

THE OPEN UNIVERSITY OF SRI LANKA
 BACHELOR OF MANAGEMENT STUDIES (HONS.) DEGREE PROGRAMME
 LEVEL 6
 FINAL EXAMINATION: 2018
 STRATEGIC MANAGEMENT – MCU 4201



Duration: Three (03) Hours

Date: 27th October, 2018

Time: 9.30 am – 12.30 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 answers where necessary.

1. 'Strategists have to study the organizational environment before they start formulating strategies'
 - (a) Describe different components of environments pertaining to an organization. (8 marks)
 - (b) Explain the need for carrying out environmental analysis by a strategist. (4 marks)
 - (c) Explain how you identify strengths, weaknesses, opportunities and threats of an organization. With the strengths, weaknesses, opportunities and threats identified, what actions can you take for betterment of an organization? Explain. (8 marks)

2.
 - (a) Explain the features of a good 'mission statement' of an organization. Describe the benefits of having a mission statement for an organization. (12 marks)
 - (b) Describe the key characteristics of objectives. What advantages can the management of an organization enjoy by setting up objectives. Explain. (8 marks)

3.
 - (a) Describe the concentric and conglomerate diversification strategies that are implemented by organizations with the environmental conditions that lead organizations to pursue such strategies. (12 marks)

- (b) Describe the difficulties organizations face when pursuing diversification strategies. Suggest precautionary actions to counter them? (8 marks)
4. (a) Describe the setting up of objectives, policies and resource allocation activities that are necessary for the implementation of a new strategy. What are the roles of the said activities in successful implementation of a strategy? (12 marks)
- (b) Explain the need for planning of strategic controls for a successful strategy implementation and the strategic control measures that a strategist may pursue. (8 marks)
5. Describe how one should select strategies with the different levels of market scope and competitive advantage. Explain the situations suitable for differentiation and focus strategies. Give suitable examples using toothpaste market in Sri Lanka. (20 marks)
6. Before entering into a new market or making an investment, one should assess the business environment. With that, one can make a judgement on the attractiveness of the business for the investors. Michael Porter's industry analysis model is one of the tools that can be used for this purpose.
- (a) Describe Michael Porter's industry analysis model. (10 marks)
- (b) Explain strategies that could be used by strategists to improve the competitive position of a company, in all five dimensions of the model. Give suitable examples. (10 marks)
7. Attempt any two of the following; (10 marks each)
- (a) The need to assess the existing organizational culture and organizational structure in implementing strategies.
- (b) Explain TOWS matrix and developing alternative strategies.
- (c) Strategies for going international markets for organizations.
- (d) Limitations faced by organizations when entering into foreign markets

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