



Date 02nd June 2012

Time: From 1.30 p.m. to 4.30 p.m.

Instructions: Answer any five (05) questions. Numbering of the answers in your answer script should follow the numbers assigned to the questions in the paper. Illegible hand writing is liable to lose marks.

1. "Environment analysis is the critical starting point of strategic thinking."
 - a) Giving examples from business, explain how macro environment analysis differs from industry environment analysis".

(08 Marks)
 - b) Five forces model provides a common analytical framework in gauging the nature and intensity of competitive forces. Describe how "entry barriers" is applied to analyze the competitive intensity of an industry.

(12 Marks)

(Total: 20 Marks)
2. "Corporate strategy is concerned with an organization's basic direction for the future; its purpose, its ambitions, its resources and how it interacts with the world in which it operates"
 - a. How does corporate strategy differs from Business and functional strategies?

(08 marks)
 - b. Define the different types of growth strategies and explain the role of growth strategies in sustaining competitive capability of the firm.

(12 marks)

(Total: 20 Marks)

3. "Core competencies in combination with Product-market positions are the firm's most important source of competitive advantage" Discuss this statement in relation to "Cargills Food City" chain of retail trade.

(Total: 20 marks)

4. Porter's Generic strategies are widely used in formulating business level strategies.

Discuss the application of these strategies to two of the following businesses;

- a) Hospitality industry (Hotels and Tourism)
- b) Value added tea for export
- c) Ayurvedic Medical Products
- d) Private healthcare services

(Total: 20 Marks)

5. In some situations, it is preferable for a firm to acquire another firm or to seek growth opportunities by making alliances with other firms;

- a) Explain the terms "acquisition" and "strategic alliances" and, discuss using examples where acquisition and strategic alliance would be the most suitable strategy to adopt.

(14 marks)

- b) Explain how the shareholders of a firm could benefit from acquisition and strategic alliances

(06 marks)

(Total 20 Marks)

6. a) Taking examples from industry, briefly explain as to why strategy implementation is rather difficult compared to strategy formulation.

(06 marks)

- b) Discuss the role of policies and budgets when implementing the firm's strategies

(06 marks)

6. Explain the Balanced Score Card (BSC) and compare it with other performance evaluation techniques in evaluating the performance of firm's strategies.

(08 marks)

(Total: 20 Marks)

7. Social media includes web-based and mobile technologies which are used to turn communication into interactive dialogue between organizations, communities, and individuals. The examples are Facebook, Blogger, Twitter, YouTube, MySpace, Wikipedia and Music.lk. Nowadays corporate official Blogs, Facebook and YouTube are very popular. Microsoft Blog, Google Student Blog, BMW Blog, and Coca-Cola Facebook Fan Page, BlackBerry - Wikipedia are some examples.

As a manager responsible for strategy of an organization of your choice, explain how this technological advancement in the external environment of the organization contributes to the **competitive landscape** of the selected organization and the overall strategic impact of such initiatives.

(Total: 20 marks)

8. Traditional strategy models focus on the company's external competitive environment. In contrast, the resource-based perspective highlights the need for a strategic fit with the external market context in which a company operates and also its internal capabilities.

a. What does "Resource Based Model of Above Average Return" mean in regard to strategic management.

(08 marks)

b. Explain how "Resource Based Model of Above Average Return Model" lead to competitive advantage and strategic fit of an organization/ industry of your choice.

(12 marks)

(Total: 20 marks)

9. Toyota will lead the way to the future of mobility, connecting lives around the world with the safest and most responsible ways of moving people. Through our commitment to quality, constant innovation and respect for the planet, we aim to exceed expectations and be rewarded with a smile. We will meet our challenging goals by engaging the talent and passion of people, who believe there is always a better way." *Toyota Global Vision – Toyota Corporation*

With your knowledge on vision statement of an organization and its importance in setting the future direction of the organization, explain the impact the "Toyota Global Vision Statement" can create on the Toyota Corporation.

(Total: 20 marks)

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