



BIJU PATNAIK INSTITUTE OF INFORMATION TECHNOLOGY
& MANAGEMENT STUDIES, BHUBANEWAR

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Semester: 2nd Semester (MBA/BA)
Batch: 2024-26
Subject: **STRATEGIC MANAGEMENT**
Name:
Reg. No.:

Date: 23.04.2025
Surprise Test
Duration:
Full Marks: 10
Sec:

1. In Porter's value chain, which activity involves transforming inputs into the final product?
A) Inbound logistics
B) Operations
C) Outbound logistics
D) Procurement
2. Which of the following is a characteristic of the value chain analysis?
A) It focuses solely on primary activities.
B) It helps in identifying activities that create value for customers.
C) It excludes support activities.
D) It is mainly concerned with financial analysis.
3. Which corporate strategy is most likely to focus on cost-cutting measures and restructuring to improve efficiency?
A) Stability strategy
B) Expansion strategy
C) Growth strategy
D) Retrenchment strategy
4. A company has been following a stability strategy for several years and is considering expanding into new geographic markets. What is the primary motivation for this expansion?
A) Maintaining the status quo
B) Focusing solely on cost-cutting measures
C) Pursuing growth opportunities
D) Avoiding risks associated with expansion
5. A retail chain has been facing stagnant sales in its current market and decides to acquire a smaller competitor to expand its market share. What corporate strategy is the retail chain pursuing?
A) Stability strategy
B) Retrenchment strategy
C) Expansion strategy
D) Diversification strategy



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6. A family-owned restaurant chain has been successful in its local market for decades, with a loyal customer base and stable revenues. The owners are content with the current state of the business and are not interested in taking on additional risks. What strategy does the restaurant chain most likely follow?
- A) Stability strategy
 - B) Expansion strategy
 - C) Retrenchment strategy
 - D) Diversification strategy
7. A medium-sized software company has been experiencing steady growth in its domestic market for the past few years. However, the market is becoming increasingly saturated, and competition is intensifying. The company's management is considering its strategic options. What strategy would best suit the company's situation?
- A) Stability strategy
 - B) Expansion strategy
 - C) Retrenchment strategy
 - D) Diversification strategy
8. A large retail chain has been facing challenges due to changing consumer preferences and increasing competition from online retailers. Despite these challenges, the company has maintained a strong market position and stable performance. What strategy is the retail chain most likely employing to navigate these challenges?
- A) Stability strategy
 - B) Expansion strategy
 - C) Retrenchment strategy
 - D) Diversification strategy
9. A hospitality chain conducts a value chain analysis and discovers that its procurement process is not cost-effective due to reliance on multiple suppliers. What step should the chain take to improve efficiency?
- A) Diversify into unrelated industries.
 - B) Invest in marketing campaigns.
 - C) Consolidate suppliers to leverage economies of scale.
 - D) Reduce investment in employee training.
10. Software development firm conducts a value chain analysis and realizes that its product design phase is slow and lacks innovation, leading to delays in product launches and decreased customer satisfaction. What should the company prioritise to address this issue?
- A) Streamline the product testing phase.
 - B) Invest in hiring more marketing professionals.
 - C) Enhance the product design team's skills and resources.
 - D) Expand operations to new market



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SHORT QUESTIONS

11. What is Sustainable competitive advantage and how can one achieve it?

12. Explain the different stages of Industry Life Cycle with examples for each stage.



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13. Describe the building blocks of Competitive Advantage.