1) What primarily influences a customer's purchasing decisions?

A) Color preferences

B) Brand loyalty

C) Price, quality, variety, and timeliness

D) Advertising strategies

E) Celebrity endorsements

Answer: C

Diff: 1

Skill: Knowledge

Objective: Understand factors influencing purchasing decisions

2) What are order qualifiers?

A) Factors that eliminate a supplier from consideration

B) Criteria that give a competitive edge

C) Non-negotiable customer requirements

D) Additional features for luxury products

E) Marketing strategies for new products

Answer: C

Diff: 1

Skill: Recall

Objective: Differentiate between order qualifiers and winners

3) Which is NOT one of the four main priorities in operations management?

A) Cost

B) Quality

C) Customer service

D) Speed

E) Flexibility

Answer: C

Diff: 1

Skill: Knowledge

Objective: Identify the four main priorities in operations management

4) What does core competency refer to?

A) Basic skills required for any job

B) A company's unique strengths

C) General business knowledge

D) Competencies shared by competitors

E) Minimum regulatory standards

Answer: B

Diff: 1

Skill: Recall

Objective: Describe core competency

5) Which level of strategy is focused on individual business units within a corporation?

A) Corporate

B) Business

C) Functional

D) Operational

E) Tactical

Answer: B

Diff: 1

Skill: Recall

Objective: Explain levels of strategy

6) What does a firm's competitiveness relate to?

A) Its financial stability

B) Its production capacity

C) Its ability in selling goods and services

D) Its employee satisfaction rates

E) Its stock market performance

Answer: C

Diff: 1

Skill: Knowledge

Objective: Define competitiveness

7) Which strategy focuses on achieving the lowest price for customers?

A) Quality

B) Cost

C) Flexibility

D) Speed

E) Innovation

Answer: B

Diff: 1

Skill: Recall

Objective: Recognize strategies to achieve competitive priorities

8) What is an example of an order winner?

A) Basic functionality of a smartphone

B) Air conditioning in cars

C) Superior camera in smartphones

D) Minimum safety features in cars

E) Standard warranty

Answer: C

Diff: 1

Skill: Application

Objective: Identify examples of order winners

9) Which is a key purchasing criterion related to time?

A) Price

B) Quality

C) Variety

D) Timeliness

E) Brand

Answer: D

Diff: 1

Skill: Recall

Objective: Recognize key purchasing criteria

10) What type of strategy would a firm use to stand out through unique features?

A) Cost leadership

B) Differentiation

C) Focus

D) Generic

E) Market penetration

Answer: B

Diff: 1

Skill: Knowledge

Objective: Understand business-level strategies

### Medium Difficulty Questions (21-40)

21) How do regulatory bodies influence business decisions according to the chapter?

A) By determining the product prices

B) Through customer feedback mechanisms

C) By setting industry standards

D) By providing financial support

E) By competing in the market

Answer: C

Diff: 2

Skill: Comprehension

Objective: Analyze influence of external factors on business decisions

22) What is the relationship between core competencies and competitive advantage?

A) Directly proportional

B) Inversely proportional

C) Unrelated

D) Occasionally aligned

E) Completely dependent

Answer: A

Diff: 2

Skill: Comprehension

Objective: Connect core competencies to competitive advantage

23) Which competitive priority involves minimizing product costs and waste?

A) Cost

B) Quality

C) Flexibility

D) Speed

E) Sustainability

Answer: A

Diff: 2

Skill: Application

Objective: Apply competitive priorities to operational strategies

24) What makes a competency difficult for competitors to imitate?

A) High cost of technology

B) General market knowledge

C) Unique design and user experience

D) Common business practices

E) Easy access to resources

Answer: C

Diff: 2

Skill: Analysis

Objective: Evaluate what makes competencies difficult to imitate

25) How do businesses use flexibility to gain a competitive advantage?

A) By offering the lowest prices

B) Through a rigid product structure

C) By adapting to market changes quickly

D) Maintaining a consistent product line

E) Ignoring customer feedback

Answer: C

Diff: 2

Skill: Understanding

Objective: Discuss the role of flexibility in competitive strategy

26) Which approach would a business take to focus on a specific market niche?

A) Cost leadership

B) Differentiation

C) Focus

D) Expansion

E) Diversification

Answer: C

Diff: 2

Skill: Application

Objective: Identify strategic approaches for targeting market niches

27) What is a trade-off in operations management?

A) A discount offered to long-term customers

B) A decision that involves choosing between two desirable outcomes

C) An exchange of goods

D) A partnership between competitors

E) A financial transaction

Answer: B

Diff: 2

Skill: Comprehension

Objective: Understand the concept of trade-offs in strategic decisions

28) Why is maintaining a core competency important for long-term success?

A) It ensures regulatory compliance

B) It helps in reducing operational costs

C) It differentiates a company from its competitors

D) It simplifies product design

E) It reduces the need for marketing

Answer: C

Diff: 2

Skill: Analysis

Objective: Discuss the importance of core competencies

29) What role does operational strategy play in a business?

A) It defines the company's mission and vision

B) It guides day-to-day activities to achieve business-level strategies

C) It focuses mainly on financial investments

D) It deals with external market demands only

E) It sets industry-wide standards

Answer: B

Diff: 2

Skill: Comprehension

Objective: Describe the function of operational strategy

30) How does a focus strategy differ from cost leadership?

A) Focus strategy targets a broader market

B) It involves higher prices for premium quality

C) It targets a specific segment of the market

D) Focus strategy is less concerned with costs

E) It requires less innovation

Answer: C

Diff: 2

Skill: Knowledge

Objective: Differentiate between focus strategy and cost leadership

31) What does the strategic hierarchy help a company to achieve?

A) Lower operational costs only

B) Alignment across all levels of strategy

C) Improved employee performance

D) Faster production times

E) Simplified product designs

Answer: B

Diff: 2

Skill: Comprehension

Objective: Understand the importance of strategic hierarchy

32) Which competitive priority focuses on reducing time from order to delivery?

A) Cost

B) Quality

C) Flexibility

D) Speed

E) Innovation

Answer: D

Diff: 2

Skill: Knowledge

Objective: Identify priorities that focus on speed

33) What is the main benefit of having a core competency that is rare?

A) It is easier to manage

B) It provides a significant competitive advantage

C) It is cheaper to develop

D) It is less important to the business strategy

E) It is more common in the industry

Answer: B

Diff: 2

Skill: Analysis

Objective: Analyze the benefits of rare core competencies

34) In what way do order winners differ from order qualifiers?

A) Order winners are less important to customers

B) Order winners provide a competitive edge

C) Order qualifiers are generally more expensive to implement

D) Order winners are easier to change

E) Order qualifiers do not influence purchasing decisions

Answer: B

Diff: 2

Skill: Comprehension

Objective: Distinguish between order winners and qualifiers

35) Which element of the strategic hierarchy directly involves setting quality control parameters?

A) Corporate strategy

B) Business-level strategy

C) Functional strategy

D) Operational strategy

E) Tactical planning

Answer: D

Diff: 2

Skill: Application

Objective: Apply knowledge of strategic levels to operational settings

36) How do competitive priorities influence operational strategies?

A) By dictating the corporate governance structure

B) By setting the standards for customer service

C) They guide decision-making regarding cost, quality, speed, and flexibility

D) They determine the geographical location of the business

E) They influence only the marketing strategies

Answer: C

Diff: 2

Skill: Comprehension

Objective: Connect competitive priorities with operational strategies

37) What does flexibility in operations management primarily allow a company to do?

A) Reduce employee turnover

B) Adapt quickly to changes in consumer demand

C) Focus only on long-term goals

D) Ignore market trends

E) Decrease operational costs

Answer: B

Diff: 2

Skill: Understanding

Objective: Discuss the role of flexibility in operations management

38) Why is alignment across strategic levels important for a company's success?

A) It ensures that all employees receive equal pay

B) It helps in avoiding legal complications

C) It allows for better resource allocation and goal achievement

D) It focuses only on improving product design

E) It limits the company’s ability to innovate

Answer: C

Diff: 2

Skill: Analysis

Objective: Evaluate the impact of strategic alignment on company success

39) What advantage does a differentiation strategy provide a company?

A) Lower production costs

B) Increased market share through unique offerings

C) Simplified product lines

D) Reduced need for marketing

E) Easier recruitment processes

Answer: B

Diff: 2

Skill: Comprehension

Objective: Explain the benefits of a differentiation strategy

40) How can a company effectively balance trade-offs between flexibility and speed?

A) By choosing only one to focus on

B) By outsourcing all operations

C) By carefully planning capacity and resource allocation

D) By reducing product quality

E) By increasing prices

Answer: C

Diff: 2

Skill: Application

Objective: Discuss strategies to balance operational trade-offs

41) What strategic framework proposes three main approaches including differentiation and focus?

A) SWOT analysis

B) Balanced Scorecard

C) Porter's Generic Strategies

D) PESTEL analysis

E) BCG Matrix

Answer: C

Diff: 3

Skill: Knowledge

Objective: Identify frameworks for business-level strategy

42) How does an understanding of core competencies impact a company's strategic planning?

A) It is unrelated to strategic planning

B) It simplifies the recruitment process

C) It guides the focus on areas that provide the most competitive leverage

D) It reduces the need for marketing

E) It dictates the pricing strategy

Answer: C

Diff: 3

Skill: Analysis

Objective: Connect core competencies to strategic planning

43) Which competitive priority would be most important for a luxury car manufacturer?

A) Cost

B) Quality

C) Flexibility

D) Speed

E) Innovation

Answer: B

Diff: 3

Skill: Evaluation

Objective: Evaluate priority based on industry context

44) How does the concept of trade-offs affect decisions in supply chain management?

A) It encourages standardization across all operations

B) It necessitates choices that may compromise one aspect to enhance another

C) It eliminates the need for vendor relationships

D) It simplifies all operational decisions

E) It reduces costs in all areas uniformly

Answer: B

Diff: 3

Skill: Critical Thinking

Objective: Analyze the impact of trade-offs in supply chain decisions

45) What role does customer feedback play in the alignment of operational strategies?

A) It has no significant impact

B) It dictates the financial strategies of the company

C) It guides adjustments to better meet market needs

D) It is only considered in marketing

E) It influences the legal strategies of the company

Answer: C

Diff: 3

Skill: Analysis

Objective: Assess the influence of customer feedback on operational strategies

46) Which is a critical factor when determining location strategy in operations management?

A) Celebrity endorsements

B) Proximity to raw materials and customer base

C) The political affiliations of the business owners

D) The brand color scheme

E) The number of competitors in the area

Answer: B

Diff: 3

Skill: Application

Objective: Apply factors influencing location strategy

47) How do functional strategies support business-level strategies?

A) By ignoring market trends

B) Through targeted actions that align with overall business goals

C) By focusing solely on cost-cutting

D) They operate independently of business-level strategies

E) By prioritizing aesthetics over functionality

Answer: B

Diff: 3

Skill: Comprehension

Objective: Understand the relationship between functional and business-level strategies

48) What is the impact of core competencies on a firm's ability to innovate?

A) They restrict innovation to specific areas

B) They provide a foundation for developing new capabilities

C) They prevent the firm from exploring new markets

D) They dictate the firm’s exit from the market

E) They have no impact on innovation

Answer: B

Diff: 3

Skill: Critical Thinking

Objective: Analyze the role of core competencies in fostering innovation

49) How does the strategic hierarchy influence decision-making at the operational level?

A) It complicates communication

B) It provides a clear direction and framework

C) It reduces the autonomy of operational managers

D) It has no influence

E) It focuses solely on international markets

Answer: B

Diff: 3

Skill: Evaluation

Objective: Evaluate the influence of strategic hierarchy on operational decisions

50) What is the consequence of not aligning operational strategy with corporate strategy?

A) Improved employee morale

B) Decreased operational efficiency and potential failure to meet goals

C) Enhanced customer satisfaction

D) Increased flexibility in operations

E) Reduction in operational costs

Answer: B

Diff: 3

Skill: Analysis

Objective: Discuss the consequences of misalignment in strategies

51) What best describes the advantage of multi-skilled workers in a flexibility strategy?

A) It increases dependency on specific employees.

B) It reduces the ability to adapt to market changes.

C) It allows for rapid switching between tasks or products.

D) It necessitates a larger workforce.

E) It limits creativity in problem-solving.

Answer: C

Diff: 3

Skill: Analysis

Objective: Explain benefits of multi-skilled workers in flexibility strategies

52) How does the delivery dash strategy impact customer satisfaction?

A) It has no significant effect.

B) It reduces reliability in delivery times.

C) It typically increases customer satisfaction due to faster service.

D) It only affects international customers.

E) It decreases operational costs.

Answer: C

Diff: 3

Skill: Evaluation

Objective: Assess the impact of speed-focused strategies on customer satisfaction

53) What is a primary challenge when a company focuses on both quality and speed?

A) Increased operational costs

B) Reduced marketing needs

C) Simplified management decisions

D) Lowered employee morale

E) Decreased product demand

Answer: A

Diff: 3

Skill: Critical Thinking

Objective: Analyze challenges of balancing quality with speed

54) Which factor is crucial when designing products for a quality-based strategy?

A) Minimizing the variety of offerings

B) Ensuring the lowest possible production cost

C) Achieving high standards in durability and performance

D) Reducing time to market

E) Focusing on a niche market

Answer: C

Diff: 3

Skill: Application

Objective: Identify design factors critical to quality strategies

55) In what way does ISO 9001 support quality management?

A) By dictating price points

B) By setting international standards for quality systems

C) By providing guidelines for employee conduct

D) By reducing the need for customer feedback

E) By focusing on advertising strategies

Answer: B

Diff: 3

Skill: Knowledge

Objective: Explain the role of ISO 9001 in quality management

56) How does a differentiation strategy impact a company's market position?

A) It lowers the overall market value.

B) It makes the company's offerings less noticeable.

C) It enhances the company's standing by unique offerings.

D) It simplifies operational processes.

E) It reduces the company's profitability.

Answer: C

Diff: 3

Skill: Evaluation

Objective: Discuss the impact of differentiation on market position

57) What operational advantage does lean production primarily offer?

A) It increases the variety of products.

B) It leads to higher employee turnover.

C) It decreases waste and improves efficiency.

D) It necessitates higher inventory levels.

E) It focuses on increasing raw material usage.

Answer: C

Diff: 3

Skill: Comprehension

Objective: Identify main advantages of lean production

58) What is a key outcome of effective supply chain management?

A) Decreased emphasis on quality

B) Increased product costs

C) Enhanced delivery speed and reliability

D) Reduced customer base

E) Simplified product designs

Answer: C

Diff: 3

Skill: Analysis

Objective: Assess outcomes of effective supply chain management

59) Why is strategic alignment across different levels important in achieving corporate goals?

A) It ensures uniform salaries across the company.

B) It guarantees market leadership in innovation.

C) It facilitates coordinated efforts that enhance goal achievement.

D) It diminishes the company's competitive edge.

E) It focuses exclusively on financial outcomes.

Answer: C

Diff: 3

Skill: Evaluation

Objective: Evaluate the importance of strategic alignment

60) What impact does maintaining regular equipment maintenance have on production processes?

A) It increases downtime significantly.

B) It leads to frequent changes in production methods.

C) It ensures continuous and stable production.

D) It reduces the life span of machinery.

E) It decreases employee efficiency.

Answer: C

Diff: 3

Skill: Knowledge

Objective: Discuss the benefits of regular maintenance on production stability