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How to Participate

1. Complete the quiz order form below.
2. Circle your answer for each quiz question on the next page. All questions asked in this quiz comply with NASBA.
3. Sign the statement that attests that you have read the articles in *Strategic Finance* and have personally answered them.
4. Cut out this entire page (order form and quiz) or copy both pages and mail or fax to IMA with complete payment information.
5. You must be an active IMA member to participate in the *Strategic Finance* quiz program.
6. If you successfully answer 70% or more of the questions, you will earn 3 CPE credits (partial CPE credit will not be given). You will receive a letter from IMA indicating the CPE credits earned. Retain this letter for your records.

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Strategic Finance Quiz — July 2003

Please circle your answer for each question

10 Ways e-Business Can Reduce Costs (p. 24)

Field of Study: MANAGEMENT

1. Currently, most firms look to the Internet primarily to:
 - a. Increase sales and revenue.
 - b. Identify pricing opportunities.
 - c. Enhance their marketing efforts.
 - d. Reduce costs of operations.
2. Although the article identifies one benefit of using e-business for Esco's Steel Distribution Division as handling many of its simple calls and low-dollar orders, thus freeing up the company's capacity to grow the business without adding sales representatives, it does not explain how Esco will accomplish this. True or False.
3. According to the controller for Fulton Industries, using e-mail to settle disputes is not as quick as using the telephone, fax, or regular mail because customers want to talk with a human being and they want the company to send them a fax or copy of the invoice or other documentation that is the subject of the dispute. True or False.
4. Using the Internet to enable vendors to see what they can bid on, bid for contracts, and to see the other bids increases supplier competition. True or False.
5. The Coast Guard's "reverse auctioning" has resulted in which of the following?
 - a. Contracting officers do not have to describe the specifications in as much detail, leaving some of the details to the suppliers to provide in their bids.
 - b. Suppliers can see what their competitors are doing.
 - c. Contracting officers save time.
 - d. Reverse auctioning eliminates mistakes.
6. Which of the following was not identified as an e-business cost reduction technique?
 - a. Providing online information.
 - b. Enhancing marketing efforts.
 - c. Doing research.
 - d. Lowering sales transaction costs.
7. Which of the following is not a reason that transaction costs are lower when a firm makes use of the Web?
 - a. Salespeople never have to interact with a customer who uses the Web.
 - b. The Internet reduces the need for follow-up faxes and phone calls related to a sales transaction.
 - c. Salespeople do not have to be involved with less complex orders.
 - d. The Internet allows customers to do online order tracking and obtain online report requests.
8. Customers are more likely to be encouraged use the firm's website when:
 - a. The sales staff is trained on the benefits of the website from the customer's point of view.
 - b. The sales staff still receives commissions for Internet sales.
 - c. The organization's leader is passionate about e-business.
 - d. All of the above.
9. Which of the following is the most popular e-business cost management method?
 - a. Reduce inventory through online suppliers.
 - b. Use an e-marketplace to find the best purchase price.
 - c. Increase supplier competition with better and more timely information.
 - d. Receive and send invoices electronically.
10. The Internet remains a fairly new and not well understood tool for many firms, particularly as a cost reduction tool. True or False.

The Value Market: Creating Profitable Growth Through Consistent Strategy Execution (p. 43)

Field of Study: MANAGEMENT

11. The ability to manage tradeoffs in reaching strategic goals results from:
 - a. Process management training.
 - b. Elimination of reliance on software tools.
 - c. Integration of management tools, planning, budgeting, and forecasting.
 - d. Avoiding the trap of balanced scorecard and activity-based costing efforts.
12. Strategies fail to achieve their objectives because:
 - a. The strategy is flawed.
 - b. Resources are deployed improperly.
 - c. There is a lack of effective management systems.
 - d. All the above.
13. Traditional management systems support:
 - a. Synergies across business units.
 - b. Efficient budgeting processes.
 - c. A focus on innovative management systems.
 - d. A focus on achieving budgeted numbers.
14. Executable strategic objectives are generally lacking because:
 - a. They are usually stated in terms too detailed instead of general in nature.
 - b. Interpretation is usually too rigid.
 - c. They lack the characteristics of being realistic, adequately resourced, and customer specific.
 - d. Not everyone has a call center.
15. Key changes occurring in management system applications include:
 - a. Web technology is degrading the ability to collect and disseminate information.
 - b. Development of manual methods of continuous planning.
 - c. Incorporating capabilities such as strategy development, process, and knowledge management.
 - d. None of the above.

I have read the articles in *Strategic Finance* upon which the questions are based and have personally prepared the answers without the assistance of any other person.

Signature _____ Date _____

Print name _____ Member Number _____