**OM 302 F21**

**Quiz 1**

**Selected Topics**

**as of 9/20/21**

**Due by midnight on Sunday, 10/3/20**

**The following topics will be on this quiz:**

1. **Which of these trends will affect employment prospects for new**

**graduates?**

The demographic, technological, and geopolitical trends will affect the structure of future employment opportunities.

**2. The trajectory of the path that ends at the point on the timeline called**

**“Today” depicts:** the path on which a firm will find itself (whether on the desired path or a feared path) based on the quality of decision making.

**3. Gap analysis is an example of what type of analysis?** This is a forensic type of analysis.

**4. “Regression to the Mean”:** The process by which competitors chisel away one’s absolute advantage if it is not protected. This is a process of commoditization of business.

**5. Absolute Competitive Advantage Period:** is the time interval during which an organization can deliver superior returns on invested capital.

**6. Competitive Advantage:** A single competitive advantage is not enough to win in the marketplace. A firm has to have an absolute competitive advantage.

**7. The Economic Moat is:** The moat is a set of the barriers to exit by customers and the barriers to entry by competitors.

**8. The concept of “Crossing the Chasm”:** The space between early adopters and early majority where companies that cannot scale cannot cross and disappear.

**9. Systems thinking:** it is a cross-functional, cross-disciplinary approach to planning, implementing, and managing business activities and operations. It is a superior decision-making process.

**10. System’s Reliability:** the quality has to be designed and tested in. It cannot be tested out. Errors will propagate and magnify as they traverse the system.

**11. The “Moment of Truth”:** this is the moment when customers select their brand of preference.

**12. Lateral thinking and thinking outside the box:** is the original, unique, creative thinking that is necessary for firms to succeed.

**13. “Blue Ocean” strategy:** A methodology where companies should seek un-contested business opportunities (blue oceans) and avoid competing head on with each other (red oceans).

**14. The rights of shareholders vs the rights of stakeholders:** The right of shareholders, by law, supersede the right of stakeholders.

**15. E-waste:** based on the video shown in class.

**16. IBM and WWII:** It is of utmost importance to take the right side on the basis of legality, ethics, and morality.

**17. Milton Friedman’s video “The Pencil”:** There is no one person in the world who would know how to build a pencil. This is an extended view of concepts such as supply chains, cooperation, pricing systems, and the business ecosystem.

**18. Perfect information:** you will never have perfect information. It is too expensive and takes too long to collect it.

**19.** **Productivity:** is a measure of outputs (units produced) to the inputs used.

**20. Bottleneck:** a resource with the lowest level of capacity.

**21. Bomb:** single point of failure. A resource with no capacity.

**22. Break-even quantity:** the volume at which total revenues equal total costs.

**23. Variable cost:** the portion of the total cost that varies directly with volume of output.

**24. Fixed cost:** the portion of the total cost that remains constant regardless of changes in levels of output.

**25. Decision theory:** a general approach to decision making when the outcomes associated with alternatives are often in doubt.

**26. Payoff table:** a table that shows the amount for each alternative if each possible event occurs. A tabular means of analyzing decision alternatives and states of nature.

**27. Decision tree:** a systematic model of alternatives available to the decision maker, along with the possible consequences. A graphical means of analyzing decision alternatives and states of nature.

**28. Maximax:** a criterion that finds an alternative that maximizes the maximum outcome.

**29. Maximin:** a criterion that finds an alternative that maximizes the minimum outcome.

**30. Equally likely (Laplace):** a criterion that assigns equal probability to each state of nature.