



UNIVERSITY OF COLOMBO, SRI LANKA

FACULTY OF MANAGEMENT AND FINANCE

Postgraduate & Mid-career Development Unit

Master of Business Administration in Finance/Master of Business Administration in
Marketing/Master of Business Administration in HRM (Semester II Second-half)
Examination –December, 2016

MBA 541 – Strategic Management

Three (03) Hours

Answer only **(04) FOUR** questions in all selecting at least **(01) ONE** question from
each part

This is an Open Book examination

Part I

1. Through the competitive (positioning) theory Porter suggests that strategy of an organisation must address its unique and valuable position it occupies. On the contrary, the competence (resource-based) view put forward by Barney et. al suggests that a firm must identify its superior resources and competencies to build competitive advantage resulting in superior long-term performance.

Critically evaluate above mentioned two views citing examples to support your arguments.

(25 marks)

2. "The competitive strategy of an organisation is defined by the answers to two questions: where does the firm compete (domain selection) and how does it compete (domain navigation)?" Critically evaluate how firms can use these domains to determine its strategy with the inputs obtained from strategic analysis. Provide examples to support your argument.

(25 marks)

3. i. By selecting an industry of your choice, discuss the strategic actions (the options) that a firm can develop based on the concept "How competitive forces shape strategy" introduced by Michael Porter.

(20 marks)

- ii. What are the main limitations of five forces framework?

(5 marks)

(Total marks 25)

4. The term core competencies was discussed by strategy scholars, C.K. Prahalad and Gary Hamel in their 1990 article titled, "The Core Competence of the Corporation".

- i. Critically evaluate the comment "the root system that provides nourishment, sustenance and stability is the core competence".

(10 marks)

- ii. Describe the three tests that can be applied to identify an organization's core competencies. How can we leverage them in order to achieve sustainable competitive advantage? Support your argument with examples.

(15 marks)

(Total marks 25)

Part II

5. The premise of Corporate strategy is built on;
- Competition occurs at Strategic Business Unit (SBU) level
 - Diversification adds costs and constraints to SBU's
 - Shareholder can readily divest their holdings

Based on the above views, critically evaluate the key decisions management should make in deciding the 'Scope' and 'Value Adding activities' of a firm's Corporate strategy.

(25 marks)

6. Describe the concepts of organisational culture and the cultural web. Critically examine how these concepts can influence the process of strategic management. Provide example to support your argument.

(25 marks)

7. "For change to be effective, the approach to change need to be different depending on the organisational context in which it occurs."

Critically evaluate above statement with an example of your choice.

(25 marks)
