



UNIVERSITY OF COLOMBO, SRI LANKA
FACULTY OF MANAGEMENT AND FINANCE
Postgraduate & Mid-career Development Unit

Master of Business Administration 2015-2017 Weekday Programme
(Semester II Second half) Examination– November 2016

MBA 541 – Strategic Management

Three (03) Hours

Answer ANY FIVE (05) Questions

1. i. "In practice, organizations may balance the intended approach with an emergent approach to offset the dynamics occurring in its internal and external environment in implementing the strategies." Do you agree with this statement? Justify your answer.

(10 Marks)

- ii. "Business space can be divided in two "oceans" as *Red and Blue*. Accordingly, strategy of such space can be labelled as *Red Ocean strategy* and *Blue Ocean strategy*. However, it can be argued that in the long run there are no strategies called *Blue Ocean* as ultimately they turn into *Red Ocean*." Do you agree with this statement? Justify your answer by comparing the terms *Red Ocean strategy* and *Blue Ocean strategy*.

(10 Marks)

(Total 20 marks)

2. i "A mission statement is a statement that defines the essence or purpose of an organization." Most practitioners and academicians of strategic management assert that an effective mission statement should include key components. What are they? Describe them in brief.

(14 Marks)

ii. "Developing Key Performance Indicators (KPI) is an important aspect of the strategic planning process." Discuss the importance of KPI in strategic planning process explaining what KPI is? (06 Marks)

(Total 20 marks)

3. Porter's Five Forces model can be used to better understand the industry context in which the firm operates. Discuss the competitiveness of a chosen industry using Five Forces model.

(Total 20 marks)

4. Evaluate following situations in light of strategic thinking.

i. In early 2002, Coca-Cola India (CCI) was launched a new advertising campaign featuring a leading bollywood actor, targeting rural and semi-urban consumers. The campaign was launched to support CCI's rural marketing initiatives. This decision was not surprising, given the huge size of the untapped rural market in India. With flat sales in the urban areas, it was clear that CCI would have to shift its focus to the rural market. Nantoo Banerjee, spokeswoman - CCI, said, "The real market in India is the rural areas. If you can crack it, there is tremendous potential."

(10 Marks)

ii. Janashakthi Insurance PLC., made a payment of Rs.3.2 billion to AIA Insurance Lanka PLC., to seal off its acquisition of AIA General Insurance Lanka Limited on 23rd October, 2015. Prakash Schaffter, Managing Director, Janashakthi Insurance PLC said "In line with our long term growth plans, the acquisition of AIA General Insurance Lanka Limited marks a significant milestone in Janashakthi's history. The soon to commence amalgamation efforts will allow us to draw on the combined strengths of the two entities as we strive to deliver greater value to our customers, employees and shareholders."

Source: <http://www.janashakthi.com/news/12-news/entry/95-janashakthi-completes-acquisition-of-aia-s-sri-lankan-general-insurance-business>

(10 Marks)

(Total 20 marks)

5. i. "The main challenge for companies is how to use Porter's generic strategies according to the internal and external factors of the company." Discuss this statement emphasizing generic strategy alternatives and the factors influencing for generic strategy selection.

(12 Marks)

Advantage of Nations? Elaborate your answer by using Sri Lankan examples.

(08 Marks)

(Total 20 marks)

6. "Many organizations could not sustain their competitive advantages, despite having a robust strategy formulation process, because they are lacking the processes in implementing the strategies."

Describe this statement highlighting challenges of strategy implementation and actions to be taken to address such challenges.

(Total 20 Marks)
