

**UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION 2016/2017**

**TITLE OF PAPER: STRATEGIC MANAGEMENT II
COURSE CODE: BA441/ IDE BA505
YEAR OF STUDY: YEAR 4 (FULL TIME)/LEVEL 7 (IDE)
TIME ALLOWED: 3 HOURS**

INSTRUCTIONS:

- 1. This paper consists of Sections A & B.**
- 2. The Case Study (Section A) is compulsory.**
- 3. Answer any three questions from section B.**

Note:

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

SECTION A

THIS SECTION IS COMPULSORY

SLEEPING BEAUTY CANDLES

Beeswax candles, lip balm and furniture polish are just a few of the unique personal care products manufactured by Sleeping Beauty Candles, situated in Heidelberg in the Western Cape. The business was founded in 2000 and already achieved a turnover of more than R350,000 in the second year of business. The owner of the business, Fred, started to make these products from beeswax in his garage at home after seeing the opportunity as a result of all the beehives in the area. He started to sell his products at Mossel Bay and Cape Town, at Oudtshoorn during the Klein Karoo Nasionale Kunsfees (KKNK) and at Hartenbos during the holiday seasons.

The business really took off in 2005 when Eskom started to experience problems with the power supplies as a result of problems at Koeberg. Suddenly there was a growing demand for the candles, not only in Heidelberg, but also in all the neighbouring towns. Fred had to expand, and he moved his factory to a new location with more space. He also had to find new suppliers of beeswax and is now considering buying a smallholding where he can keep his own beehives.

It is important for Fred and his family to live in a rural atmosphere and he did not even consider moving nearer to Cape Town, where there is probably a bigger market. He must, however, make important decisions.

CASE STUDY QUESTIONS:

- a. In what industry does Sleeping Beauty Candles operate? (5)
- b. What are the strategic options available for Fred? (5)
- c. Can you identify some strategic decisions in this case? What are they? (15)
- d. What possible strategy is Fred applying if he buys a smallholding? Will this be a good strategic move? Explain. (15)

SECTION B

ANSWER ANY THREE QUESTIONS FROM THIS SECTION

QUESTION 1

Competing in mature industries presents unique challenges to an organisation. Discuss the possible environment scenarios in this level and the possible strategic options for an organisation at this stage. (20)

QUESTION 2

Most retrenchments are strongly criticised due to the way they are handled. Discuss fully. (20)

QUESTION 3

The Government of Swaziland recently has been considering the option of merging UNISWA with the other government colleges. Comment on the effect of this possible merger from a structural point of view and the possibilities of synergy if any. (20)

QUESTION 4

How can an organisation like UNISWA apply the concept of the Balanced Scorecard in the evaluation and control process. Are there any benefits and/or limitations to this? (20)

QUESTION 5

With the help of examples where applicable explain why it is important to match the manager to the strategy. (20)