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**MGMT 301 (Johnson) – Exam 2 – Sample Test**

1. C; concentration (Retrenchment would NOT involve adding more locations or products)
2. B; corporate communications is not part of the managerial control process; it is an important function within an organization, however
3. E; all of these options could be key performance metrics for a ride at Disney
4. C; sales by SKU (related to inventory)
5. E; Friday and Monday PSU classes would be a feedforward type of control because you are looking at how many students would be available (or not available) to work on THON activities on those days; if students have classes, this might eliminate them as resources for you when planning the activities of THON
6. E; A social norm is a form of external control; answers A through D are internal controls.
7. C; this is a corporate strategy
8. B; Vertical integration is not a retrenchment strategy.
9. E; Business to Business is not part of Porter's Competitive Strategies
10. A; Functional. Vertical and concentration are not strategic levels
11. B; Mission statements do not have to be future-focused
12. E; An internal SWOT Analysis includes strengths and weaknesses
13. D; An objective is a specific result you want to achieve
14. B; Your strategic plan looks at long-term direction
15. C; Feedforward controls are used when you need to be sure of the availability of needed resources BEFORE a project begins; this relates to Question 13 above
16. E; Managing by objective involves both B and C; managing by objective always involves a superior setting objectives with a subordinate as a type of participatory planning
17. B; Liquidation is a retrenchment strategy; Diversification is a growth Strategy
18. C; We use the BCG matrix here
19. D; The bargaining power of buyers
20. E; All of the above are big issues concerning strategy in business
21. D; Concurrent feedback

22. C; planning
23. A; You are in a decisional role
24. B; Conceptual skill
25. A; crisis
26. D; availability heuristic; this is not a good approach to problem solving because you are basing your decision on incomplete information. Your decision might not be the best one if you are not using all the information you could be using.
27. B; as a manager at the PSU Ice Arena, you would want to seek out stakeholders and talk about potential issues right away. Incidentally, you would be taking on the role of problem seeker because you are attempting to anticipate potential problems and solve them before they become issues.
28. D; sensation and thinking; This relates to the Myers-Briggs Type Indicator (MBTI). Professor Johnson has indicated that the MBTI will be covered on this exam.
29. A; this is intuitive decision making
30. B; this would be a risk and programmed decision; if you have less information and a more uncertain environment, you would probably be making a nonprogrammed decision.
31. C; as a manager, you would be setting goals and objectives.
32. E; all of these are benefits of a goal
33. C; this is a strategic decision
34. C; budgeting is NOT one of the 6 planning tools
35. B; Blockbuster used a retrenchment strategy
36. C; Shanghai
37. A; In contrast, a “perceiving” personality style for planning would be informal and unstructured
38. B; Globalization
39. A; During the Chilean mine disaster, the Chilean President would like have been engaging families and the public. His role would have been “above ground.” The mine boss trapped underground would have handled B,C,D, and E.
40. B; The Captain who left the Costa Concordia was a problem avoider. The company that owned the ship acted as a problem solver. You want to be a problem seeker when possible.
41. D; this is an example of policy-making
42. C; this is a specific goal
43. D; measuring ridership is a good way to assess ride performance
44. E; output standard
45. C; at that point, Blockbuster would have been a DOG on the BCG Matrix



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**MGMT 301 (Johnson) – Exam 2 – Check Your Understanding Solutions**

**Check Your Understanding – Chapter 4: Decision Making:**

1. B; this is a programmed decision in a certain environment
2. C; this person would be a problem seeker; they are actually anticipating and looking for problems to fix
3. D; sensation thinker; these managers are looking at facts and goals as they consider the issue at hand
4. C; the 5 steps of the Six Sigma decision-making process are:  
Define, measure, analyze, improve, control
5. B; this kind of bias is availability heuristic; you are not looking at all the information but instead drawing a more subjective conclusion about population based on what you see/hear about these two cities; if you aren't looking at all of the information, you are at risk of reaching an incorrect conclusion
6. B; escalating commitment; in this case, your boss knows he is investing in something that isn't working, but instead of changing course, he throws more money at the plan that is not working

**Check Your Understanding – Chapter 5: Planning:**

1. B; this is a nonmonetary budget
2. C: scenario planning
3. C; Great Goals are not controlling
4. C; this manager is using forecasting
5. B; the company procedure would tell Jim how he should handle dating of coworkers

**Check Your Understanding – Chapter 6: Controls:**

1. D; these managers are using after-action review to look at the lessons learning during the recipe project; please note that the Chapter 5 label is incorrect, as the textbook has renumbered the chapters for the newest edition – this question actually refers to the Planning chapter covered by this exam
2. A; management by exception
3. C; ordering food and supplies is a feedforward control – it does not happen DURING the event

4. B; your boss is asking you to use management by objectives in this scenario

**Check Your Understanding – Chapter 7: Strategy:**

1. A; Corporate strategy

2. D; this is a functional strategy

3. C; Vertical integration is not a retrenchment strategy

4. B; this is a transnational strategy