

- 51245251615. 1
- 51245251616. 2
- 51245251617. 3
- 51245251618. 4

**Question Number : 28 Question Id : 51245216112 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following statements about "how vertical integration destroys value" is incorrect?

1. When the market for intermediate goods is mature and there are many suppliers available to produce these products competitively
2. When it reduces overhead costs in terms of bureaucratic costs of coordination
3. When the intermediate products are not critical to quality and could be manufactured through generic investments by competitive suppliers
4. When outsourcing contracts are easy to govern

**Options :**

- 51245251619. 1
- 51245251620. 2
- 51245251621. 3
- 51245251622. 4

**Question Number : 29 Question Id : 51245216113 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following does not describe a divestiture?

1. Firms that sell a unit of the firm to other firms
2. The converse of mergers and acquisitions
3. Firms find partners who perform non-core activity
4. Sale of ownership, including sale of controlling stake to another firm

**Options :**

- 51245251623. 1
- 51245251624. 2
- 51245251625. 3
- 51245251626. 4

**Question Number : 30 Question Id : 51245216114 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

According to the CAGE framework, which of the following does not fall under administrative distance?

1. Political associations
2. Common administrative and legal framework
3. Historical link
4. Social norms and values

**Options :**

- 51245251627. 1
- 51245251628. 2
- 51245251629. 3
- 51245251630. 4

**Question Number : 31 Question Id : 51245216115 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**



**Correct Marks : 1 Wrong Marks : 0**

Which of the following is not a drawback of a multidivisional firm?

1. They do not have the ability to make their own decision
2. Has constraints on incentive design
3. Resource allocation is challenging task due to mismatches in demand and supply of money, bureaucratic delays and politicking
4. They have variance in incentives

**Options :**

- 51245251631. 1
- 51245251632. 2
- 51245251633. 3
- 51245251634. 4

**Question Number : 32 Question Id : 51245216116 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Which of the following statements about corporate advantage is incorrect?

1. It forms the basis of definition of the scope
2. Coordinates and controls activities in each of its businesses
3. Synergizes its resources across businesses
4. Helps gain more investment

**Options :**

- 51245251635. 1
- 51245251636. 2
- 51245251637. 3
- 51245251638. 4

**Question Number : 33 Question Id : 51245216117 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Which of the below statements does not corroborate why cross border acquisitions are difficult?

1. Sufficient information about the target
2. Formal and informal barriers that operate against foreign companies
3. The post-merger integration is complex due to cultural and structural differences
4. Geographic distance between the acquirer and the target firm

**Options :**

- 51245251639. 1
- 51245251640. 2
- 51245251641. 3
- 51245251642. 4

**Question Number : 34 Question Id : 51245216118 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not a reason for the manifestation of bureaucratic costs in a multi-business firm?

1. High employee turnover
2. Loss of flexibility
3. Rigidity
4. Slow decision-making

**Options :**

- 51245251643. 1
- 51245251644. 2
- 51245251645. 3
- 51245251646. 4

**Question Number : 35 Question Id : 51245216119 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Firms do not engage in Mergers and Acquisitions when the industry is characterized by:

1. Low entry barriers
2. High costs of learning
3. Over-capacity
4. High minimum economies of scale

**Options :**

- 51245251647. 1
- 51245251648. 2
- 51245251649. 3
- 51245251650. 4

**Question Number : 36 Question Id : 51245216120 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Transaction costs does not include:

1. Costs of monitoring and enforcing contracts
2. Costs of finding an appropriate supplier
3. Costs of negotiating a contract
4. Setting up joint ventures with foreign firms

**Options :**

- 51245251651. 1
- 51245251652. 2
- 51245251653. 3
- 51245251654. 4

**Question Number : 37 Question Id : 51245216121 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

On the continuum of diversification strategies, which of the following is located at the far right end of the continuum?

1. Related-constrained diversification
2. Related-linked diversification
3. Focused diversification
4. Conglomerate diversification

**Options :**

- 51245251655. 1
- 51245251656. 2
- 51245251657. 3
- 51245251658. 4

**Question Number : 38 Question Id : 51245216122 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not a motive for diversification?

1. Leveraging economies of scope
2. Leveraging economies of scale
3. Increasing and sustaining market power
4. Leveraging financial economies and managing risks

**Options :**

- 51245251659. 1
- 51245251660. 2
- 51245251661. 3
- 51245251662. 4

**Question Number : 39 Question Id : 51245216123 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not a benefit of superior coordination:

1. Better scheduling
2. Higher costs
3. Higher innovation
4. Better quality

**Options :**

51245251663. 1

51245251664. 2

51245251665. 3

51245251666. 4

**Question Number : 40 Question Id : 51245216124 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is NOT a cornerstone of alliance management capabilities?

1. Prior alliance experience
2. Creation of a dedicated alliance function
3. Implementation of firm-level processes to accumulate and leverage alliance management know-how and skills
4. Lack of capability to carry out an alliance

**Options :**

51245251667. 1

51245251668. 2

51245251669. 3

51245251670. 4

**Question Number : 41 Question Id : 51245216125 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is NOT a benefit of a firm having market power?

1. Make it easier for customers to switch
2. Force existing companies to exit the market through predatory pricing
3. Prevent new companies from entering the market by creating excess capacity
4. Raise its prices well over its marginal costs

**Options :**

- 51245251671. 1
- 51245251672. 2
- 51245251673. 3
- 51245251674. 4

**Question Number : 42 Question Id : 51245216126 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following statements about the "advantages of buying from an independent supplier" is incorrect?

1. Achieve higher economies of scale
2. It is easier to fire an employee than an external supplier
3. Easier to provide high powered incentives in markets
4. An outside supplier has either lower costs or higher quality

**Options :**

- 51245251675. 1
- 51245251676. 2
- 51245251677. 3
- 51245251678. 4

**Question Number : 43 Question Id : 51245216127 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

A firm cannot be a successful price discriminator if:

1. Ensure that different groups of people do not sell to each other
2. Identify segments of buyers with different willingness to pay and demand elasticities
3. It commands the price, and becomes a price maker
4. If it compromises and accepts a lower price

**Options :**

51245251679. 1

51245251680. 2

51245251681. 3

51245251682. 4

**Question Number : 44 Question Id : 51245216128 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is a decision a firm has to take whilst managing a portfolio:

1. Entry and exit into new businesses
2. How much synergies to be derived across businesses
3. Assessing the overall profit that they will make
4. The relative priorities in each of the businesses

**Options :**

51245251683. 1

51245251684. 2

51245251685. 3

51245251686. 4

**Question Number : 45 Question Id : 51245216129 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is NOT a reason for market failures?

1. Asymmetric information between the principal and vendor
2. Too many or too little vendors
3. High asset specificities resulting in increased hold up risks
4. The nature of the market

**Options :**

- 51245251687. 1
- 51245251688. 2
- 51245251689. 3
- 51245251690. 4

**Question Number : 46 Question Id : 51245216130 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is NOT the benefit of outsourcing?

1. Helps firm reduce fixed costs and translate them into variable costs
2. Allows for overall reduction of costs
3. Lack of high-powered incentives
4. The quality of products and services tend to higher, if they were internal

**Options :**

- 51245251691. 1
- 51245251692. 2
- 51245251693. 3
- 51245251694. 4

**Question Number : 47 Question Id : 51245216131 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**



Corporate Strategy is not concerned with which of the following:

1. Types of diversification
2. Modes of diversification
3. How to manage a diversified firm
4. Competitive strategy

**Options :**

51245251695. 1

51245251696. 2

51245251697. 3

51245251698. 4

**Question Number : 48 Question Id : 51245216132 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following statements about the "post-merger integration process after an acquisition" is incorrect?

1. Firms try to forge an equal balance of power
2. Managing brands and legacies
3. Handling of senior managers and their roles
4. Integrating of systems, processes, routines, and rituals.

**Options :**

51245251699. 1

51245251700. 2

51245251701. 3

51245251702. 4

**Question Number : 49 Question Id : 51245216133 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following best describes joint ventures?

1. Firms enter into partnerships with other firms with complementary businesses to enter into new businesses
2. Are actions where an acquiring firm buys controlling stake and ownership of a target firm
3. Special form of strategic alliances where a new entity is formed
4. Two firms combine their activities and form a combined entity

**Options :**

- 51245251703. 1
- 51245251704. 2
- 51245251705. 3
- 51245251706. 4

**Question Number : 50 Question Id : 51245216134 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which one of the following does not measure the performance of M&A:

1. Financial returns for shareholders
2. Improvement in competitive position
3. Assessing the firm's prior M&A history
4. Achievement of intended synergies

**Options :**

- 51245251707. 1
- 51245251708. 2
- 51245251709. 3
- 51245251710. 4

**Question Number : 51 Question Id : 51245216135 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not a benefit of a global supply chain?

1. Drastically reduce costs as locations are chosen opportunistically
2. Has lower economies of scale
3. Improved quality due to specialization of design
4. Adoption of the latest technology

**Options :**

51245251711. 1

51245251712. 2

51245251713. 3

51245251714. 4

**Question Number : 52 Question Id : 51245216136 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not an actual liability of internationalization?

1. Liability of foreignness
2. Liability of newness
3. Liability of origin
4. Liability of capital

**Options :**

51245251715. 1

51245251716. 2

51245251717. 3

51245251718. 4

**Question Number : 53 Question Id : 51245216137 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The following is not the advantage of a business group:

1. Each company return their excess cash to the shareholders
2. Each group company has access to sister companies that it can utilize growth opportunities
3. Incentives in one company are in no way tied to the incentives of another company
4. Individual companies in a business group have more autonomy in decision making because they have their own board of directors.

**Options :**

- 51245251719. 1
- 51245251720. 2
- 51245251721. 3
- 51245251722. 4

**Question Number : 54 Question Id : 51245216138 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following statements about how parent firms can create value, is incorrect?

1. Improving the strategies of various businesses
2. Improving coordination between businesses
3. Providing specialized services
4. Making good choices as to what should be in its portfolio

**Options :**

- 51245251723. 1
- 51245251724. 2
- 51245251725. 3
- 51245251726. 4

**Question Number : 55 Question Id : 51245216139 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following industry is the best example of a global supply chain:

1. Automotive and high-tech manufacturing industries
2. Pharmaceuticals
3. Media corporations
4. All of the options

**Options :**

51245251727. 1

51245251728. 2

51245251729. 3

51245251730. 4

**Question Number : 56 Question Id : 51245216140 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not a feature of the 'international organization form' formulated by Bartlett and Ghosal?

1. No specific need for local customization, whilst there is no need for building global brands as resources
2. Building country - specific assets
3. Achieving efficiency of domestic operations through leveraging global brands
4. Focus on exploiting its parent company resources

**Options :**

51245251731. 1

51245251732. 2

51245251733. 3

51245251734. 4

**Question Number : 57 Question Id : 51245216141 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is an advantage of cross border greenfield expansion?

1. Firms can have much more control over their operations
2. This mode is also the riskiest since the firm has to set up new operations in a country that it may not be familiar with
3. The liability of foreignness is the highest with this mode
4. It is also a slower option compared to acquiring a local company.

**Options :**

- 51245251735. 1
- 51245251736. 2
- 51245251737. 3
- 51245251738. 4

**Question Number : 58 Question Id : 51245216142 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

What is first degree price discrimination?

1. When the seller is able to identify the specific willingness of pay for each individual buyer and charge that price for each of them
2. Occurs when different sellers charge different prices for different quantities of purchases
3. Charge different prices for different segment of buyers, differentiated on parameters other than quantity
4. None of the options

**Options :**

- 51245251739. 1
- 51245251740. 2
- 51245251741. 3
- 51245251742. 4

**Question Number : 59 Question Id : 51245216143 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Second degree price discrimination is also known as:

1. Third degree price discrimination
2. Block pricing discrimination
3. Perfect price discrimination
4. First degree price discrimination

**Options :**

51245251743. 1

51245251744. 2

51245251745. 3

51245251746. 4

**Sub-Section Number :**

2

**Sub-Section Id :**

512452935

**Question Shuffling Allowed :**

Yes

**Question Number : 60 Question Id : 51245216144 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

If a company manufactures its own product, instead of getting it manufactured elsewhere, this is considered as backward integration.

1. True
2. False

**Options :**

51245251747. 1

51245251748. 2

**Question Number : 61 Question Id : 51245216145 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Firm resources, market positions and coordination mechanisms are the cornerstones of competitive advantage.

1. True
2. False

**Options :**

- 51245251749. 1
- 51245251750. 2

**Question Number : 62 Question Id : 51245216146 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

According to Campbell, Gould and Alexander, a firm is said to have parenting advantage, if it creates more value, than any of its rivals would if they owned the same businesses.

1. True
2. False

**Options :**

- 51245251751. 1
- 51245251752. 2

**Question Number : 63 Question Id : 51245216147 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Corporate advantage is the essence of Corporate Strategy.

1. True
2. False

**Options :**

- 51245251753. 1
- 51245251754. 2



**Question Number : 64 Question Id : 51245216148 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

A firm is said to have corporate advantage, if it has performed well on the parameters that represent industry key factors.

1. True
2. False

**Options :**

51245251755. 1  
51245251756. 2

**Question Number : 65 Question Id : 51245216149 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Goal-setting processes could be either bottom-up, that is proposals initiated by the specific business; or top-down, where the proposals would come from the corporate office:

1. True
2. False

**Options :**

51245251757. 1  
51245251758. 2

**Question Number : 66 Question Id : 51245216150 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

When intangible resources like 'new product-development processes' are leveraged by corporations, they provide relatively high competitive advantage.

1. True
2. False

**Options :**

- 51245251759. 1
- 51245251760. 2

**Question Number : 67 Question Id : 51245216151 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Advantage arising out of operating synergies, typically provide a higher advantage than when intangible costs are shared.

1. True
2. False

**Options :**

- 51245251761. 1
- 51245251762. 2

**Question Number : 68 Question Id : 51245216152 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The major drawback in Greenfield expansion is that it is time consuming.

1. True
2. False

**Options :**

- 51245251763. 1
- 51245251764. 2

**Question Number : 69 Question Id : 51245216153 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

If the transaction cost is higher in the market than the administrative costs within the firm, then the company should outsource.

1. True
2. False

**Options :**

51245251765. 1

51245251766. 2

**Question Number : 70 Question Id : 51245216154 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

BCG Matrix consists of two dimensions, the horizontal axis which measures the business growth rate and vertical axis which measures the relative market share.

1. True
2. False

**Options :**

51245251767. 1

51245251768. 2

**Question Number : 71 Question Id : 51245216155 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The strategic recommendation of 'question marks' is to continue investing in these businesses, as they generate and consume a lot of cash.

1. True
2. False

**Options :**

51245251769. 1

51245251770. 2

**Question Number : 72 Question Id : 51245216156 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

The BCG Model and McKinsey Matrices focus on the relationship between industry attractiveness and competitive position

1. True

2. False

**Options :**

51245251771. 1

51245251772. 2

**Question Number : 73 Question Id : 51245216157 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

In the Ashridge portfolio matrix, 'feel' is the horizontal axis which refers to the tangible value that the corporation can add to specific business through the transfer of resources and competencies.

1. True

2. False

**Options :**

51245251773. 1

51245251774. 2

**Question Number : 74 Question Id : 51245216158 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Operational relatedness refers to sharing of resources and capabilities across businesses.

1. True
2. False

**Options :**

- 51245251775. 1
- 51245251776. 2

**Question Number : 75 Question Id : 51245216159 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Multi-point or multi-market contact reduces competition

1. True
2. False

**Options :**

- 51245251777. 1
- 51245251778. 2

**Question Number : 76 Question Id : 51245216160 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Related diversification refers to the firm's entry into new products leveraging its activities and existing capabilities.

1. True
2. False

**Options :**

- 51245251779. 1
- 51245251780. 2

**Question Number : 77 Question Id : 51245216161 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Firms tend to be vertically integrated when asset specificity and uncertainty is low

1. True
2. False

**Options :**

51245251781. 1  
51245251782. 2

**Question Number : 78 Question Id : 51245216162 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

When we say a firm is born-global, it operates a business model that addresses international markets right at the venturing stage

1. True
2. False

**Options :**

51245251783. 1  
51245251784. 2

**Question Number : 79 Question Id : 51245216163 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

A firm cannot solve problems in its current business, by diversifying, it may face multiple problems in multiple businesses in case it does so.

1. True
2. False

**Options :**

51245251785. 1  
51245251786. 2

**Question Number : 80 Question Id : 51245216164 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The earlier the firm has access to quality feedback on its products and services, the better it is likely to perform both in its domestic and international markets

1. True
2. False

**Options :**

51245251787. 1

51245251788. 2

**Question Number : 81 Question Id : 51245216165 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Unrelated diversification reduces managerial employment risk, with no specific performance implications

1. True
2. False

**Options :**

51245251789. 1

51245251790. 2

**Question Number : 82 Question Id : 51245216166 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Managerial hubris is when managers overestimate the relatedness between their existing business and the ones they are diversifying into, and become overconfident of their ability to manage diversified businesses

1. True
2. False

**Options :**

51245251791. 1

51245251792. 2

**Question Number : 83 Question Id : 51245216167 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

When both operational and corporate relatedness are low, the firm only diversifies for pure financial purposes

1. True
2. False

**Options :**

51245251793. 1

51245251794. 2

**Question Number : 84 Question Id : 51245216168 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Managerial entrenchment is when the manager has more say in deciding the firm's strategy than shareholders

1. True
2. False

**Options :**

51245251795. 1

51245251796. 2

**Question Number : 85 Question Id : 51245216169 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**



Firms with related diversification will perform better than those firms that are not diversified, or those that are diversified into unrelated businesses.

1. True
2. False

**Options :**

- 51245251797. 1
- 51245251798. 2

**Question Number : 86 Question Id : 51245216170 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

A focused or dominant business firm attempts to leverage both operational and corporate relatedness in its diversification strategy

1. True
2. False

**Options :**

- 51245251799. 1
- 51245251800. 2

**Question Number : 87 Question Id : 51245216171 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

When firms internationalize early, achieving economies of scale is much than their primarily domestic competitors.

1. True
2. False

**Options :**

- 51245251801. 1
- 51245251802. 2

**Question Number : 88 Question Id : 51245216172 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Mergers and acquisitions offer a faster alternative for greenfield expansions

1. True
2. False

**Options :**

- 51245251803. 1
- 51245251804. 2

**Question Number : 89 Question Id : 51245216173 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Businesses would be better off focusing on reducing transaction costs rather than increase the risks for their shareholders by buying each other's assets

1. True
2. False

**Options :**

- 51245251805. 1
- 51245251806. 2

**Question Number : 90 Question Id : 51245216174 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Empirical evidence suggests that when firms are vertically integrated for transactions that involve high asset specificity, they tend to have a high performance

1. True
2. False

**Options :**

- 51245251807. 1

51245251808.2

**Question Number : 91 Question Id : 51245216175 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Business Strategy is concerned with how a firm can achieve corporate advantage and Corporate Strategy is concerned with how a firm can achieve competitive advantage.

1. True
2. False

**Options :**

- 51245251809.1
- 51245251810.2

**Question Number : 92 Question Id : 51245216176 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

In order to grow in a market, acquirers would typically focus on target firms that fill gaps in their product market portfolios.

1. True
2. False

**Options :**

- 51245251811.1
- 51245251812.2

**Question Number : 93 Question Id : 51245216177 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The benefits that firms get through diversification generally apply to alliances as well.

1. True
2. False

**Options :**

51245251813. 1

51245251814. 2

**Question Number : 94 Question Id : 51245216178 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

A key to restructuring and turning around of these target firms is the identification and exploitation of synergies

1. True

2. False

**Options :**

51245251815. 1

51245251816. 2

**Question Number : 95 Question Id : 51245216179 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Given the asymmetry of incentives between managers and shareholders, mergers that satisfy managerial aspirations of growth at the cost of shareholder value destroy value

1. True

2. False

**Options :**

51245251817. 1

51245251818. 2

**Question Number : 96 Question Id : 51245216180 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Exporting is a viable option for small firms that may not be able to undertake the other entry modes.

1. True
2. False

**Options :**

- 51245251819. 1
- 51245251820. 2

**Question Number : 97 Question Id : 51245216181 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Khale and Singh proposed the CAGE framework

1. True
2. False

**Options :**

- 51245251821. 1
- 51245251822. 2

**Question Number : 98 Question Id : 51245216182 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Early internationalization into the right countries have been known to help firms overcome liabilities of foreignness, origin, and newness

1. True
2. False

**Options :**

- 51245251823. 1
- 51245251824. 2

**Question Number : 99 Question Id : 51245216183 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The most common number cited in the success of M&A is 30%.

1. True
2. False

**Options :**

51245251825. 1

51245251826. 2

**Question Number : 100 Question Id : 51245216184 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

When firms want to go global, they start with low risk returns or low return options

1. True
2. False

**Options :**

51245251827. 1

51245251828. 2