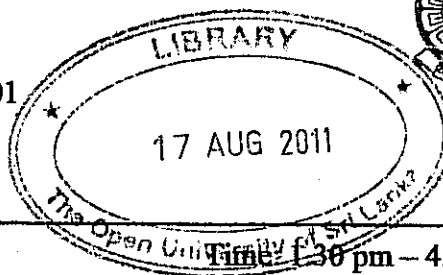


THE OPEN UNIVERSITY OF SRI LANKA
BACHELOR OF MANAGEMENT STUDIES DEGREE PROGRAMME
LEVEL 6

FINAL EXAMINATION : 2011
STRATEGIC MANAGEMENT – MCU 4201



Duration : Three Hours



Date: 26th February 2011

Time: 9.30 am – 4.30 pm

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

Instructions :

- Answer any FIVE (5) questions.
- All questions carry equal marks (20 each). Maximum marks : 100
- Answers should be methodical and focused. Cite suitable Sri Lankan examples to support your answer where necessary.

1. Strategists repeatedly carryout environmental scanning exercises from the stage of developing strategies and also while implementing strategies.
 - (a) Explain what is meant by environmental scanning in strategic management and its importance for strategy formulation. (10 marks)
 - (b) Describe the components and main steps of environmental scanning. Explain how you would plan and carry out an environmental scanning exercise for a manufacturer in fast moving consumer product of your choice. (10 marks)
2. Strategists plan to make optimum use of all employees in developing and implementing strategic plans for the organization.
 - a) Explain how employee participation could help an organization in developing and implementing strategies for effective performance. (8 marks)
 - b) What are the main stages of the strategic management process where employee participation could essentially be sought for a successful strategic management exercise? Explain how a strategist could mobilize employee assistance in each stage of strategy making. (12 marks)
3. Explain how corporate strategies differ form functional strategies. How do different types of strategies are applied in different levels in the organizational hierarchy? (20 marks)

4. Organizations have unique organizational cultures and sub-cultures which are relevant in strategy implementation;
- a) Explain what is meant by organizational culture and sub-culture. How could the knowledge of organizational culture be instrumental in developing and implementing strategies for an organization? (10 marks)
 - b) Discuss how far organizational culture could be influenced by changing organizational leadership and organizational structure in order to implement new corporate level strategies. (10 marks)
5. (a) Explain different types of diversification strategies that may be used by organizations. (10 marks)
- (b) Discuss the circumstances in which a strategist may seek to adopt any two of the above mentioned diversification strategies. (10 marks)
6. "Operating of a business internationally is a complex task due to various operational and environmental factors."
- (a) Explain the conditions that make a business organization expand its businesses to foreign countries (7 marks)
 - (b) Comment on the difficulties a business organization may encounter in entering into international markets. (7 marks)
 - (c) Briefly explain the different strategic business models that could be used by organizations when entering into foreign markets? (6 marks)
7. Explain any two of the following; (10 marks X 2)
- (a) Investment decisions and Boston Consulting Group portfolio matrix.
 - (b) Organizational structures and strategy implementation
 - (c) Cost leadership and differentiation strategies for competitiveness

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