

BSG COMPREHENSIVE EXAM (FALL 2019)

QUESTIONS AND ANSWERS A+ SCORE

ASSURED

The benefits of pursuing a strategy of social responsibility and corporate citizenship include - ✓✓ANSW✓✓· The positive impact that such a strategy has on the company's image rating, provided the company spends a meaningful amount on socially responsible activities and such spending is sustained over a multi-year period

What WILL help a company boost its credit rating from A- to A?
- ✓✓ANSW✓✓· An increase in the company's interest coverage ratio from 2.0 to 12.5

· A decline in the company's debt to asset ration from 0.30 to 0.15

· An increase in the company's default risk ration from 5.0 to 10.0

· A change in the company's default risk rating from medium to low

Which one of the following is a way to improve the S/Q rating of branded pairs produced at a particular plant - ✓✓ANSW✓✓·
Increasing expenditures for TQM/Six Sigma Programs

A dependable and appealing way for managers to try and boost their company's EPS is to - ✓✓ANSW✓✓· Achieve a sizable cost based competitive advantage over rivals that company managers are savvy enough to sustain; as the market demand for branded footwear grows and the company exploits its cost advantage by underpricing most/all rivals in all four geographic regions, the resulting sales volume and revenue gains will typically spur increases in EPS

Brinker International operates restaurants in several different segments of the casual dining market. This is - ✓✓ANSW✓✓an example of product diversification.

On the most basic level, corporate-level strategy is concerned with _____ and how to manage these businesses. -

✓✓ANSW✓✓ what product markets and businesses the firm should be in

Which acquisition would be considered the LEAST related? -

✓✓ANSW✓✓an upscale "white-tablecloth" restaurant chain acquires a travel agency

The more "constrained" the relatedness of diversification, -

✓✓ANSW✓✓the more links there are among the businesses owned by an organization.

Which of the following is NOT a limit to vertical integration? -

✓✓ANSW✓✓imitation of core technology by potential competitors

What is a limit to vertical integration? -

✓✓ANSW✓✓bureaucratic costs

the loss of flexibility through investment in specific technologies

capacity balance and coordination problems from changes in demand

Horizontal acquisitions in the video rental industry are typically intended to - ✓✓ANSW✓✓ reduce some of the overcapacity in the industry.

Foreign firms seeking to acquire U.S. firms are interested in all of the following EXCEPT - ✓✓ANSW✓✓ acquiring relationships with dealers through horizontal acquisitions.

If a company's managers want to succeed in creating a differentiation-based competitive advantage (And a potential cost advantage in achieving the differentiation) that is difficult for rivals to quickly or easily copy (because every strategic move a company makes to outcompete rivals and gain a competitive advantage is not apparent from information contained in the FIR and the competitive intelligence Report), then the managers have to - ✓✓ANSW✓✓. Do a better job than rivals in identifying and implementing ways to become very cost-efficient in producing and marketing 350-500 models/styles of branded footwear that also have the highest S/Q rating in the industry

Valid reasons to consider building a new plant in Latin America include - ✓✓ANSW✓✓. Low tariff costs on footwear sales in Latin America (because no import tariffs are paid on footwear produced at the Latin American plant and shipped to the distribution warehouses in Latin America)