



STAMFORD COLLEGE
SCHOOL OF BUSINESS, MARKETING AND ACCOUNTING

DIPLOMA IN BUSINESS ADMINISTRATION
(SEMESTER 5)

DBA 205: STRATEGIC MANAGEMENT

Date : 27 August 2007
Time : 9.30am – 12.30pm

Duration: 3 hours

Instructions to Candidates

Answer any FOUR out of EIGHT questions.

Please ensure that this examination paper contains EIGHT questions on THREE printed pages before you start the examination.

Books, papers and other written materials are not allowed to be brought into the examination hall. A candidate who violates the examination rules of Stamford College or commits a malpractice will be disqualified from the examination.

Write your Examination Index Number on each page of your answer booklet.

Answer any FOUR out of EIGHT questions

Question 1

Strategy implies action as well as decision-making and involves considerations of the environment in which organizations operate.

(a) State with examples two external environment influences on strategic management.

(2 marks)

(b) Elaborate on the two approaches from which the strategic management approach evolved. (5 marks)

(c) Explain with examples the three levels of strategic management. (9 marks)

(d) Differentiate between the three modes of strategy making. (9 marks)

(Total = 25 marks)

Question 2

Stoner and Freeman define a business plan as “a formal document containing a mission statement, description of the firm’s goods or services, a market analysis, final projections and a description of management strategies for attaining goals”. Elaborate with examples on the five elements of a business plan.

(Total = 25 Marks)

(Total = 25 marks)

Question 3

Any organization, in choosing its strategy has a complex decision to make. While the right strategy can give an organization competitive advantage, mistakes made could result in huge losses.

(a) What strategy does a niche marketer use? (1 mark)

(b) Briefly explain six attack strategies an organization might use on other companies. (12 marks)

(c) Elaborate on six defence strategies that may be used against attacking organizations. (12 marks)

(Total = 25 marks)

Question 4

The capability of an organization to compete effectively with others in its market depends to a large extent on the resources from which it can draw, together with the balancing of these resources and the mix of activities that allow the organization to perform.

(a) What is strategic capability? (2 marks)

(b) Explain briefly the three elements that managers within the organization have to provide before a resource audit. (6 marks)

(c) Elaborate on the four groups of resources available to the organization. (8 marks)

(d) Discuss three ways of analysing organizational performance. (9 marks)

(Total = 25 marks)

Question 5

An organization's value chain may be defined as: 'An organization's coordinated set of activities to satisfy customer needs, starting with relationships with suppliers and procurement, through production, selling, marketing and delivery to the customer'.

(a) List out with examples all the primary and secondary activities of the value chain. (18 marks)

(b) Give five ways by which steps in the process of value creation are enhanced. (5 marks)

(c) Name two other value chains linked to an organization's value chain? (2 marks)

(Total = 25 marks)

Question 6

A company needs to look at itself very thoroughly before it can develop strategic options. In addition to taking into consideration products, markets and technology, the company also has to consider the values, aspirations and prejudices of those top managers who control it.

(a) What is an unrelated diversification strategy? (1 mark)

(b) Explain with examples the three different generic strategies. (9 marks)

(c) What are the five rules suggested by Drucker to test the effectiveness of an acquisition strategy?

(5 marks)

(d) Elaborate on the five possible price-based strategies a company might pursue in a price sensitive market.

(10 marks)

(Total = 25 marks)

Question 7

One of the first methods for classifying business units in terms of market growth rate compared with relative market share was proposed by the Boston Consulting Group (BCG). The BCG model enables planners to classify their products or strategic business units (SBUs) into four categories according to their position on the matrix.

(a) Give two benefits of the BCG matrix.

(2 marks)

(b) How is relative market share calculated?

(2 marks)

(c) Elaborate on the nature of the four categories of the BCG matrix.

(8 marks)

(d) Explain the possible financial strategy for each category of the BCG matrix.

(8 marks)

(e) State five problems of using the BCG model.

(5 marks)

(Total = 25 marks)

Questions 8

The planning of strategic direction for an organization requires detailed and careful analysis of resources and context in order to ensure successful implementation of tactical efforts.

(a) Give two reasons why a company may use a withdrawal strategy.

(2 marks)

(b) State five advantages of internal development.

(5 marks)

(c) Elaborate on the four strategies from Ansoff's matrix.

(8 marks)

(d) Explain the five areas in which synergy can arise.

(10 marks)

(Total =25 marks)

- END OF PAPER -