

对外经济贸易大学
2007—2008学年第一学期
《战略管理》期末考试试卷（A卷）答案

课程代码及课序号：MGT311—0

Part 1 Multiple Choice (20 points, 2 points for each)

1. B
2. C
3. A
4. C
5. A
6. A
7. C
8. C
9. A
10. A

Part 2 True or False Questions (10 points, 1 point for each)

1. T
2. F
3. T
4. F
5. F
6. F
7. T
8. F
9. F
10. F

Part 3 Essay Questions (20 points, 10 points for each)

1. in related diversification, a firm seeks to exploit economies of scope between its business units. Economies of scope are cost savings creates by transferring some of its capabilities and competencies developed in another business to a new business. Firms create value through economies of scope two ways: the sharing of activities(operational relatedness) and the transferring of core competencies(corporate relatedness). Both primary and support activities may be shared, including marketing and production. This activity sharing can result in cost reductions and improve financial returns. Core competencies are intangible resources such as knowledge, expertise, and experience. The sharing of core competencies allows the firm to create value two ways: (1)it eliminates the need for the second unit to allocate resources to develop the competence, and (2) transferring intangible resources internally makes it hard for competitors to understand and to imitate the resource.
2. (1) The best answers will note that the five competitive forces are rivalry among competitive firms, potential entry of new competitors, potential development of substitute products,

bargaining power of suppliers and bargaining power of consumers. (5 points). The use the five competitive forces above to analyze the cost leadership strategy (5 points.)

Part 4 Scenario Question (20 points)

- (1) The best answers will analyze the relationships between organizational structure and strategy firstly. (5 points)
- (2) The best answers will note that the strategy of this company is related diversification, then analyze which organizational structure will best fit this kind of strategy and illuminate the merits of this structure. (5 points)
- (3) The best answers will note that the choice of structure depends on the correlation of their businesses. If the correlation between businesses is strong, then a new business unit will be a good choice. Otherwise the company should set up a new company. (10 points)

Part 5 Case Analysis (30 points)

1. the best answers will begin by noting that ICP sells a commodity product, as evidenced by the fact that there are only so many grades of USDA-certified beef and pork, Since the product is an undifferentiated commodity, customers typically base their purchasing decisions on price alone.
2. the best answers will note that since ICP has aligned its entire value-chain with its low-cost strategy, it has linked its own ups and downs to the ups and downs of the beef and pork industries. Thus, like commodity prices, we can expect that ICP will do well when general demand for beef and pork is up, and less well when such demand is down. A more nuanced answer may also point out that ICP's intense focus on costs may essentially drive out any opportunities for it to develop differentiation advantages. If competitors are able to match ICP's efficiency as well as build other differentiation advantages, ICP may find itself at a competitive disadvantage in the long run.
3. the best answer will begin by suggesting that ICP must retain its cost advantage while developing differentiation advantages. At a general industry level, ICP can promote the consumption of beef and pork to counter trends away from these meats. Specific to ICP, it can begin experimenting with value-added products like prepackaged meals. A related tack would be the development of organic products which do not fall within the USDA categories. Selling high-quality beef and pork outside of the USDA categories would be another tack as well. The theme across students' recommendations should be one of developing products that no longer have commodity-like characteristics.