3.3 Corporate Objectives, Mission and Ansoff's Matrix: Test Pack

Total Marks

AQA 7132 · Calculators not allowed · about 20 minutes

Name: _____ Date: ____ / ____ / _____

Answer ALL questions in the spaces provided. Give full sentences for questions worth 3 marks or more. Show any working. The fictional business GroveTech is used in the Ansoff questions.

1 Define a 'mission statement' as it is used at corporate level in a business.

(Total for Question 1 is 1 mark)

2 Identify two components commonly found in a corporate mission statement.

(Total for Question 2 is 2 marks)

3 Define Ansoff's Matrix and name its four quadrants used to classify growth strategies.

(Total for Question 3 is 2 marks)

4 State which quadrant of Ansoff's Matrix is generally considered the highest risk for a business and give one brief reason why.

(Total for Question 4 is 2 marks)

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5 Explain one reason why corporate objectives at board level might conflict with functional objectives in a business.

(Total for Question 5 is 3 marks)

6 Explain one advantage to senior managers of using Ansoff's Matrix when choosing a corporate growth strategy.

(Total for Question 6 is 3 marks)

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Mark scheme · 3.3 Corporate Objectives, Mission and Ansoff's Matrix: Test Pack

Question 1

a short statement of the business's overall purpose and core values, cao **B1**

Answer: A short statement of the business's overall purpose and core values.

Question 2

a defined purpose or reason for existing **B1**

a statement of values or intended contribution to stakeholders **B1**

Answer: Any two, e.g. purpose/vision and core values or stakeholder commitment.

Question 3

definition: a grid showing options for growth based on existing or new products and markets **B1**

names four quadrants: market penetration, market development, product development, diversification **B1**

Answer: A grid that shows growth options based on whether products and markets are existing or new. The four quadrants are market penetration, market development, product development and diversification.

Question 4

diversification identified as highest risk **B1**

reason such as both product and market are new, increasing uncertainty and investment requirement **B1**

Answer: Diversification; because both the product and the market are new, creating high uncertainty and requiring more investment and capabilities.

Question 5

identifies a cause of conflict, e.g. cost-cutting corporate objective versus marketing's objective to increase promotion spend **B1**

develops the point, e.g. departments require resources to meet their own targets **B1**

links to outcome, e.g. this can lead to interdepartmental tension and require senior-level trade offs **B1**

Answer: For example, a corporate objective to reduce costs may conflict with marketing's objective to increase promotion spend because departments need resources to meet their own targets, causing interdepartmental tension and requiring senior-level trade offs.

Question 6

identifies an advantage, e.g. provides a clear framework to compare growth options **B1**

develops the point, e.g. links types of growth to levels of risk and resource change **B1**

links to outcome, e.g. helps managers choose a strategy consistent with risk appetite and resources **B1**

Answer: It provides a clear framework to compare growth options by linking each route to different levels of risk and resource change, helping managers choose a strategy consistent with the firm's risk appetite and available resources.

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