

THE OPEN UNIVERSITY OF SRI LANKA
FACULTY OF ENGINEERING TECHNOLOGY
MASTER OF TECHNOLOGY IN INDUSTRIAL ENGINEERING – LEVEL 7
FINAL EXAMINATION – 2005/2006

MEM 7117 – STRATEGIC MANAGEMENT

DATE : 11 March 2006

TIME : 0930 hrs – 1230 hrs

DURATION: Three (03) hours



023

Answer any five (05) questions. All questions carry equal marks

01. a. Explain what is meant by strategic management and describe why strategic planning is necessary for an enterprise. [08 Marks]
- b. Do you believe that strategic planning is necessary for organization that you are working for? Explain the problems that you may face when formulating a strategic plan for your company. [12 Marks]
02. “The Vision and Mission statements direct the organization for future.”
- a. What is meant by Vision? [04 Marks]
- b. What are the most important factors to be considered when writing a company mission statement? [10 Marks]
- c. Explain the major benefits of a mission statement to the organization. [06 Marks]
03. “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? [04 Marks]
- b. Why the growth strategies are important? Define the different types of growth strategies. [08 Marks]
- c. Porter’s Generic strategies are widely used in formulating business level strategies. Discuss the application of these strategies to business level. [08 Marks]

04. "Internal growth of a firm may be achieved through intensive strategies".
- a. Explain why firms adopt intensive strategies to close the planning gap of the firm. [06 Marks]
 - b. Despite the fact that the achievement through market penetration is rather difficult to achieve, firms use this as an internal growth strategy. Identify and discuss the approaches that an organization can adopt in market penetration with examples. [08 Marks]
 - c. Market penetration and market development can be adopted simultaneously. Do you agree? Explain your answer with reasons. [06 Marks]
05. A medium size Sri-Lankan firm that has developed a specific rubber product using its own unique polymer technology know-how is trying to decide how best to serve the Chinese market.
- a. Explain the different market entry models that can be used to firm for entering international market, describing advantages and disadvantages of each model. [14 Marks]
 - b. If the Chinese government restriction on importation of such rubber product is a major constraint for the firm but not outside its reach, what option would you advise it to choose and why? [06 Marks]
06. "Choosing appropriate strategies to implement and evaluate these strategies are essential for the reaching for the set objectives of the firm"
- a. Describe in brief why programs of activities and, policies and procedures are significant in the process of strategy implementation. [06 Marks]
 - b. Identify and describe the financial measures, firm can use to evaluate the performance of the strategies implemented. [08 Marks]
 - c. Explain why assumptions made during the strategy development phase need to re-appraise in evaluation phase. [06 Marks]

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