**International School of Economics**

**Strategic Management of Business**

**Final exam questions**

1. Explain what competitive advantage is?
2. Explain the AFI Strategy framework?
3. Explain competitive disadvantage and competitive parity?
4. Explain how firm effects and industry effects affect performance of firm?
5. Explain the roles of vision, mission, and values in the strategic management process?
6. Explain advantages and disadvantages of product-oriented and customer-oriented vision statements?
7. Explain what top-down strategic planning is?
8. Explain what Scenario planning is?
9. Explain strategy as planned emergence (bottom-up strategic planning)?
10. Define and explain external and internal stakeholders of frim?
11. Explain what stakeholder impact analysis is?
12. Explain what PESTEL model is?
13. Explain the role of Economic factors in PESTEL model?
14. Explain the role of Political/Legal factors in PESTEL model?
15. Explain the role of Sociocultural factors in PESTEL model?
16. Explain the role of Technological and Ecological factors in PESTEL model?
17. Explain what the Five Forces Model is?
18. Explain The threat of entry in Five Forces Model?
19. Explain Entry barriers in Five Forces Model?
20. Explain The Power of Buyers in Five Forces Model?
21. Explain The Threat of Substitutes in Five Forces Model?
22. Explain Rivalry among existing competitors in Five Forces Model?
23. Explain how competitive industry structure shapes rivalry among competitors;
24. Explain the strategic role of complements in gaining and sustaining competitive advantage;
25. Explain what strategic group model is?
26. Explain the role of firm core competencies in gaining and sustaining competitive advantage?
27. Explain the resource-based view and compare and contrast tangible and intangible resources of organization?
28. Explain what resource heterogeneity and resource immobility are?
29. Explain what VRIO framework is?
30. Explain how dynamic capabilities can help a firm sustain competitive advantage?
31. Explain how isolating mechanisms allow firms to sustain their competitive advantage?
32. Explain what Value Chain analysis is?
33. Explain how managers use SWOT analysis to combine external and internal analysis and derive strategic implications?
34. Explain how managers can use accounting data and financial ratios to define the performance of firm?
35. Explain advantages and disadvantages of accounting date?
36. Explain the relationship between firm performance and shareholder value creation?
37. Explain economic value creation and different sources of competitive advantage?
38. Explain how ROIC ratio can help to define competitive position of firms;
39. Explain the role of book value and market expectation in firm’s stock market valuation?
40. Explain total perceived consumer benefits and the maximum willingness to pay?
41. Define and explain value drivers of Differentiation strategy?
42. Define and explain cost drivers of Cost-leadership strategy?
43. Explain the minimum efficient scale and diseconomies of scale?
44. Explain why it is difficult to succeed at an integration strategy?
45. Define and explain value and cost drivers of integration strategy?
46. Define the role of innovation in modern competition and explain how it helps firms to create higher value?
47. Explain the four-step innovation process?
48. Explain crossing-the-chasm framework?
49. Compare and contrast closed and open innovation?
50. Explain Industry Life Cycle of innovative products;
51. Explain what corporate strategy is?
52. Define and explain types of vertical integration along the industry value chain?
53. Explain benefits and risks of vertical integration?
54. Define what strategic alliance is and explain why firms enter  
    alliances?
55. Describe alliance governance mechanisms and explain the three phases of alliance management?
56. Describe and examine alternatives to vertical integration?
57. Define and explain different types of corporate diversification?
58. Explain the relationship between corporate diversification and firm performance?
59. Define what Competence–Market Matrix is and explain how it helps to guide managerial decisions in regard to diversification strategies?
60. Explain how determining the boundaries of the firm helps to gain and sustain a competitive advantage?
61. Define what horizontal integration strategy is and explain its main benefits?
62. Compare and contrast mechanistic and organic organizations?
63. Define organizational structure and describe its four key building blocks?
64. Define organizational design and list its three components?
65. Define and explain the key elements of organizational culture?
66. Define different organizational structures and explain how their match with appropriate strategies?
67. Explain what CAGE distance framework is and describe how it helps to define where to compete?
68. Define what Porter’s diamond framework is and explain why some nations outperforming others in specific industries?
69. Explain role of cultural dimensions in global competition?
70. Explain how prisoners’ dilemma (game theory) helps to understand collusion and competition in global market?
71. Define and explain advantages and disadvantages of expanding internationally?
72. Explain how BCG Growth-Share Matrix helps to guide corporate portfolio planning?
73. Explain how merges and acquisitions affects shareholder value and define why firms make acquisitions?
74. Explain how the Balanced Scorecard system helps firms effectively implement their strategy;
75. Compare and explain different strategic control-and-reward systems?