

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION PAPER
MAY 2014

(IDE STUDENTS)

TITLE OF PAPER: BUSINESS POLICY & STRATEGIC MANAGEMENT

COURSE CODE: BA511

DURATION: 3 HOURS

INSTRUCTIONS:

1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS SIX (6)
2. THE PAPER CONSISTS OF TWO SECTIONS; SECTION A AND SECTION B.
3. ATTEMPT SECTION A WHICH IS COMPULSORY AND ANY OTHER THREE (3) QUESTIONS IN SECTION B.
4. THE MARKS ALLOCATED FOR A QUESTION/PART QUESTION ARE AS INDICATED AT THE END OF EACH QUESTION/PART QUESTION.
5. WHERE APPLICABLE, ALL WORKINGS/CALCULATIONS MUST BE CLEARLY SHOWN.

NOTE: MAXIMUM MARKS WILL BE AWARDED FOR GOOD QUALITY LAYOUT, ACCURACY AND PRESENTATION OF WORK.

THIS PAPER MUST NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR

SECTION A: THIS SECTION IS COMPULSORY**Question 1 – Read the case and then answer the questions that follow.****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:

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 change in ABC". Defend you answer in detail. (10 marks)

SECTION B: answer any three (3) questions from this section.

Question 2

- a. What is the relevance of the resource-based view of a firm to strategic management in a global environment? (10 marks)
- b. How can value-chain analysis help identify a company's strengths and weaknesses? (20 marks)

Question 3

Discuss about the BCG model as a tool that could be used in corporate strategy. (20 marks)

Question 4

Apply Porter's competitive forces model to analyse the franchise foods industry in Swaziland. (20 marks)

Question 5

What is your understanding of corporate culture as a strategic management tool? In your analysis state how it comes up, how can it be maintained and how it evolves. (20 marks)

Question 6

- a. Elaborate on the important characteristics of non-profit making organizations (8 marks)
- b. Comment on the main constraints regarding the management of non-profit organizations. (12 marks)