

***Strategic Healthcare Management Planning and
Execution 2nd edition Walston Test Bank***

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1. There is almost alwa

There is almost always an optimal structure for an organization.

a. True

*b. False

2. One primary reason c

One primary reason companies use a corporate legal structure is to limit personal liability.

*a. True

b. False

3. Corporations can onl

Corporations can only be for-profit and have stockholders.

a. True

*b. False

4. In a corporation, th

In a corporation, the primary degree of competition lies at the corporate level of the organization.

a. True

*b. False

5. The extent and degre

The extent and degree of division of labor usually have little impact on strategy.

a. True

*b. False

6. Tension almost alway

Tension almost always exists between the need to integrate and need to differentiate functional activities in an organization.

*a. True

b. False

7. Organizations that e
Organizations that employ wider spans of control always have a decentralized decision-making function.

- a. True
- *b. False

8. Type of industry inf
Type of industry influences the span of control in organizations in the industry.

- *a. True
- b. False

9. Multidivisional orga
Multidivisional organizations can duplicate functions and increase costs.

- *a. True
- b. False

10. Matrix structures ar
Matrix structures are more common in organizations that are focused on innovation and projects than they are in other organizations.

- *a. True
- b. False

11. Chain of command
Chain of command

- a. defines the span of control in an organization
- b. provides a clear understanding of the locus of decision making
- *c. defines the formal line of authority and reporting relationships
- d. provides direction on the type of structure optimal for an organization

12. Which of the followi

Which of the following is not a primary function of corporate strategy?

- *a. Developing new products and services
- b. Deciding which businesses to compete in
- c. Deciding how businesses should be integrated
- d. Allocating capital among business units

14. An appropriate span

An appropriate span of control may depend on all of the following except

- *a. the gender of the leader
- b. the degree of centralization of decision making
- c. the skills and abilities of subordinates
- d. the culture of the organization

15. Hospitals traditiona

Hospitals traditionally have had which type of organizational structure?

- a. Matrix
- b. Multidivisional
- *c. Functional
- d. Corporate

16. A functional organiz

A functional organization's primary advantage is its

- a. ability to integrate activities easily
- *b. high level of skills and expertise and ability to capture economies of scale
- c. ability to decrease its need for information technology for communication
- d. ability to lower the unit price of goods and services

17. Silos are a problem

Silos are a problem that often exist in which type of organizational structure?

- a. Matrix
- b. Multidivisional

- *c. Functional
- d. Corporate

18. If a company has gro

If a company has grown significantly and is expanding internationally, which organizational structure might it consider adopting?

- a. Matrix
- *b. Multidivisional
- c. Functional
- d. Corporate

19. Accountable care org

Accountable care organizations may require organizational structures that

- *a. integrate decision making among physicians and hospital personnel
- b. include insurance products and managers
- c. include functional structures
- d. minimize the influence of allied health professionals

1. Influences from the
Influences from the societal environment do not affect
healthcare greatly.

- a. True
- *b. False

2. Chronic disease is a
Chronic disease is and will be a critical factor in
designing healthcare strategies.

- *a. True
- b. False

3. Women have much high
Women have much higher utilization of obstetrics than men
do.

- *a. True
- b. False

4. Patient origin studi
Patient origin studies enable organizations to better
understand where their patients live.

- *a. True
- b. False

5. The healthcare indus
The healthcare industry is one of the most heavily
regulated sectors in the United States.

- *a. True
- b. False

6. Major advances in he
Major advances in healthcare information technology are
predicted to be made in the twenty-first century.

- *a. True
- b. False

7. It is reasonably eas

It is reasonably easy to determine the boundaries of different industries.

a. True

*b. False

8. People working for a

People working for a company is an example of a market.

*a. True

b. False

9. Industries cannot ex

Industries cannot exist without appropriate markets.

*a. True

b. False

10. Monopolistic competi

Monopolistic competition involves just one large organization.

a. True

*b. False

11. Many markets exhibit

Many markets exhibit actual perfect competition.

a. True

*b. False

12. Most healthcare syst

Most healthcare systems in the United States exist in oligopolistic market structures.

*a. True

b. False

13. History has shown th
History has shown that monopolists frequently make good decisions that directly benefit their customers.

- a. True
- *b. False

14. The four-firm concen
The four-firm concentration ratio is more accurate and more often used than other measures of market concentration.

- a. True
- *b. False

15. Which is not part of
Which is not part of the societal environment?

- a. General economic conditions
- b. Population growth
- c. Government laws
- *d. Product development

17. Patient or customer
Patient or customer origin studies identify

- a. the birthplace of critical customer segments
- b. the percentage of minority populations using a facility
- *c. the proportion of customers or patients coming from different zip codes
- d. the combination of minorities and gender differences among all patients

18. Which would not be c
Which would not be considered medical technology?

- a. New medical procedures
- *b. Newly hired personnel
- c. New medications
- d. Different ways to complete a surgery

19. A healthcare industr
A healthcare industry includes

- a. an exchange locale
- b. groups of buyers in a specific location
- *c. groups of sellers of products that are close substitutes
- d. a series of exchanges that transfer a product to a new owner

20. What do markets generally exchange?
What do markets generally not exchange?

- a. Information
- b. Products
- c. Money
- *d. Effort

21. Market power is best described as

- a. the ability of a market to direct the course of legislation
- *b. the ability to influence prices
- c. the ability to influence which buyers and sellers exist
- d. the ability to organize product and services in a cost-effective manner

22. In which market structure would there be the most market power?

- *a. Monopoly
- b. Oligopoly
- c. Monopolistic competition
- d. Perfect competition

23. Perfect competition is distinct from the other market structures in that its products

- *a. are undifferentiated
- b. are distinguished on the basis of quality
- c. are of low quality
- d. change more rapidly

24. In which market stru 2

In which market structure is price of greatest strategic consideration?

- a. Monopoly
- b. Oligopoly
- c. Monopolistic competition
- *d. Perfect competition

25. Physician practices

Physician practices in the United States could best be considered to exist in which market structure?

- a. Monopoly
- b. Oligopoly
- *c. Monopolistic competition
- d. Perfect competition

26. Oligopolies do not e

Oligopolies do not exhibit

- a. domination by a few firms
- b. high entry and exit barriers
- *c. easy ability to raise prices
- d. frequent governmental controls

27. Monopolists' primary

Monopolists' primary strategic focus is on

- a. price
- b. differentiating their products and services
- c. increasing their market share
- *d. keeping potential competitors out of the market

28. In which market stru 3

In which market structure can consumers most easily find substitutes?

- a. Monopoly
- *b. Perfect competition
- c. Monopolistic competition
- d. Oligopoly

29. Market concentration

Market concentration can be determined by using which two formulas?

- *a. Herfindahl-Hirschman Index and four-firm concentration ratio
- b. Heckman Index and four-firm concentration ratio
- c. FTC ratio and four-firm concentration ratio
- d. FTC ratio and six-firm market ratio

30. Which of the followi

Which of the following is not a phase of the product life cycle?

- a. Maturity
- b. Decline
- c. Growth
- *d. Deficit

31. In which phase of th

In which phase of the product life cycle might it be best to enter a market?

- a. Emerging
- *b. Growth
- c. Maturity
- d. Decline

32. What is not correct

What is not correct regarding the product life cycle?

- *a. It may not apply to fad products.
- b. Products can skip stages.
- c. The duration of each stage can vary dramatically.
- d. Changing technologies and consumer demand affect it.