

THE OPEN UNIVERSITY OF SRI LANKA  
 BACHELOR OF MANAGEMENT STUDIES DEGREE PROGRAMME  
 LEVEL 6  
 FINAL EXAMINATION : July 2009  
 STRATEGIC MANAGEMENT – MCU 4201



Duration : Three (03) Hours

Date: 5<sup>th</sup> July 2009

Time: 9.30 am – 12.30 pm

This Question Paper consists of two (02) pages and has seven (07) questions.

Instructions :

- Attempt **any five** questions.  
*(If more than five questions are answered only the first five questions attempted will be evaluated.)*
- All questions carry equal marks (20 marks each). Maximum marks : 100
- Answers should be methodical and focused. Suitable Sri Lankan examples may be used for explanations where necessary.

1. (a) Explain with relevant examples how vision and mission and goals and objectives are used by an organization in strategic management practices.
- (b) Why should an organization develop clear vision, mission, goals and objectives?
- (c) Explain how employee participation will be useful in developing the above.
2. (a) Explain what is meant by SWOT analysis in relation to an organization. What are the components of a SWOT analysis? Why do strategists use SWOT analysis in strategic management exercises?
- (b) Explain the TOWS matrix and the need for environmental scanning for preparation of a TOWS matrix for an organization. Why do strategists use this tool in their activities?
3. (a) What are the different types of defensive strategies available to an organization? Explain them.
- (b) Comment on the circumstances under which strategists may pursue each of the said defensive strategies?

4.
  - (a) Explain what activities are involved in the strategy implementation stage.
  - (b) Discuss how a strategy implementer can be benefited by adopting different forms of organizational structures in implementing a business strategy. Give suitable illustrations.
  - (c) What type of organizational structure may be best suited for an organization involved in high level of research and development activities? Give reasons.
5.
  - (a) Why do strategists place higher emphasis on strategic control functions? Explain the activities that need to be carried out when engaged in strategic control?
  - (b) Briefly outline the different tools that are used in strategic controls by the management of organizations.
6. Using your knowledge of the present business environment and the market, analyze the Sri Lankan mobile telephone industry. With the help of Michael E. Porter's industry analysis model convey your opinion to a mobile telephone service provider who is planning to make a heavy investment for expanding its operations. State your assumptions.
7. Explain **any two** of the following;
  - (a) Investment decisions of different businesses that falls under different categories of the BCG portfolio analysis matrix of an organization.
  - (b) The need for changing the leadership style and organizational culture in implementing diverse organizational strategies.
  - (c) Different situations that warrant pursuing market development and product development strategies.

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