# 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