

THE OPEN UNIVERSITY OF SRI LANKA
 BACHELOR OF MANAGEMENT STUDIES DEGREE PROGRAMME
 LEVEL 6
 FINAL EXAMINATION : May 2010
 STRATEGIC MANAGEMENT – MCU 4201



Duration : Three (03) Hours

Date: 2nd May, 2010

Time: 1.30 pm – 4.30 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 suitable examples the key features of vision, mission and objectives of organizations. *(10 marks)*
 (b) "Vision and mission statements of organizations are used only by the top management personnel of organizations." Critically evaluate this statement. *(10 marks)*
2. (a) Explain the key stages of Strategic Management process. *(10 marks)*
 (b) What role do stakeholders of an organization play in creating a Strategic Management plan? Explain how stakeholder involvement in the planning process enhances the success of a strategic plan. *(10 marks)*
3. "SWOT analysis is the base for constructing a TOWS matrix to develop alternative strategies for an organization."
 (a) Explain the underlined components of the above statement. *(10 marks)*
 (b) Illustrate with an example the procedure of constructing the TOWS matrix. *(10 marks)*



4. (a) What is meant by 'business portfolio analysis' of an organization? Explain. (8 marks)
- (b) Explain the BCG matrix for business portfolio analysis. What are the concerns for investment and harvesting decisions of different types of businesses falling into different categories of the BCG matrix for business portfolio analysis? Give suitable illustrations. (12 marks)
- (a) Using the Open University of Sri Lanka as an example, explain the different types of integration strategies that may be followed by management of organizations. (10 marks)
- (b) Briefly explain the circumstances under which these strategies are pursued by organizations. (10 marks)
6. (a) Explain the main components of Michael E. Porter's Industry analysis model. (12 marks)
- (b) How does an investor make use of the said model to plan his/her investment in a new venture? Explain using examples from an industry familiar to you. (8 marks)
7. Explain any two of the following; (10 marks X 2)
- (a) Cost leadership and differentiation strategies for competitiveness.
- (b) Functional level strategies and corporate level strategies.
- (c) The key areas that have to be looked into by organizational management when planning to expand a business beyond their home country.

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