

Business Administration
Vrije Universiteit
Faculty of Economics and Business Administration

Exam:

Business Administration in the Service Industry

Version A

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- The duration of the exam is 2 hours;
- This exam consists of 60 multiple choice questions;
- Grades will be announced ultimately in the first week of November 2009;

NOTE: this exam is governed by the Rules and Regulations of the Examination Board including the Code of Conduct for Examinations

1. Which of the following statements is/are correct
 - I Services belong to the quaternary sector
 - II A visit to “De Efteling” belongs to personal services.
 - A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and II are correct
2. Which of the following needs belong to Maslow’s pyramid
 - A Teambuilding
 - B Appreciation
 - C Sports
 - D Neither A nor B nor C
3. Which of the following statements is/are correct
 - I A competitive advantage eventually will erode into a competitive requirement or even less than that.
 - II A firm lobbying for legislation which prevents its competitor to use its resources presents an example of ‘resource mobilization’.
 - A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and statement II are correct.
4. Which of the following statements is/are correct
 - I Characteristic for the service of a beauty specialist is a high degree of simultaneity and a low degree of intangibility
 - II Characteristic for the service of a homework attendant is a high degree of intangibility and a high degree of simultaneity
 - A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and statement II are correct.
5. The service of a homework attendant is an example of
 - I A customized process with a low degree of client contact
 - II A standardized process with a high degree of client contact
 - A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and statement II are correct.

6. Implementing a service concept results in:
- I Segmenting markets, targeting the various customer segments and focus on innovation
 - II Not all services are alike.
- A. Statement I and statement II are false
B. Statement I is false and statement II is correct
C. Statement I is correct and statement II is false
D. Statement I and statement II are correct.
7. Which of the following statements is/are correct
- I Buying a hybrid car is an example of taking life-cycle cost into account
 - II Buying a hybrid car is characteristic for general services
- A. Statement I and statement II are false
B. Statement I is false and statement II is correct
C. Statement I is correct and statement II is false
D. Statement I and statement II are correct.
8. Which of the following statements is/are correct according to the service profit chain of Heskett et al.
- I Customer loyalty results in growth turnover and profits for the organization
 - II Employee productivity is a result of employee satisfaction
- A. Statement I and statement II are false
B. Statement I is false and statement II is correct
C. Statement I is correct and statement II is false
D. Statement I and statement II are correct.
9. Nowadays, the clients of DSB Bank will be in:
- A. The affection zone
 - B. The difference zone
 - C. Both A and B
 - D. Neither A, nor B.
10. Which of the following statements is/are correct?
- I Profit firms provide goods only.
 - II Non profit firms provide services only.
- A. Statement I and statement II are false
B. Statement I is false and statement II is correct
C. Statement I is correct and statement II is false
D. Statement I and II are correct.

11. Which of the following statements is/are correct?
- I Search qualities dominate experience qualities in the search for services.
 - II The heterogeneity of services implies that managing service quality is quite problematic.
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and II are correct.
12. Which of the following statements is/are correct?
- I Skimming the market policy is an example of a competition based strategy
 - II Break-even analysis is obvious in case of a cost based strategy
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and II are correct
13. Customers have to pay more for travelling in a train in the first class. This is an example of
- A Price differentiation
 - B Price discrimination
 - C Penetration pricing
 - D Neither A, nor B, nor C.
14. Which of the following firms is not primarily a service firm?
- A Belastingdienst
 - B Vrije Universiteit
 - C Philips
 - D The Kurhaus hotel
15. The price in period 1 is \$ 100 and in period 2 \$ 110, the increase of purchased services is 20%
- A The price elasticity of demand is 0,5
 - B The price elasticity of demand is 1
 - C The price elasticity of demand is 2
 - D Neither A, nor B, nor C
16. Mr. Klaas Wilting, spokesman of DSB Bank, was / is a
- A Influencer
 - B Gatekeeper
 - C Satisfied customer
 - D Neither A, nor B, nor C.

17. Which pair does not reflect a difference between the control-oriented model and the process-oriented model of competence management development?
- A. Strategy is seen as: a planning process vs. a learning process
 - B. HRM's function is: to control vs. to facilitate
 - C. Customers need: transactions vs. interactions
 - D. Individual competencies: are generic defined vs. are context specific defined
18. Which of the following statements is/are correct?
- I The Michigan model of HRM is a high performance model
 - II The Harvard model of HRM is a high commitment model
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and II are correct
19. The 4 C's of the Harvard model of HRM are:
- A. Commitment, congruence, cost effectiveness, competence
 - B. Commitment, congruence, cost efficiency, competence
 - C. Commitment, coast efficiency, cost effectiveness, competence
 - D. Nether A, nor B. nor C
20. The Warwick model of HRM is
- A Result oriented
 - B Process oriented
 - C Control oriented
 - D Neither A, nor B, nor C
21. Which of the following statements is/are correct?
- I 'Behavioural repertoire' refers to a mixture of motivations, traits and a person's self-concept.
 - II 'Technical competencies' are relatively important for each of the three types of services.
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and statement II are correct.
22. Which of the following statements is/are correct?
- I Lectures of Meindert Flikkema Ph.D. are an example of developing technical competencies
 - II For the case classes, developing personal characteristics is the most effective way of development.
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and statement II are correct.

23. Which of the following statements is/are correct?
- I For task interactive services the most important competencies are technical and behavioral competencies
 - II For maintenance interactive services the most important competencies are technical and behavioral competencies
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and statement II are correct.
24. ZARA has very successful clothing stores, based on the pull strategy and has a turn over rapidity of almost 12 a year. For ZARA the most important is
- A A big stock of clothes
 - B Just In Time (continuous replenishment)
 - C A push strategy
 - D Neither A, nor B. nor C
25. Which combination LEAST adequately characterizes the more recent and advanced paradigm of innovation?
- A. concurrency and value chain
 - B. concurrency and value constellation
 - C. linearity and value constellation
 - D. linearity and value chain
26. The I-Phone is positioned in the innovation portfolio as:
- A. A platform project
 - B. A Breakthrough project
 - C. A derivative project
 - D. Neither A, nor B, nor C.
27. Which of the following project performance qualifications are NOT in the innovation matrix
- A. Moderately negative performance
 - B. Strongly positive performance
 - C. Average performance
 - D. Neither A, nor B, nor C

28. Which of the following statements is/are correct?

- I The aspects of strategy making are managing the firm-environment fit, setting objectives desirable future and defining ethical standards
 - II The mission statement is not a result of setting the desirable future.
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and statement II are correct.

29. Ryan Air uses a

- A Cost-focus strategy
- B Costleader strategy
- C Differentiation strategy
- D Neither A, nor B, nor C

30. Which of the following statements is/are correct?

- I Capacity is experienced by the customer
 - II Capacity management is just directed at the demand side
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and statement II are correct.

31. Which of the following statements is/are correct?

- I “Stuck in the middle” is always a bad strategy
 - II Lidl operates a focus differentiation strategy
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and statement II are correct

32. Friesland Bank wants to be a bank with a higher degree of service than her competitors. In accordance with the model of Treacy and Wiersema this strategy is known as

- A Customer experience strategy
- B Operational excellence strategy
- C Product innovation strategy
- D Neither A, nor B, nor C

33. Which of the following statements is/are correct?

- I Service level agreements (SLA's) are used in both Business-to-Business and Business-to-Consumer relationships.
 - II The promise in a service guarantee is the result of a negotiation process.
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and II are correct.

34. Which of the following statements is/are correct?

- I If shareholders of Stork Fokker are likely to form a coalition with the Stork Fokker customers, then the potential of threat to Stork Fokker increases.
 - II The strategy of collaboration is the best strategy for supportive stakeholders.
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and II are correct.

35. Highest on the customer loyalty ladder is

- A. The Customer
- B. The Supporter
- C. The Friend
- D. Neither A, nor B, nor C

36. Which of the following statements is/are correct?

- I Reward systems of "De Bijenkorf" can change attitudes of their customers
 - II The pull strategy is the best strategy in a buyer market.
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and II are correct.

37. Banks should nowadays invest primarily in:

- A Market penetration
- B Market segmentation
- C Public Relations
- D Neither A, nor B, nor C.

38. Costs of Labour are in most firms

- A. Fixed only
- B. Variable only
- C. Fixed and profit margin
- D. Fixed and variable

39. Which of the following statements is/are correct?

- I Cost-based strategies have an entirely internal and external focus.
- II The costs of a service are static.

- A. Statement I and statement II are false
- B. Statement I is false and statement II is correct
- C. Statement I is correct and statement II is false
- D. Statement I and II are correct.

40. Which of the following statements is/are correct?

- I Customer events are an example of level two relationship marketing.
- II Level two relationship marketing focuses at the financial aspects of a relationship exemplified by regularly billing customers.

- A. Statement I and statement II are false
- B. Statement I is false and statement II is correct
- C. Statement I is correct and statement II is false
- D. Statement I and II are correct.

41. Which of the following statements is/are correct?

- I Products are tangible.
- II Servitization is defined as a bundle of consisting services.

- A. Statement I and statement II are false
- B. Statement I is false and statement II is correct
- C. Statement I is correct and statement II is false
- D. Statement I and II are correct.

42. Which of the following statements is/are correct?

- I To give expert advice about energy problems is a two step flow of communication
- II Even if you don't want to communicate you are communicating

- A. Statement I and statement II are false
- B. Statement I is false and statement II is correct
- C. Statement I is correct and statement II is false
- D. Statement I and II are correct.

43. People tend to overestimate waiting time, for instance while awaiting their flight from Schiphol to Aruba. Research has revealed that in this situation real waiting time RWT and perceived waiting time PWT (in minutes) are related as follows:

$$RWT = 60 + 0,25 \times PWT.$$

After how many minutes do people start overestimating their waiting time?

- A After 45 minutes
- B After 72 minutes
- C After 75 minutes
- D After 80 minutes

44. Which of the following statements is/are correct?

- I The less familiar a company is with a technology which it needs for innovation, the more it should acquire lacking competencies via an embodied transfer mode.
- II In the make-or-buy decision spectrum an alliance is a way to allow for 'buy' considerations while maintaining some 'make' aspects at the same time.

- A. Statement I and statement II are false
- B. Statement I is false and statement II is correct
- C. Statement I is correct and statement II is false
- D. Statement I and statement II are correct

45. ROI is a financial index number. ROI means

- A. Return on Inventory
- B. Return on Investment
- C. Rate of Interest
- D. Neither A, nor B, nor C.

46. The best price strategy for "de Burgerking" is

- A. Relationship pricing
- B. Satisfaction pricing
- C. Efficiency pricing
- D. Neither A, nor B, nor C

47. Which of the following statements is/are correct

- I Customers will not complain if the service defect is not important to them.
- II A complaint is not an opportunity for continuous improvement of the quality of services

- A. Statement I and statement II are false
- B. Statement I is false and statement II is correct
- C. Statement I is correct and statement II is false
- D. Statement I and II are correct.

48. Which of the following statements is/are correct?

- I Delivery milk from Friesland Campina to Albert Heijn is B2B delivery and
 - II the feedback on the perceived quality of the service delivery is unidirectional in a SLA
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and II are correct.

49. Which of the following statements is/are correct?

- I The 'satisfaction mirror' is the relationship between employee and shareholder satisfaction
 - II Reward systems are only satisfiers
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and II are correct.

50. Which of the following statement is/are correct?

- I The function of HRM in a process oriented company is steering, governing and controlling.
 - II In a process oriented company the strategy is the result of continuous interaction between various stakeholders.
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and II are correct.

51. The universities don't get a higher budget although the number of students has increased. To do their job as good as possible, it is important for the universities to pay attention to

- A. Capacity scheduling
- B. Capacity planning
- C. Capacity increasing
- D. Neither A, nor B, nor C

52. The buying pattern of customers at the HEMA is positive and the attitude is also positive. This is

- A. Spurious loyalty
- B. True loyalty
- C. Latent loyalty
- D. Neither A, nor B, nor C

53. The elements of the learning cycle of Kolb are

- A. Experience, reflection, judging, conceptualization
- B. Experience, judging, conceptualization, experiment
- C. Experience, reflection, conceptualization, experiment
- D. Experience, reflection, judging, experiment

54. In 1995 “dr. Oetker” has taken over “Koopmans Consumenten Producten”. This is an example of:

- A. Licensing
- B. Alliance
- C. Acquisition
- D. Neither A, nor B, nor C

55. Which of the following statement is/are correct?

- I The NS is monopolist of transport.
 - II Lawyers in the Netherlands are process monopolists.
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and II are correct.

56. Business Hotels offering sport events at the weekend is

- A. A strategy of market development
- B. A strategy of diversification
- C. A strategy of customer intimacy
- D. A strategy of promoting off peak demand

57. Which of the following statements is/are correct?

- I Customers' value potential should be an important input for allocating the budget for relationship marketing.
 - II Customers who compare offers of different service firms just take characteristics of the service and the price-level into account.
- A. Statement I and statement II are false
 - B. Statement I is false and statement II is correct
 - C. Statement I is correct and statement II is false
 - D. Statement I and II are correct.

58. Which are the lowest, besides the rest of the world, in the triangle of setting marketing objectives?

- A. Small customers
- B. Suspects
- C. Prospects
- D. Not loyal customers

59. Giving a presentation in a BASI case class is an example of utilizing

- A. Personal characteristics
- B. Technical competencies
- C. Behavioral repertoire
- D. Both A, B and C.

60. Which of the following aspects don't belong to the model of Treacy and Wiersema?

- A. Market development
- B. Diversification
- C. Power of customers
- D. Both A,B and C.