INSTRUCTIONS TO STUDENT

1. This Examination paper has TEN (10) printed pages.

2. This question paper consists of TWO (2) sections.
   Section A : Answer ALL questions.
   Section B : Answer ALL questions
   Section C : Answer SIX (6) questions ONLY.

3. Please write all your answers in the Answer Booklet provided.
SECTION A : OBJECTIVE QUESTIONS - (20 MARKS)

INSTRUCTION : ANSWER ALL QUESTIONS.

1. Which of the following is NOT a part of a firm's immediate external environment?
   A. Technological development
   B. Competitors
   C. Suppliers
   D. Government agencies

2. The set of decisions and actions resulting in the formulation and implementation of plans designed to achieve a company's objectives is defined as:
   A. Strategic policy
   B. Business policy
   C. Strategic management
   D. Tactics

3. Strategic management involves the _____, directing, _____ and controlling of a company's strategy-related decisions and actions.
   A. Financing; marketing
   B. Planning; financing
   C. Marketing; planning
   D. Planning; organizing

4. A (n) _____ reflects a company's awareness of how, when and where it should compete, against whom it should compete and for what purpose it should compete.
   A. Vision
   B. Organizational structure
   C. Strategy
   D. Long-term objective

Continued…
5. Strategic issues require which level of management decisions?
   A. Operative
   B. Top
   C. Front-line
   D. Middle

6. Strategic decisions are based on what managers _____, rather than on what they _____.
   A. Forecast; know
   B. React to; anticipate
   C. Know; forecast
   D. Compromise with; analyze

7. In a multi-business firm, _____ -level executives determine the businesses in which the firm should be involved.
   A. business
   B. functional
   C. corporate
   D. operative

8. The unique purpose that sets a company apart from others of its type and identifies the scope of its operations. In product, market and technology terms are defined as the __________.
   A. adverse selection
   B. company mission
   C. moral hazard problem
   D. vision statement

9. The company mission identifies the __________.
   A. key competitors in the marketplace
   B. board of directors' responsibility towards the owners
   C. specific strategies for gaining market share
   D. scope of its operations in product and market firms

Continued…
10. The mission statement is a message designed to be inclusive of the expectations of ______ stakeholders for the company's performance over the ______.
   A. all; long run
   B. only key; short run
   C. all; short run
   D. only key; long run

11. Which of the following statements about public image is **FALSE**?
   A. Negative public image often prompts firms to reemphasize the beneficial aspects of their mission
   B. The image the company seeks to project should be reflected in its mission
   C. Firms always address the question of their public image in an intermittent fashion
   D. Concern for public image is an important component of a firm's mission

12. Which group of strategic managers is responsible for overseeing the creation and accomplishment of the company mission?
   A. Front-line supervisors
   B. Middle-managers
   C. Board of directors
   D. Employees

13. ______ represents a statement that presents a firm's strategic intent designed to focus the energies and resources of the company on achieving a desirable future.
   A. Mission statement
   B. Agency theory
   C. Adverse selection
   D. Vision statement

14. Which of the following are inside stakeholders?
   A. Board of directors
   B. Customers
   C. Suppliers
   D. Creditors

Continued…
15. Which of the following is NOT a type of social commitment that strategic managers need to consider?
   A. Economic
   B. Political
   C. Legal
   D. Ethical

16. The duty of managers, as agents of the company owners, to maximize stockholder wealth is referred to as ________ responsibilities.
   A. legal
   B. discretionary
   C. economic
   D. ethical

17. Public relations activities and good citizenship are examples of which responsibilities of a business organization?
   A. Legal
   B. Ethical
   C. Discretionary
   D. Economic

18. Managers need to know that, in the view of the general public, ________ and ________ responsibilities are required, ________ responsibility is expected and ________ responsibility is desired.
   A. legal; ethical; economic; discretionary
   B. economic; legal; ethical; discretionary
   C. ethical; economic; discretionary; legal
   D. legal; economic; discretionary; ethical

   Continued…
19. _______ is the idea that business has a duty to serve society in general as well as the financial interests of stockholders.
   A. Corporate social responsibility
   B. Discretionary responsibility
   C. Ethical responsibility
   D. Utilitarian responsibility

20. Managers who adopt the _______ approach judge the effects of a particular action on the people directly involved, in terms of what provides the greatest good for the greatest number of people.
   A. economic man
   B. utilitarian
   C. moral rights
   D. social justice

Continued…
SECTION B : TRUE / FALSE QUESTIONS (20 MARKS)

INSTRUCTION : ANSWER ALL QUESTIONS

1. The factors beyond the control of the firm that influence its choice of direction and action, organizational structure and internal processes refers to external environment.

2. The considerations involving the beliefs, values, attitudes and opinions of those in a firm's environment represent the social factors.

3. Political factors define the global parameters within which firms must operate.

4. Awareness of technological changes in its industry helps the firm to interpret new regulations.

5. The term pollution refers to the relationships among human beings and other living things and the air, soil and water that support them.

6. Differentiation of inputs represents a determinant of supplier power.

7. New entrants to an industry bring new customers.

8. Successful strategy formulation generally rests upon the ability of an organization to sell some product or service.

9. SWOT analysis's value and continued use is found in its complexity.

10. Value chain analysis views a firm as a sequential process of value-creating activities.

11. A competence is a resource or capability controlled by or available to a firm that gives it an advantage relative to its competitors in meeting the needs of the customers it serves.

Continued…
12. One of the limitations of the SWOT analysis is that it can overemphasize internal strengths and downplay external threats.

13. It is especially important that managers take into account their level of vertical integration when comparing their cost structure for activities on their value chain with those of key competitors.

14. Businesses that create competitive advantages from one or both of cost and differentiation usually experience above-average profitability within their industry.

15. The two most prominent sources of competitive advantage for a business are cost and differentiation.

16. Cost strategy requires that the business have substantial advantages that allow it to provide buyers with something uniquely valuable to them.

17. Rivalry is reduced when a business successfully differentiates itself.

18. When a firm competes in a geographically defined specific area, it is using market focus strategy.

19. Strategies used by firms competing in markets where the growth rate of that market from year to year had reached or is close to zero are called mature industry strategies.

20. A fragmented industry is one in which one firm strongly influences the industry's outcomes.

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SECTION C : SHORT QUESTIONS – (60 Marks)
INSTRUCTION: ANSWER ANY SIX (6) QUESTION ONLY

Question 1
a) What is Functional Strategy?. (2 Marks)

b) Explain TWO (2) advantages for the company by using marketing development strategy. (4 Marks)

c) Distinguish between outsourcing and off shoring. (4 Marks)

Question 2
Explain the FIVE (5) stages of International Development. (10 Marks)

Question 3
a) Explain TWO (2) types of cooperative strategies. (6 Marks)

b) List FOUR (4) reasons for a company to form a strategic alliance. (4 Marks)

Question 4
A firm can achieve horizontal growth by expanding its operation into geographic locations and/or by increasing the range of products and services offered to current market.

a) List FOUR (4) of the options for international entry and (8 Marks)

b) Explain briefly TWO (2) of the options. (2 Marks)

Continued…
Question 5
List TEN (10) the available functional strategies that can be opted by an organization. (10 Marks)

Question 6
a) What is Stakeholders? (2 Marks)
b) Explain THREE(3) steps in stakeholder analysis. (8 Marks)

Question 7
a) What is Globalization? (2 Marks)
b) Discuss FIVE(5) benefits in strategic management. (8 Marks)

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