

CIMA E2 - Project and Relationship Management

1. Which THREE of the following would be considered as reasonable expectations of the mentoring process, for the mentee?

A. Career enhancement

B. Solving all problems

C. Support with new challenges

D. Discipline would be dispensed if they make a mistake

E. Personal development

Answer(s): A C E

2. X is a manufacturing company that has achieved long term success by understanding the structure of its industry, and where necessary changing its strategy in order to achieve improved performance by outperforming its competitors.

Success has depended on the company exploiting the underlying economic factors (such as economies of scale) better than its competitors and maintaining this over time, so achieving sustainable competitive advantage.

Researchers would call this an "outside-in" approach to strategy, with the company choosing a strategy that responds to the challenges and changes posed by the external environment.

Which type of strategy is X adopting?

A. Positioning approach

B. Resource-based view

C. Emergent strategy development

D. Logical incrementalism

Answer(s): A

3. Barney (1991) identified four criteria necessary for a resource to be classed as unique and thus give competitive advantage. One of these is that it shouldn't be substitutable and another is that it should be rare.

Which TWO of the options below make up the list of four?

A. Valuable

B. Imperfectly Imitable

C. Perfectly Imitable

D. Costly to obtain

Answer(s): A B

4. The concept of core competences is key to successful outsourcing strategy. Organisations should:

A. focus on core competences and outsource non-core competences to external firms that can add more value.

B. focus on non-core competences in order to drive down the cost of non value adding activities.

C. focus on core competences by outsourcing these functions to external firms that can add more value.

D. focus on non-core competences by applying transaction cost theory to external firms.

Answer(s): A

5. China, Korea, Japan and Vietnam are high context cultures.

In business relationships in high context cultures, which THREE of the following are typical?

A. People prefer to establish relationships first.

B. People value expertise and performance.

C. People form agreements based on trust.

D. People prefer fast and efficient negotiations.

E. People value personal relations and goodwill.

Answer(s): A C E

6. H is the owner of a motorcycle dealership in Los Angeles which provides sales, repair and servicing of very large motorcycles, typically with engines larger than 1000cc. Over the years H has built up a renowned team of highly skilled technicians that are experts in this particular size of motorcycle. H believes that their skills are rare and difficult, if not impossible, to imitate by any competitor in the region.

Despite this advantage the company has been suffering from declining profits in the past three years and the marketing consultant has advised H to change the focus of the company towards small 50cc mopeds and scooters - because that "is clearly what the market is now wanting".

The change being proposed is:

A. from a resource-based view to a positioning approach.

B. from a resource-based view to an incremental approach.

C. from a positioning approach to a 'market driven' strategy.

D. from a positioning approach to a rational model.

Answer(s): A

7. Which of the following is NOT a benefit of a good audit system?

A. Provides a form of internal control.

B. Provides a basis for improving the finance function's presentation of a company's financial records.

C. Provides a basis for improving the finance function's efficiency and effectiveness in the information it presents to management.

D. Provides a basis for streamlining the finance function.

Answer(s): D

8. With reference to Herzberg's motivation-hygiene concept (two-factor theory) relating to employee motivation, which of the following is a correct interpretation of his findings?

A. The presence of hygiene factors are necessary in the workplace to prevent dissatisfaction.

B. The absence of hygiene factors will inspire employees and improve motivation.

C. The absence of hygiene factors will provide a better work environment and motivate employees.

D. The presence of hygiene factors will increase employee morale and motivation.

Answer(s): A

9. An organisation undertakes a planned strategy and it is currently at the stage of completing a strategic analysis.

It has defined what it is seeking to achieve, identified the strengths and weaknesses of the company and has undertaken a corporate appraisal.

What stage of its strategic analysis has the organisation failed to carry out?

A. An external analysis of the business's environment

B. Identification of strategic options

C. Identification of functional policies

D. Making strategic choices

Answer(s): A

10. Mintzberg describes various forms of strategy and labels each form.

Which of the following options contains the correct matching of label with description?

A. Plan = means of identifying place in the environment/market

B. Perspective = manoeuvre in a competitive business game

C. Pattern = consistent behaviour over time

D. Ploy = a path to get from here to there

Answer(s): C

11. Based on the Tuckman model of team development, identify the stage when team relationships should start to harmonise and the team agrees on normal work patterns and the best way to tackle the work ahead of them. Job roles and relationships within the team are also agreed.

A. Norming

B. Storming

C. Forming

D. Performing

Answer(s): A

12. J has been appointed project manager for a multimillion dollar upgrade to factory computer systems for his international organisation.

The organisation has decided to adopt the PRINCE2 project management methodology, of which J has knowledge from a previous post, but this was some time ago and his knowledge may need updating.

In order to achieve maximum success, J realises he will need to ensure that problems encountered at each phase of the project are used to inform later stages of the project.

Advise J at which stage of the project lessons learned should be recognised and applied to later stages, in order to prevent recurrence during the project:

A. Starting the project

B. Initiation of the project

C. Managing stage boundaries

D. Controlling a stage

Answer(s): C

13. In terms of Porter's Diamond model, a DEMAND condition as applied to the brewing industry in Germany would be which of the following?

A. German consumers are loyal and enthusiastic about German beer, and are keen to purchase new products.

B. Germany has a network of firms and suppliers that support each other in becoming stronger in the brewing industry.

C. Germany has a number of strong foreign competitors in the brewing industry.

D. Germany possesses a number of secret recipes in brewing that are not available to foreign competitors.

Answer(s): A

14. There are many implications for an organisation when using PRINCE 2 for managing projects. Which of the following statements are correct?

A. The Project Manager can make decisions independently without the approval of the board

B. The Project Manager must follow a restricted step by step procedure

C. All six processes and the many sub processes must be followed

D. Project staff must operate under a strictly managed and controlled regime

E. All actions must be within the bounds of agreed project objectives and scope

Answer(s): B D E

15. According to Porter, there are THREE generic strategies through which an organisation can generate superior competitive performance. These are:

A. Cost Leadership

B. Competitive advantage

C. Cost recognition

D. Differentiation

E. Delegation

F. Focus

Answer(s): A D F

16. Which of the following is the concept whereby a manager has a right to exercise power on behalf the organisation?

A. Accountability

B. Empowerment

C. Authority

D. Delegation

Answer(s): C

17. Many public companies remain committed to the rational approach to strategic decision making believing that the long term advantages outweigh the disadvantages.

Which TWO of the following factors are considered to be advantages of the rational approach?

A. Less time consuming and less expensive

B. Fosters an entrepreneurial spirit

C. Aids target setting and controls

D. Stakeholder confidence is enhanced

Answer(s): C D

18. "The ability to exert influence and make someone act according to your own preferences" is the definition of which of the following?

A. Responsibility

B. Delegation

C. Authority

D. Power

Answer(s): D

19. The Thomas-Kilmann model suggests five conflict handling strategies.

Which THREE of the following are part of the model?

A. Competing: both parties seek to maximise their own interests and goals thus creating winners and losers.

B. Conflict reduction: involves building on areas of agreement and changing attitudes and perceptions by use of compromises and concessions.

C. Collaborating: involves a 'win-win' strategy which is achieved through joint confrontation of the problem.

D. Conflict suppression: involves threatened authority or force or smoothing over the conflict by de-emphasizing the seriousness of the situation.

E. Accommodation: involves a strategy in which one party puts the other party's interest first even when it is to its own disadvantage.

Answer(s): A C E

20. Setting a mission is the first stage of the rational approach to strategy setting. According to David, which THREE of the following are useful areas to include in an organisation's mission statement?

A. Customers

B. Shareholders

C. Markets

D. Philosophy

E. Suppliers

F. Government

Answer(s): A C D
