

UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

SUPPLEMENTARY EXAMINATION 2007

TITLE OF PAPER: STRATEGIC MANAGEMENT AND
BUSINESS POLICY

DEGREE AND YEAR: BCOM V

COURSE NUMBER: BA 511 (FT/IDE).

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. THE CASE STUDY SECTION (A) IS COMPULSORY**
- 3. ANSWER ANY THREE QUESTIONS FROM SECTION (B)**

Note: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION
IN ENGLISH AND FOR ORDERLY PRESENTATION OF WORK.

**THIS EXAMINATION PAPER SHOULD NOT BE OPENED
UNTIL PERMISSION HAS BEEN GRANTED BY THE
INVIGILATOR.**

SECTION A: THIS SECTION IS COMPULSORY

ABC Pty (Ltd)

James is the managing director of ABC Pty (Ltd). For the past ten years of its existence, ABC has not really experienced any need for change, the reason being that the organization has been operating in a stable environment. A new government came to power at the beginning of the year, however, which has begun to alter the environment considerably. A few of the changes that have taken place since then are increasing competition from foreign countries and pressure from the Government to become increasingly involved in the Reconstruction and Development Program. The increasing competition from foreign countries is attributed to the lifting of sanctions imposed against the previous government several years ago. The changes have created new opportunities for ABC, but also contain threats.

James realized that ABC could not continue as it had in the past. Change was necessary to keep pace with the rapidly changing environment. James appointed consultants to help the organization adapt. The consultants recommended holding a strategic management session. During this session a vision and mission, and long term goals and strategies were developed. James and the consultants implemented the goals and strategies without informing the employees. In addition, they did not involve the employees in any way in formulating the goals or strategies. In fact, no internal environmental scanning process was carried out. **The implementation of the goals and strategies necessitated changes in ABC.**

QUESTIONS SECTION A: THIS SECTION IS COMPULSORY (5 QUESTIONS)

1. Do you think the consultants were correct in recommending strategic management as an approach to change (Yes or No answer with a detailed explanation of your answer)? (5 marks)
2. If the strategic management model is used to implement change within ABC Pty (Ltd), what part of the strategic management model should be used *first* in implementing the change with a detailed explanation of your answer? (5 marks)
3. Describe what were the "biggest mistakes" James and the consultants made in implementing the **strategic formulation** part of the strategic plan and the possible consequences within ABC Pty (Ltd)? Use lists with detailed comments where appropriate. (10 marks)
4. Describe in detail how James should correct the "biggest mistakes" identified above in implementing the strategic formulation part of the strategic plan? (10 marks)
5. Do you agree or disagree with the statement above that "The implementation of the goals and strategies necessitated change in ABC"? Defend your answer in detail. (10 marks)

SECTION B: ANSWER ANY THREE (3) OF THE FOLLOWING QUESTIONS

1. Considering the strategic management model, describe in detail how the strategic implementation activities are linked to the strategic formulation activities. (20 marks)
2. Describe the evaluation and control activities in the evaluation and control process of the strategic management model and describe one way the evaluation and control process may be implemented in an organization. (20 marks)
3. Describe in detail the three classical organizational structures and under what conditions would an organization choose to implement each. (20 marks)
4. Describe in detail any four (4) of the “functional” strategies used to achieve corporate and business unit objectives that maximize resource productivity. (20 marks)
5. Under international considerations in leading, Hofstede found that each nation had a unique culture that can be identified by using five (5) dimensions. Describe each of these dimensions of national culture as identified by Hofstede, indicate where you perceive Swaziland to fall on each using a scale of 1 (highest) to 5 (lowest), and provide reasons for your rankings. (20 marks)