

THE OPEN UNIVERSITY OF SRI LANKA
BACHELOR OF MANAGEMENT STUDIES DEGREE PROGRAMME
LEVEL 6
FINAL EXAMINATION: 2016
STRATEGIC MANAGEMENT – MCU 4201



Duration: Three (03) Hours

Date: 2nd July, 2016

Time: 1.30 pm – 4.30 pm

This Question Paper consists of two (02) pages and has seven (07) questions carrying 20 marks each.

Instructions:

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

1. 'Before any key strategic decision is made, managers have to study various factors influencing the functioning of their business organizations.'
 - (a) Explain the process of environmental scanning carried out before any strategic level decision is made (your answer needs to explain the different components of the organizational environment). (8 marks)
 - (b) Explain the need of an environmental analysis for an organization. (6 marks)
 - (c) Explain the need of a clear mission statement and objectives in strategy formulation of an organization. (6 marks)
2.
 - (a) Describe the meaning of 'core competencies' of an organization and explain why it is important for strategic level decision makers to understand such competencies. (6 marks)
 - (b) Explain what efforts the management of an organization should pursue to develop its core competencies. (6 marks)
 - (b) Explain the factors that might affect an organization's decision of whether to invest in technology currently in use or invest in new technology. (8 marks)
3.
 - (a) Discuss the different types of integration strategies available for an organization and the circumstances in which such strategies are pursued. (12 marks)
 - (b) Explain with justifications why many organizations outsource some of their tasks that can be performed in house. (8 marks)

4. (a) Explain the steps sought by strategists in implementing a new strategy in their organizations and the organizational reforms that may be needed in implementing such a change. (12 marks)
- (b) Explain with justifications the type of organizational structure best suited for an organization involved in research and development activities in a rapidly changing technological environment? (8 marks)
5. (a) Describe the portfolio analysis matrix developed by the Boston Consultancy Group. (8 marks)
- (b) Describe the financing decisions and the strategic implications in relation to the businesses that fall under each of the categories of the BCG matrix. (6 marks)
- (c) Using suitable illustrations, describe the relationship between the stages of a product's life cycle and the different categories of business ventures explained in the BCG matrix. (6 marks)
6. (a) Explain the following competitive strategies with suitable examples: cost leadership, differentiation and focus. (12 marks)
- (b) Describe the situations where strategists may deploy such strategies. (8 marks)
7. Write short essays on **any two** of the following; (10 marks each)
- (a) The role of leadership style and culture, in strategy implementation.
- (b) Tools of strategic control for successful strategy implementation.
- (c) Business models for organizations to enter foreign markets.
- (d) Strategic information systems for successful strategic management.

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