

1

The power of stakeholders has risen over the years.

(A)
) True

<https://selldecs.com/products/test-bank-entrepreneurial-new-venture-skills-3e-kimball>

(B)
) False

Feedback: This is true.

2

A/n _____ is a major unexpected event that has a large negative consequence.

(A) crisis

(B) strategy

(C) failed plan

(D)
) regulation

(E) incentive

Answer:

(A) crisis

Feedback: Crisis is the correct answer.

3

Which of the following is not true of crisis communication?

(A) Often, a company may have only minutes to contain a crisis.

(B) With the Internet and cable television, the world often knows about a crisis before some managers and the employees.

(C) Managers usually have hours or even days to contain a crisis.

(D)
) it is important to balance the desire to say something right away with the need to get the facts.

(E) Company officials must be prepared to issue an initial statement to the media and other key stakeholder groups.

Answer:

(C) Managers usually have hours or even days to contain a crisis.

Feedback:

All are true of crisis communication except that managers usually do not have hours or days to contain a crisis.

4

What are the 5 I's of strategic analysis, in proper sequence?

(A) Issue identification, interaction strategies, interested strategic stakeholders, incentive of stakeholders, information-objectives.

(B) Issue identification, interested strategic

Answer:

(B) Issue identification, interested strategic stakeholders, incentive of stakeholders, information-objectives, interaction strategies.

stakeholders, incentive of stakeholders, information-objectives, interaction strategies.

- (C) Issue identification, interested strategic stakeholders, information-objectives, integrate market and nonmarket strategies, interaction strategies.

- (D) Issue identification, incentive of stockholders, interested strategic stakeholders, information-objectives, interaction strategies.

- (E) None of these are correct.

Feedback:

The correct answer is issue identification, interested strategic stakeholders, incentive of stakeholders, information-objectives, interaction strategies.

5

Through a/n _____ process, individuals develop and use critical thinking skills to analyze business issues and make better decisions for their personal and professional lives.

- (A) strategic analysis

- (B) default planning

- (C) probationary

- (D) identification

- (E) SWOT

Answer:

(A) strategic analysis

Feedback:

Strategic analysis is the correct answer.

6

Which of the following is not an element of determining the incentives of stakeholders?

- (A) Legitimacy

- (B) Power

- (C) Urgency

- (D) Age of majority stakeholder

- (E) Likelihood of stakeholder action

Answer:

(D) Age of majority stakeholder

Feedback:

Age of majority stakeholder is irrelevant.

7

Which of the following are true about public affairs activities?

- (A) It is not concerned with stakeholders.

- (B) It refers to how businesses interact with

Answer:

(B) It refers to how businesses interact with stakeholders.

(C) During PA functions, managers must

stakeholders.

- (C) During PA functions, managers must be ethical, and unethical behavior should be reported through whistle blowing.

- (D) It is concerned with firm stakeholder relationships.

- (E) Managers usually do not practice ethical behavior when dealing with the public.

be ethical, and unethical behavior should be reported through whistle blowing.

- (D) It is concerned with firm stakeholder relationships.

Feedback:

It is concerned with stakeholders and ethical stakeholder relationships.

8

Which of the following could be considered Public Affairs statements?

- (A) "Quality is Job 1."

- (B) "We will not seek an unfair advantage over our competitors."

- (C) "Save money, live better."

- (D) "Finger-lickin' good."

- (E) "Because you're worth it."

Answer:

- (A) "Quality is Job 1."

- (B) "We will not seek an unfair advantage over our competitors."

Feedback:

"Quality..." and "We will not seek..." are concerned with all stakeholders, not just the customer.

9

What are the three phases of issues management?

- (A) Scanning the environment to identify issues and trends that will affect society.

- (B) Assuming that last year's issues have been resolved and this year's issues will be similar.

- (C) Using the same categorization process for identifying issues as your competitors do.

- (D) Evaluating the impact issues will have on the firm and ranking issues by priority to the firm.

- (E) Conducting a strategic analysis to develop strategies for dealing with high-priority public affairs issues.

Answer:

- (A) Scanning the environment to identify issues and trends that will affect society.

- (D) Evaluating the impact issues will have on the firm and ranking issues by priority to the firm.

- (E) Conducting a strategic analysis to develop strategies for dealing with high-priority public affairs issues.

Feedback:

Scanning the environment, evaluating the issues, and conducting strategic analysis are the phases of issues management.

10

Which of the following would be stages of crisis management?

Answer:

Developing a crises team with a mix of
(A) representatives from all sectors of the organization to deal with the crisis.

Conducting a risk assessment to determine potential crises, monitoring the
(B) event to prevent it from becoming a crisis, and planning how to deal with a crisis if it occurs.

Implementing a plan and communicating to acknowledge or admit to the crisis,
(C) state actions you are taking, and stating how you plan to avoid a repeat crisis in the future.

Analyzing the organization's effectiveness in managing the crisis, with a focus on
(D) doing a better job of preventing and managing future crises.

(E) Weeding out employees who caused the disaster.

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(D) better job of preventing and managing future crises.

All of them except weeding out employees are stages.

Feedback:

11

Which of the following would be an "A" of communication during a crisis?

(A) Assume that a competitor or stakeholder was at fault and deny liability.

(B) Advise managers to deny the cause of the crisis.

(C) Acknowledge the crisis happened.

(D) Action to tell the public what is being done.

(E) Avoid future events.

Answer:

(C) Acknowledge the crisis happened.

(D) Action to tell the public what is being done.

(E) Avoid future events.

Feedback:

The three "A's" are acknowledge, action, avoid.

12

What are included in the I's of strategic analysis?

Answer:

(A) Issue identification

(A) Issue identification

(C) Interested strategic stakeholders

(B) Interface with competition

(D) Incentive of stockholders

(C) Interested strategic stakeholders

(E) Interaction strategies

(D) Incentive of stockholders

(E) Interaction strategies

Feedback:

The correct answers are issue identification, interested strategic stakeholders, incentive of stockholders, and interaction strategies.

13

Which statements about the issue life-cycle stages with the strategic focus for each stage are correct?

Answer:

- (A) Identification and formation of the issue and public sentiment.
- (B) Interested stakeholder formation.
- (C) Issue brought to business for voluntary action.
- (D) Legislative and Congressional formation.
- (E) Enforcement and litigation.

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- (B) Interested stakeholder formation.
- (C) Issue brought to business for voluntary action.
- (D) Legislative and Congressional formation.
- (E) Enforcement and litigation.

Feedback:

All these are components.

14

Identify six options for starting a new venture.

Answer:

15

Describe three ways in which an entrepreneur can obtain existing businesses.

Answer:

16

Discuss three ways of assessing value to a business.

Answer:

17

Discuss the main advantages and disadvantages of franchising.

Answer:

18

Identify and describe two types of franchising.

Answer:

19

Who does the textbook indicate would be a good choice to head a crisis management team?

- (A) Line supervisors
- (B) All regional or division managers
- (C) Chairman of the Board of Directors
- (D) Senior vice presidents

Answer:

(E) CEO

Feedback:

CEOs usually lead management teams when an event actually happens.

)

(E) CEO

20

_____ is a public affairs management approach to identifying, monitoring, analyzing, and selecting public issues that may warrant nonmarket strategies.

(A) Strategic management

(B) Issues management

(C) Management by objective

(D) Public affairs management

(E) Threat assessment

Answer:

(B) Issues management

Feedback:

Strategic management is the correct answer.

21

Stakeholder theory is a popular area of research.

(A) True

Answer:

(A) True

(B) False

Feedback: This is true.

22

Firms that are less likely to be active in PA management are those that are significantly affected by government.

(A) True

Answer:

(B) False

(B) False

Feedback: Firms that are more likely to be active in PA management are those that are significantly affected by government.

23

Corporate public policies are general guidelines to influence how employees will interact with stakeholders.

(A) True

Answer:

(A) True

(B) False

Feedback: This is true.

24

Issues management is used to anticipate and respond to both

threats and opportunities.

(A True
)

Answer:
(A) True

(B False
)

Feedback: This is true.

25

A strategic plan can be successful even though the company does not monitor the results.

(A True
)

Answer:
(B) False

(B False
)

Feedback: Monitoring the results of strategic action is also part of the analysis.

26

Some companies use issues management software to measure PA efforts.

(A True
)

Answer:
(A) True

(B False
)

Feedback: This is true.

27

A crisis management team is usually led by a junior-level supervisor when the event actually happens.

(A True
)

Answer:
(B) False

(B False
)

Feedback: A crisis management team is usually led by a senior-level executive, often the CEO.

28

Proper communication can help to maintain a positive company and brand reputation.

(A True
)

Answer:
(A) True

(B False
)

Feedback: This is true.

29

The sooner the issue is identified (often through issues management), the more time the business has to plan for and deal with it.

(A True
)

Answer:
(A) True

(B False
)

Feedback: This is true.

30

Only products, not issues, go through a life cycle.

(A True
)

Answer:
(B) False

(B False
)

Feedback: Issues do go through a life cycle.

31

Developing stakeholder public policies does not really require an understanding of stakeholders because many stakeholder entities have similar structure and culture.

(A True
)

Answer:
(B) False

(B False
)

Feedback: Developing stakeholder public policies does require an understanding of stakeholders.

32

Even within the business, society, and government categories, different stakeholders can have different expectations, concerns, and requests for firm action to meet their special interest.

(A True
)

Answer:
(A) True

(B False
)

Feedback: This is true.

33

Which statement best describes balancing stockholder and other stakeholder interests?

(A) Managers have a responsibility to make a profit for stockholders while operating in a legal and ethical manner to maximize the benefits to entities other than stakeholders.

Answer:

(B) Managers have a responsibility to make a profit for stockholders while operating in a legal and ethical manner and not take advantage of other stakeholders.

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Feedback:

Managers do have a responsibility to make a profit for stockholders while operating in a

advantage of other stakeholders.

- (C) Managers should use some of the business profits to help society.
- (D Managers' only responsibility is to stockholders.

legal and ethical manner and not take advantage of other stakeholders.

- (E) None of these statements are correct.

34

Which of the following is true of the traditional stockholder approach?

- (A) It focused on being socially responsible.
- (B) It is the best model for successful businesses today.

Answer:

- Managers years ago believed that
- (C) generating long-term value depended on the needs of many stakeholders.

- (E It focused on meeting the needs of the owners and maximizing profits without regard for other stakeholders.

- (D The paradigm has shifted from stakeholder to stockholder in recent years.

Feedback:

The stockholder approach was to maximize profit without regard to much else.

- It focused on meeting the needs of the
- (E) owners and maximizing profits without regard for other stakeholders.

35

_____ stakeholders are critically affected by firm action, and/or they can affect firm performance.

- (A) Strategic
- (B) Preferred
- (C) Consumer

Answer:

- (A Strategic

- (D Critical

Feedback: Strategic is the correct answer.

- (E) Management

36

Which statement about public affairs and issues management is not correct?

- Public affairs (PA) management is the process of developing corporate public policies and strategies regarding how the business will interact with stakeholders in the business, social, and government
- (A)

Answer:

- (C Issues management is broader in scope.

Feedback:

Issues management is not broader

environments.

Issues management is a public affairs management approach to identifying, monitoring, analyzing, and selecting public issues that warrant nonmarket strategies.

in scope.

- (C) Issues management is broader in scope.
- (D) None of these statements are correct.
- (E) All of these statements are correct.

37

Which of the following is not true of public affairs management?

- (A) PA management policies and strategies are part of the overall nonmarket strategy, which must be integrated with market strategies.

- (B) Many companies have created specialized departments, with titles such as Public Affairs Department, to manage PA.

Answer:

(E PA is not used in large corporations today.

- (C) All employees need to view PA as part of their day-to-day work, rather than the job of PA professionals.

Feedback:

PA management is used by most large corporations. All other answers are true.

- (D) PA has many activities and functions that must be managed effectively for the business to be successful.

- (E) PA is not used in large corporations today.

38

List at least four advantages and four disadvantages of corporate entrepreneurship.

Answer: