MC TEST 1, IBA MODULE 1: TECHNOLOGY, ORGANIZATION AND PEOPLE

Course code: M1 201300006

Date and time: September 20, 2013 from 13:45 till 14:30

This multiple-choice test consists of 40 questions. All questions have four answer opportunities (a, b, c and d). Only <u>one</u> of these options is correct.

INSTRUCTIONS
✓ Please put your personal details, course name and code, date and student number on the **<u>separate</u>** response / answer form.
✓ Please put your name, student number and group number on the **<u>top of every page</u>** of all parts of this exam, as well as on the bottom of this page.
✓ Once you answered all questions, please hand in **<u>separately</u>** the MC questions as well as the response form. All paper work has to be handed in, meaning that you are not allowed to take any test materials or notes outside the sports center.

<u>ALLOWED</u> to use: dictionary, pen, pencil, eraser, snacks and drinks (please eat and drink quietly)
<u>NOT ALLOWED</u> to use: electronic devices, your/our notes and slides, text book and answers of your neighbor.

Please fill out this form before answering the exam questions:

Your name: _____

Your student number: _____

Your group number: _____

MULTIPLE-CHOICE QUESTIONS

Please read these instructions first:

✓ Please read each question and all answer options carefully before answering the question.

✓ Use the **<u>separate</u>** response / answer form to answer the multiple-choice questions and true/false statements.

✓ For every question/statement **<u>only one</u>** option / answer has to be selected!

✓ In case of doubt, please select the answer which you think is most appropriate.

✓ Not answering a question, selecting multiple options and/or options besides a, b, c or d will assessed as a wrong answer.

Questions:

1. The systems perspective views an organization as an arrangement of different parts. What are necessary relationships between these parts? The parts are...
    a. Interrelated
    b. Interdependent
    c. Producing a unified output
    d. All of the above

2. In the 18th century the division of labour was introduced. What are its characteristics?
    a. Breaking down of tasks
    b. Repetitive tasks
    c. Functional specialization
    d. All of the above

3. What can be defined as a social contract?
    a. Mutual obligations between society and business
    b. Mutual obligations between employees and employers
    c. Mutual obligations between employees and society
    d. None of the above

4. Frederick Taylor's scientific management aims at improving the efficiency on the shop floor. What assumption(s) does this theory make?
    a. There is one best way of working
    b. Workers are highly skilled and responsible
    c. Decentralizing task design involves workers
    d. All of the above

5. Which of the following is true for a cash flow statement?
    a. Is useful in determining the long-term viability
    b. It shows liabilities
    c. It only involves a certain period of time
    d. All of the above

6. McGregor introduced the Theory X and theory Y as two distinctive views. Based on what were these conclusions drawn?
    a. Management's view of human nature
    b. Employee behaviour
    c. Human nature
    d. All of the above

7. The period from 1960 to 1980 was a time where the study of contingencies prevailed, in determining the most appropriate structure. Which of the following <u>cannot</u> be considered as contingency?
    a. Technology
    b. Organization size
    c. Environment
    d. Structure

8. The strategic-constituencies approach has several steps in its application. Which of the following is part of those steps?
    a. Identifying all stakeholders
    b. Evaluating relative power
    c. Assigning relative power
    d. All of the above

9. The balanced scorecard seeks to balance the various demands on the organisation with its capabilities. It tries to provide an integrated measure of organisational effectiveness. Which of the following is/are its function?
    a. Diagnostic tool to align the organisation with its environment
    b. Measurement system to identify whether goals are met
    c. A means of developing and implementing strategy
    d. All of the above

10. In the competing values framework, which model is highly flexible and is aimed at the external environment?

      a.   Human relations model

      b.   Open systems model

      c.   Internal process model

      d.   Rational goal model

11. In the life-cycle perspective different stages are identified that show a common pattern among organisations. One of those stages is the *collectivity* stage. Which of the following statements is a reflection of this stage?

      a.   The mission is clarified

      b.   Efficiency is the focus

      c.   A steady supply of resources

      d.   Demand shrinks

12. Which of the following statements is correct/incorrect?

Statement I: Complexity is the degree of horizontal, vertical and spatial differentiation in an organization.

Statement II: Span of control describes the number of hierarchical levels between top management and operatives.

      a.   Both statements are correct

      b.   Statement I is correct and statement II is incorrect

      c.   Statement I is incorrect and statement II is correct

      d.   Both statements are incorrect

13. Max Weber introduced the structural model known as bureaucracy. What is a characteristic of this model?

      a.   Planning

      b.   One best way of working

      c.   Adhocracy

      d.   Division of labour

14. Which of the following does not lead to high formalisation?

      a.   Clear job descriptions

      b.   Written rules

      c.   Differences in the way of thinking of organizational members

      d.   Clearly defined procedures

15. Which of the following statements is correct/incorrect?

Statement I: Simple and repetitive jobs are matched by low formalisation.

Statement II: In high organizational levels formalisation is low.

      a.   Both statements are correct

      b.   Statement I is correct and statement II is incorrect

      c.   Statement I is incorrect and statement II is correct

      d.   Both statements are incorrect

16. What is <u>not</u> a similarity between Frederick Taylor's and Henri Fayol's work?

      a.   General applicable theory

      b.   Practice as a basis for analysis

      c.   Standardizing job design

      d.   Focus on floor-level management

17. Which of the following statements is correct/incorrect?

Statement I: Centralisation is concerned only with the formal structure, not the informal organization.

Statement II: Decentralisation may overcome the problem of information overflow.

      a.   Both statements are correct

      b.   Statement I is correct and statement II is incorrect

      c.   Statement I is incorrect and statement II is correct

      d.   Both statements are incorrect

18. Which strategic type is characterised by producing a limited set of products directed at a narrow segment?

      a.   Defender

      b.   Prospector

      c.   Analyser

      d.   Reactor

19. The strategic-constituencies approach has several steps in its application. Which of the following is part of those steps?

      a.   Identifying all stakeholders

      b.   Evaluating relative power

      c.   Assigning relative power

      d.   All of the above

20. Which strategy follows Ryanair and Aldi supermarkets?

      a.   Cost leadership

      b.   Differentiation strategy

      c.   Focus strategy

      d.   Stuck in the middle

21. Which of the following statements is correct/incorrect?

Statement I: Cost leadership is characterised by strong coordination among functions in R&D.

Statement II: Intense supervision of labour is typical for the differentiation strategy to maintain the uniqueness of the company.

      a.   Both statements are correct

      b.   Statement I is correct and statement II is incorrect

      c.   Statement I is incorrect and statement II is correct

      d.   Both statements are incorrect

22. Which of the following statements is correct/incorrect?

Statement I: Low need for coordination and low need for a common culture is typical for a multidomestic strategy.

Statement II: High need for coordination and high need for a common culture is typical for a global strategy.

      a.   Both statements are correct

      b.   Statement I is correct and statement II is incorrect

      c.   Statement I is incorrect and statement II is correct

      d.   Both statements are incorrect

23. Which of the following statements about the competing values framework by Quinn et al., (2003) is correct/incorrect?

    Statement I: The model shows ways to achieve organizational effectiveness

    Statement II: The four underlying philosophies contradict each other

      a.   Both statements are correct

      b.   Statement I is correct and statement II is incorrect

      c.   Statement II is correct and statement I is incorrect

      d.   Both statements are incorrect

24. Which of the following is true for the profit and loss statement?

     a.   It complements the cash flow statement

     b.   It complements the balance sheet

     c.   It indicates the cash available

     d.   None of the above

25. Which of the following statements is correct/incorrect?

Statement I: The financial obligations and debts are reported on the balance sheet under liabilities

Statement II: Cash is reported on the balance sheet under current assets

     a.   Both statements are correct

     b.   Statement I is correct and statement II is incorrect

     c.   Statement II is correct and statement I is incorrect

     d.   Both statements are incorrect

26. Under which corporate responsibility falls the notion of donating to charity?

     a.   Economic responsibility

     b.   Legal responsibility

     c.   Ethical responsibility

     d.   Discretionary responsibility

27. Which of the following statements is correct/incorrect?

Statement I: It is in general impossible to satisfy all stakeholders' demands

Statement II: Lobbying is the main interaction in which stakeholders influence managers

     a.   Both statements are correct

     b.   Statement I is correct and statement II is incorrect

     c.   Statement II is correct and statement I is incorrect

     d.   Both statements are incorrect

28. Zara is a fast-fashion company operating in the dynamic apparel industry. Its success depends on their adaptability to the market and quick reaction to the customer's needs. This is possible because they monitor customer spending in each store to evaluate and understand what types of designs are being consumed and then accordingly iterate on their next designs. In this way their supply chain is very localized. They ship clothes to different countries and stores based on individual requirements and needs of the particular location. What does this information say about the structure of Zara? It is:

      a.   Centralization

      b.   Decentralization

      c.   Formalization

      d.   Based on team work

29. The announcement of Mars that its entire cocoa supply will be sustainable in 2020 is an example of …

      a.   Reacting to market developments

      b.   Meeting customers' needs

      c.   Corporate strategy

      d.   None of the above

30. Which of the following are motives for companies to introduce environmental management schemes (EMS)?

      a.   Maintain the goodwill of customers

      b.   Improve cost performance

      c.   Improve environmental performance

      d.   All of the above

31. Which of the following perspectives on the strategy process assumes rationality in its approach and is prescriptive?

      a.   Planning

      b.   Learning

      c.   Political

      d.   None of the above

32. Which of the following statements is correct/incorrect?

Statement I: Analysers invest heavily into new opportunities as soon as they arise.

Statement II: Decline or extinction are often outcomes of a reactor strategy.

      a.   Both statements are correct

      b.   Statement I is correct and statement II is incorrect

      c.   Statement I is incorrect and statement II is correct

      d.   Both statements are incorrect

33. What is the function of a mission statement?

      a.   Provides a strategy

      b.   Provides a focus for work

      c.   Provides a goal

      d.   None of the above

34. According to Mintzberg's framework (1983), who is responsible for developing programs, procedures and rules?

      a.   Operating core

      b.   Strategic apex

      c.   Middle line

      d.   Technostructure

35. Which of the following statements is correct/incorrect?

Statement I: Shareholders are the principal risk takers in a company

Statement II: Banks are the principal risk takers in a company

      a.   Both statements are correct

      b.   Statement I is correct and statement II is incorrect

      c.   Statement II is correct and statement I is incorrect

      d.   Both statements are incorrect

36. Measuring organisational effectiveness has changed throughout the decades. Robbins and Barnwell (2006) define organisational effectiveness as "the degree to which an organisation attains its short- and long-term goals." The selection of these goals reflects what?

      a.   The strategic constituencies

      b.   The self-interest of the evaluator

      c.   The life stage of the organisation

      d.   All of the above

37. Under which of the following items on the balance sheet can computers <u>not</u> be placed for a company like Dell?

      a.   Current assets

      b.   Stock

      c.   Accounts receivable

      d.   Tools and equipment

38. The systems approach assumes that organisations are made up of subparts. Which of the following statement(s) is correct/incorrect?

Statement I: If any of these subparts performs poorly, it will negatively affect the performance of the whole system.

Statement II: Management should maintain good relations with constituencies that have the power to disrupt the stable operation of the organisation.

      a.   Both statements are correct

      b.   Statement I is correct and statement II is incorrect

      c.   Statement I is incorrect and statement II is correct

      d.   Both statements are incorrect

39. Nestlé produces a variety of products such as baby foods, coffee, cereals, dairy and petcare. For some of their products Nestlé aims for a stable market share and for some products Nestlé aims at exploiting new market opportunities. Which strategy does Nestlé have?

      a.   Defender

      b.   Differentiator

      c.   Analyser

      d.   Focus

40. Samsung introduced a project manager to the newly started production of a tablet. Which coordination technique is used by Samsung?

      a.   Programmed coordination

      b.   Individual coordination

      c.   Formal coordination

      d.   Project coordination