Ch3 Quiz

Q1. Answer the Following (T/F) questions:

1. The competitive forces model was created for today's digital firm.
2. Customers are one of the competitive forces that affect an organization's ability to compete.
3. In the value chain model, primary activities are most directly related to the production and distribution of the firm's products and services that create value for the customer.
4. In the value chain model, primary activities are most directly related to the production and distribution of the firm's products and services that create value for the customer.
5. The value chain model classifies all company activities as either primary or support.
6. The idea driving synergies is that when the output of some units can be used as inputs to other units, the relationship can lower cost and generate profits.
7. All organizations have bedrock, unassailable assumptions that define their goals and products.
8. In a demonstration of network economics, the more people that use Adobe software and related products, the greater the value of the software.
9. The term *business ecosystem* describes the interplay between the various organizational forces within a firm.
10. Strong linkages to customers and suppliers decrease switching costs.

**Q2. Answer the following Multiple Choice questions:**

1. The value chain model

A) categorizes five related advantages for adding value to a firm's products or services.

B) sees the supply chain as the primary activity for adding value.

C) categorizes four basic strategies a firm can use to enhance its value chain.

D) helps a firm identify points at which information technology can most effectively enhance its competitive position.

2) The primary activities of a firm include

A) inbound logistics, operations, outbound logistics, sales and marketing, and service.

B) inbound logistics, operations, outbound logistics, technology, and service.

C) procurement, inbound logistics, operations, technology, and outbound logistics.

D) procurement, operations, technology, sales and marketing, and services.

3) Which of the following is one of the support activities in a firm's value chain?

A) inbound logistics

B) operations

C) sales and marketing

D) technology

4) Which of the following activities would you perform to measure and compare your business processes to similar processes of other companies within your industry?

A) benchmarking

B) best practices

C) value chain analysis

D) strategic systems analysis

5) The most successful solutions or methods for achieving a business objective are called

A) value activities.

B) best processes.

C) core competencies.

D) best practices.

6) A collection of independent firms that use information technology to coordinate their value chains to produce a product or service for a market collectively is called a(n)

A) industry value chain.

B) business ecosystem.

C) value web.

D) consortia.

7) An organization is a

A) stable, formal social structure that takes resources from the environment and processes them to produce outputs.

B) formal, legal entity with internal rules and procedures that must abide by laws.

C) collection of social elements.

D) B and C

E) A, B, and C

8) Which of the following statements is NOT true about information technology's impacts on business firms?

A) It helps firms expand in size.

B) It helps firms lower the cost of market participation.

C) It helps reduce internal management costs.

D) It helps reduce transaction costs.

9) The four major types of competitive strategy are

A) low-cost leadership; substitute products and services; customers; and suppliers.

B) low-cost leadership; product differentiation; focus on market niche; and customer and supplier intimacy.

C) new market entrants; substitute products and services; customers; and suppliers.

D) low-cost leadership; new market entrants; product differentiation; and focus on market niche.

10) When a firm provides a specialized product or service for a narrow target market better than competitors, they are using a \_\_\_\_\_\_\_\_ strategy.

A) product differentiation

B) market niche

C) mass customization

D) process efficiency

Answer: B