

CIMA E2 Managing Performance Exam

1. Which THREE of the following are determinants of national competitive advantage outlined in Porter's Diamond?

A. Related and Competitive Industries

B. Factor Conditions

C. Demand Conditions

D. Firm Infrastructure

E. Technology Development

F. Firm, Strategy, Structure and Rivalry

Answer(s): B,C,F

2. A pharmaceutical organisation, whilst developing a drug for the remedy of a cold, discovered by carrying out research tests that the drug made people feel drowsy.

A. Logical Incrementalism

B. Rational

C. Muddling through

D. Emergent

Answer(s): D

3. Someone who is assertive and uncooperative is using which conflict handling strategy?

A. Accommodating

B. Avoiding

C. Competing

D. Collaborating

Answer(s): C

4. A large multinational organisation, with financial processing centres in several countries in which it operates, has chosen to consolidate these activities on one site or, in other words, into a Shared Service Centre (SSC).

A. Loss of business knowledge as the finance function within the SSC may not have a detailed knowledge of each part of the business.

B. The accountants can feel isolated within the business and may develop their own ways of working which may not constitute best practice. Without a larger team around them, they may not be able to develop the acquired skills and knowledge.

C. Business relationships are weaker. The SSC may not be able to build strong relationships with the business area, which may result in a deterioration of performance in the business area.

D. Lack of knowledge may occur because there is less sharing of knowledge which can be achieved within a larger more diverse team. Best practice may not be employed and practices within some business areas may become outdated.

E. It distances the accountants from everyday decision-making in that he/she will be unlikely to have day to day contact with the business area which the SSC supports. The outcome may be that the accountant is unable to provide up-to-date information for decision-making.

Answer(s): A,C,E

5. Which type of culture, according to Charles Handy, is identified by an individual's tasks being clearly defined and their power coming from their position in the hierarchy?

A. Task Culture

B. Role Culture

C. Power Culture

D. Person Culture

Answer(s): B

6. According to Belbin the success of a group can depend significantly upon the balance of individual skills and personality types within the group. A well balanced group should contain eight main character types.

A. Manager

B. Flower

C. Doer

D. Shaper

E. Plant

F. Finisher

G. Developer

Answer(s): D,E,F

7. Several researchers have identified strong connections between corporate culture and resistance to organisational change.

A. F is a large bureaucratic organisation, structured by function. Staff working in F tend to be preoccupied with fulfilling their narrow job duties, with an emphasis on consistent, day-to-day routines.

B. G is a project-based organisation where flexible teams are formed to solve particular problems. G is characterised by teamwork, flexibility and a strong commitment to making things happen.

C. H is a partnership of professionals with similar training, background and expertise. Power lies in senior individuals who generally believe themselves to be more important than the business. Co-operative and consistent behaviour is unusual.

D. E is a small entrepreneurial firm controlled by an owner-manager. There are few rules and little bureaucracy. The firm can react quickly and decision making by the owner will be swift.

Answer(s): A,C

8. Which of the following are influential drivers of outsourcing?

A. Cost savings

B. Rapid growth

C. New skill sets

D. Synchronised deliverables

Answer(s): A,B,C

9. Which of the following statements are not true based on Stalk, Evans and Schulman's principles of capability-based competition?

A. The business processes create value.

B. The CEO leads the development of capabilities.

C. Capability is developed from internal and external factors.

D. It is the process that is important and not the product or market.

E. Generating new ideas are core to business success.

F. It is important to invest in skills and processes, not business functions.

Answer(s): C,E

10. The PRINCE2 project management methodology has consistent principles governing roles, plans, processes and risks. Which TWO of the following statements are correct?

A. A PRINCE2 organisation is a technical project team, assembled to achieve an unspecified objective.

B. One of the objectives of the process "Initiating a Project" is to define how the required product quality will be achieved.

C. Team plans are mandatory within PRINCE2.

D. A project issue is any factor which could have an effect on the project (either detrimental or beneficial).

Answer(s): B,D

11. Japanese team working based on the Japanese production model, and widely copied around the world, possesses which THREE of the following characteristics?

A. Composed of multiskilled workers.

B. Assignment of tasks to work units rather than individual workers.

C. Supervisors' roles seen as models for workers and act as a buffer between labour and management.

D. Established to solve non-conventional problems.

E. Normally temporary and depend on the demands of new projects.

Answer(s): A,B,C

12. Organisational change can be promoted by many different triggers. Which THREE of the following are external triggers of change?

A. Appointment of new chief executive officer

B. Shifts in local, national and international politics

C. Activities and innovations of competitors

D. Factory relocation to be closer to suppliers and markets

E. New legislation and government policies

Answer(s): B,C,E

13. Michael Porter argued that nations can develop advanced business environments that are conducive to business development and lead to firms from one nation gaining a competitive advantage over firms from other countries. Porter used a diamond shaped diagram as the basis of a framework to illustrate and analyse the determinants that lead to national advantage.

A. Export opportunities

B. Factor conditions

C. Firm strategy, structure and rivalry

D. Education resources

E. Related and supporting industries

F. Demand conditions

Answer(s): B,C,E,F

14. The Board of organisation Y has authorised an upgrade to its computerised finance system.

A. To act as a base document against which the project can be managed for progress, change management issues, and ongoing viability issues.

B. To ensure that the project has a complete sound basis before any major commitment to the project.

C. To ensure that the project is broken down into work packages and a Work Breakdown Structure be produced.

D. To produce a risk assessment of both internal and external risks that are likely to effect the project, and alternative actions to reduce the risks.

Answer(s): A,B

15. The initial Balanced Scorecard design, defined by Kaplan and Norton, used four perspectives (or legs) for management control and the implementation of strategy. What are the FOUR original perspectives?

A. Competitors

B. External issues

C. Learning and growth

D. Financial

E. Customer

F. Internal business

Answer(s): C,D,E,F

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

D. Pattern = consistent behaviour over time

Answer(s): D

17. A fundamental concept of the successful use of a Balanced Scorecard is:

A. to see the scorecard as a technique for formulating strategy.

B. to ensure that the scorecard consists of leading indicators of performance only.

C. to continually increase the number of performance indicators used to manage the business.

D. to sometimes use a traffic light system to help prioritise activities in the scorecard.

Answer(s): D

18. The functions of mentoring include which THREE of the following?

A. A Psychological function deriving from aspects of the relationship that advance competence and effectiveness.

B. A career function concerned with enhancement through exposure, visibility and sponsorship.

C. A contact function that expects mentees' contacts to provide them with valuable contacts.

D. A training function aimed at continuous improvement of employee skills.

E. A 'drawing-out' function to increase an individual's ability and willingness in a specific subject or problem area.

Answer(s): A,B,C

19. Kumari is about to start her new role in the secretarial function of a law firm.

A. Controlling the provision of internal information

B. Ensuring internal processes are well controlled, efficient and effective

C. Controlling the processing of transactions

D. Ensuring legal duties are undertaken correctly at board level

Answer(s): D

20. X is a Project Manager who works in a matrix organisational structure with an authoritarian leadership style. Team members are seconded on a part-time basis to teams led by X, who will then contribute to their individual performance appraisals at the end of each year.

A. Reward

B. Coercive

C. Feedback

D. Referent

Answer(s): B
