**گروه 1 (سوالات طراحی شده ارائه 24/07/1394) صفحات 2 و3 آقایان: دهنوی، موسوی، مظلومی**

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**OVERVIEW**

Why do some companies succeed while others fail?

In the fast evolving world of the Internet, for example, how is it that companies like Yahoo, Amazon.com, eBay, and Google have managed to attract millions of customers, Others like online grocer Web van, software retailer Egghead.com, and the online pet supplies retailer, pets.com, all **went bankrupt**?

Why has Walmart been able to do so well in the **fiercely** **competitive** retail industry, while others like Kmart have **struggled**?

In the personal computer industry, what Dell from less successful companies such as Gateway?

In the airline industry, how is it that Southwest Airlines has managed to keep increasing its revenues and **profits** through both good times and bad, while rivals such as US Airways and United Airlines have had to seek bankruptcy **protection**?

What explains the persistent growth and profitability of Nucor Steel, now the largest steel market in America, during a period when many of its once larger rivals disappeared into bankruptcy?

In this book, we argue that the strategies a company’s managers pursue have a **major** **impact** on its performance relative to **rivals**. A strategy is a set of actions that managers take to increase their company’s **performance** relative to rivals.

If a company’s strategy does result in superior performance, it is said to have a competitive advantage.

Much of this book is about identifying and describing the strategies that managers can pursue to achieve superior performance.

A central aim of this book is to give you a **thorough** understanding of the analytical techniques and skills necessary to identify and **implement** strategies successfully.

The first step toward achieving this **objective** is to describe in more detail what superior performance and competitive advantage mean.

**Competitive Advantage and Superior Performance**

Superior performance is typically thought of in terms of one company’s **profitability** **Relative** to that of other companies in the same or a similar kind of business or industry. The profitability of a company can be measured by the return that it makes on the capital invested in the enterprise. The return on invested capital that a company earns is defined as its profit over the capital invested in the firm (profit/capital invested).

By profit, we mean after- tax earnings. By capital, we mean the sum of money invested in the company, that is, stockholders’ **equity** plus debt owed to creditors.

This capital is used to buy the resources a company needs to produce and sell goods and services. A company that uses its resources efficiently makes a positive return on invested capital. The more efficient a company is, the higher are its profitability and return on invested capital. A company’s profitability— its return on invested capital is determined by the strategies its managers **adopt**.

For example, Walmart’s strategy of focusing on the realization of cost savings from efficient logistics and information systems, and then passing on the bulk of these cost savings on to customers in the form of lower prices, has enabled the company to gain ever more market share, **reap** significant economies of scale, and further lower its cost structure, thereby **boost**ing profitability (for details, see the Running Case on Walmart).

1. **Complete the following sentences with the best choice of (a), (b), (c) or (d)**:

**1-1. The first step toward achieving this objective is……………..**

a. .is able to change competitive conditions

b. to describe in more detail what superior performance and competitive advantage mean.

c. The average of the profitability of the company is greater than all other firms

d. It follows specific strategies for better performance

**1-2. Superior performance is…………….**

√a. thought of in terms of one company’s profitability.

b. A .Companies are different in their structures.

c. They pursue superior strategies.

d. They follow sustained competitive procedures

**1-3. The profitability of a company can be measured by……………….**

a. Providing several products

b. Overall performance of the company.

c. Entrance of new companies

√d. the return that it makes on the capital invested in the enterprise.

**1-4. The return on invested capital that a company earns is defined as…………..**

a. They pursue superior strategies.

b. Competitive situations are not the same for all industries.

c. Sustained competitive strategies

√d. profit over the capital invested in the firm (profit/capital invested).

**1-5. we mean profit after ………………**

a. sum of money invested

√b. tax earnings.

c. plus debt owed to creditors

d. sell goods and services.

**1-6. we mean capital……….**

a. profitability and return on invested capital.

b. strategies its managers adopt.

√c. the sum of money invested in the company, that is, stockholders’ equity plus debt owed to creditors.

d. the realization of cost savings from.

**1-7. The more efficient a company is ,……. are its profitability and return on invested capital.**

√a. the higher

b. executive officer.

c. Central export

d. Certificate European

**1-8. A company’s profitability, its return on invested capital is determined by…………. its managers adopt.**

a. Creating sub-contained

b. Low and high

√c. the strategies

d. among companies

**1-9. Walmart’s strategy is………..**

√a. focusing on the realization of cost savings from efficient logistics and information systems, and then passing on the bulk of these cost savings on to customers in the form of lower prices.

b. the higher are its profitability and return on invested capital.

c. that managers can pursue to achieve superior performance.

d. result in superior performance.

**1-10. Walmart’s strategy has enabled the company to……………**

a. the higher are its profitability and return on invested capital.

√b. gain ever more market share, reap significant economies of scale, and further lower its cost str0ucture, thereby boosting profitability

c. uses its resources efficiently makes a positive return on invested capital.

d. The return on invested capital that a company earns is defined as its profit over the capital invested in the firm.

**2) Choose the synonym of the underlined words from words given in bracket.**

**2-1. while rivals such as US Airways and United Airlines have had to seek bankruptcy protection.**

√a.competitor b. challenger c. candidate d. entrant

**2-2.What explains the persistent growth and profitability of Nucor Steel?**

1. irresolute √ b.continuous c. stubborn d. occasional

**2-3. A central aim of this book is to give you a thorough understanding of the analytical techniques and skills necessary to identify and implement strategies successfully**.

1. impede b. gismo c. device √d. carry out

**2-4. Walmart’s strategy the company to gain ever more market share, reap significant economies of scale**.

√a. get b. bring on c. take to d. crop in

**3). What is** **main idea context?**

a. Introduction a Successful company

b. competitive advantage

c. increase profitability of a company

d. Successful strategy for a company

**4-1) Answer the following questions on your own.**

4-1. What is means of competitive advantage?

4-2. What is effect of strategies a company’s managers on its performance relative to rivals?

4-3. Why do some companies succeed while others fail?

4-4.How increase profitability of a company?

**5) What deduction can be**

a. A company that uses its resources efficiently makes a positive return on invested capital.

b. By profit, we mean after- tax earnings.

c. A company’s profitability uses of superior performance and competitive advantage.

d. The profitability of a company can be measured by the return that it makes on the capital invested in the enterprise.

**6) Define and explain the following questions**

6-1.What is the first step toward achieving successful strategy in a company?

6-2.What is the mean of superior performance?

6-3.How can be measured profitability of a company?

6-2. What is the mean of the return on invested capital?

6-3.What is the mean of capita in a company?

6-4.What was Walmart’s strategy?

6-5.What was Walmart’s strategy benefits?

6-6.How is return on invested capital for a efficient company?

6-7.what is used capital of a company?

**7) Match the words in A with the words given in B. (Five extra words are given):**

7-1.Bankrupt a. Distressed

7-2.Fiercely b. Intense

7-3.competitive c. eager

7-4.distinguishes d. discern

7-5.profits e. interests

7-6.Protection f. continuous

7-7.Rivals g. competitor.

7-8.Pursue h. follow

6-9.Achieve i. get

7-10.describe j. explain

7-11.Attract k. solicit

7-12.Supplies l. Provision

7-13.Reap m. get

7-14.Boosting n. Increase

7-15.Profitability o. gain fullness

7-16.adopt p. accept

7-17.equity q. social justice

7-18.Relative r. relevant

7-19.Implement s. Fulfil

7-20.Thorough t. Universal

u. company

v. make

w. positive

x. return

y. capital

**8) Cloze Test**:

**Read the passage below and decide which choice (a), (b), (c) or (d) best fits each space.**

Others like online grocer Web van, software retailer Egghead.com, and the online pet supplies. Retailer, pets.com, all went 1…………

In this book, we argue that the strategies a company’s managers pursue have a 2……….3………..on its performance relative to 4………….. A strategy is a set of actions that managers take to increase their company’s 5……………… relative to rivals.

A central aim of this book is to give you a thorough understanding of the analytical 6…………..and skills necessary to identify and 7…………… strategies successfully

The first step toward achieving this 8…………………is to describe in more detail what superior performance and competitive advantage mean

For example, Walmart’s strategy of focusing on the realization of cost savings from efficient logistics and information systems, and then passing on the bulk of these cost savings on to customers in the form of lower prices, has enabled the company to gain ever more market share, 9…..………..significant economies of scale, and further lower its cost structure, thereby 10…………..profitability.

8-1. a. bankrupt b. Performance c. rivals d. argue

8-2. a. argue b. major c. bankrupt d. Internet

8-3 a. profit b. argue c. impact d. such

8-4 a. result b. advantage c. through d. rivals

8-5 a. performance b. strategy c. protection d. largest

8-6 a. identifying b. techniques c. describing d. manager

8-7 a. profitability b. period c. implement d. neglect

8-8 a. company b. efficient c. capital d. objective

8-9 a. reap b. accept c. invested d. return

8-10 a. decrease b. boosting c. buy d. needs

**9) True or False?**

9-1.Some companies managed and others are bankrupt. (T/F)

9-2.The strategies a company’s managers pursue haven’t a major. (T/F)

9-3.A strategy is a set of actions that managers take to increase their company’s performance relative to rivals. (T/F)

9-4.If a company’s strategy does result in superior performance, it is said to have a competitive damage. (T/F)

9-5.The strategies that managers can pursue to achieve superior performance. (T/F)

9-6.The strategies successfully is misunderstanding of analytical techniques and skills necessary to identify and implement. (T/F)

9-7. A central aim is to give you a thorough understanding of strategies successfully. (T/F)

9-8. Superior performance is typically thought of in terms of one company’s haven’t profitability. (T/F)

9-9. The profitability of a company can be measured by the return that it makes on the capital invested in the enterprise. (T/F)

9-10. A company that uses its resources efficiently makes a negative return on invested capital. (T/F)

**10) Choose the best appropriate word for each sentence.**

10-1.In the evolving world of the Internet, some companies have ……………… and others are bankrupt.

1. managed b. talking c. listen d. looked

10-2.A strategy is a set of actions that managers take to increase their company’s ………………..relative to rivals.

1. rivals b. Performance c. bankrupt d. argue

10-3.Thorough understanding of the analytical techniques and skills necessary to identify and implement ………………… successfully.

1. failed b. perfidy c. strategies d. Barbaric

10-4.Superior performance is typically thought of in terms of one company’s ……………………….

1. loss b. mutilate c. damage d. profitability

10-5.The return on invested capital that a company earns is defined as its profit over the capital invested in the …………..

1. firm b. loss c. budget d. account

10-6.By profit, we mean after ………..earnings.

1. benefit b. Tax c. dividend d. instrumental

10-7.By ………………, we mean the sum of money invested in the company, that is, stockholders’ equity plus debt owed to creditors.

1. Tax b. profit c. capital d. damage

10-8.A company that uses its ……………… efficiently makes a positive return on invested capital.

1. dividend b. capital c. duty d. resources

10-9.The more -------------- a company is, the higher are its profitability and return on invested capital.

1. efficient b. Inefficient c. inept d. disorganized

10-10.A company’s profitability its return on invested …………… is determined by the strategies its managers adopt.

* 1. loss b. capital c. boost d. create