

# 40 Lecture - MGT301

## Important Mcqs

1. Which of the following is not a potential source of competitive advantage?

- a) Cost leadership
- b) Differentiation
- c) Focus
- d) Market saturation

Answer: d) Market saturation

2. Which of the following is a limitation of the cost leadership strategy?

- a) Difficulty in achieving economies of scale
- b) Vulnerability to imitation by competitors
- c) High investment in research and development
- d) Low pricing power

Answer: b) Vulnerability to imitation by competitors

3. Which of the following statements is true regarding the differentiation strategy?

- a) It focuses on offering products or services at the lowest possible cost.
- b) It aims to create a perception of uniqueness among customers.
- c) It involves targeting a narrow, specific segment of the market.
- d) It emphasizes on offering the best customer service.

Answer: b) It aims to create a perception of uniqueness among customers.

4. Which of the following is a limitation of the focus strategy?

- a) Difficulty in achieving economies of scale
- b) Vulnerability to imitation by competitors
- c) Limited market potential
- d) High investment in research and development

Answer: c) Limited market potential

5. Which of the following is not a potential source of differentiation?

- a) Product features
- b) Brand image
- c) Pricing strategy
- d) Customer service

Answer: c) Pricing strategy

6. **The strategy that aims to provide customers with a product or service that is unique and superior in some way is called:**
- a) Cost leadership
  - b) Differentiation
  - c) Focus
  - d) Integration

**Answer: b) Differentiation**

7. **Which of the following statements is true regarding the cost leadership strategy?**
- a) It focuses on offering products or services that are unique and superior in some way.
  - b) It aims to achieve the lowest cost of production and distribution.
  - c) It involves targeting a narrow, specific segment of the market.
  - d) It emphasizes on offering the best customer service.

**Answer: b) It aims to achieve the lowest cost of production and distribution.**

8. **A company that offers a wide range of products to appeal to different customer preferences is using which of the following strategies?**
- a) Cost leadership
  - b) Differentiation
  - c) Focus
  - d) Integration

**Answer: d) Integration**

9. **Which of the following statements is true regarding the focus strategy?**
- a) It aims to create a perception of uniqueness among customers.
  - b) It involves targeting a narrow, specific segment of the market.
  - c) It focuses on offering products or services at the lowest possible cost.
  - d) It emphasizes on offering the best customer service.

**Answer: b) It involves targeting a narrow, specific segment of the market.**

10. **A company that uses advanced technology to improve the quality and efficiency of its products is using which of the following sources of competitive advantage?**
- a) Innovation
  - b) Cost leadership
  - c) Brand reputation
  - d) Customer service

**Answer: a) Innovation**