



**THE OPEN UNIVERSITY OF SRI LANKA**  
**FACULTY OF ENGINEERING TECHNOLOGY**  
**MASTER OF TECHNOLOGY IN INDUSTRIAL ENGINEERING – LEVEL 7**  
**FINAL EXAMINATION – 2009/2010**  
**MEX 7117 – STRATEGIC MANAGEMENT**  
**DATE : 06 March 2010**  
**TIME : 0930 hrs – 1230 hrs**  
**DURATION: Three (03) hours**

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

1. Prof. John Higgins has defined Strategic Planning as “Comprehending the environment and organization adapts to the environment” In the light of the above definition, elaborate the major steps of the Strategic Planning Process.
2. Toyota Lanka-Co. Ltd has established a subsidiary company to introduce a Toyota Hybrid, (electro/petrol) 1500 cc car to the Sri Lankan market. The newly established subsidiary company decided to formulate a five year Corporate Plan for the company. Select appropriate Approach / Technique to scan the environment of the company. Explain the critical factors/ variables to be addressed in this exercise.
3. In recent years it has become increasingly popular for organizations to produce a Mission Statement. Discuss the value of having a Mission Statement for an organization and explain the components of an effective Mission Statement. Analyse any mission statement familiar to you.
4. Setting objectives, considered as the second task of Strategic Management. Explain the purpose of developing objectives. What are the key results areas to be covered in developing objectives in your organization or any other organization familiar to you? Give examples.
5. Identify the different levels of Strategy Formulation in an industrial organization. Briefly explain the main characteristics of Growth Strategy and Stability Strategy and their practical importance. Under what circumstances would you recommend each of these strategies?
6. Control is an important feature of successful implementation of Strategic Plans. Discuss the various steps involved in the scientific control process. Identify the differences between the Management Control and Operational Control. Elaborate your answer giving examples.