

UNIVERSITY OF COLOMBO, SRI LANKA

FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration (Level II - Semester V)

Final Examination – July 2017

MOS 2200 / MKT 2222/ HLM 2222 CRISIS MANAGEMENT

Two (02) Hours

Select two (02) questions from each part and answer four (04) questions only.

Use two separate answer booklets for Part I and Part II

PART - I

1.

- i. Define crisis management.

(05 Marks)

- ii. Recent cybersecurity threat called “Ransomware” caused greater impacts on various organizations across the world. List five (05) impacts of such a crisis on key stakeholders of the organizations.

(05 Marks)

- iii. Distinguish between strategic challenges and crises of the following scenarios with justifications.

- a. A supplier in another country produces a product that turns out to be defective and the product is used as a component into a domestically manufactured product. This final product fails due to that defective component and in the process, kills three people.
- b. A labor union stages a mass boycott of certain products that are sold by domestic companies but manufactured overseas. The message from the protest is that these products have caused the loss of domestic jobs. The boycott causes some revenue loss for the companies that manufacture and retail these products. In a few cases, vandalism occurs on retail stores properties that offer the products.

- c. A major pharmaceutical company begins a program for the expansion of products that involves addressing health needs for the generation X, market that is seen as a major revenue source in the years to come. Several new drugs are approved and introduced to the market. After a few years, one of the drugs is linked to a deadly heart disease. Pressure to withdraw the drug is put firmly on the pharmaceutical company.

(05 x 03 = 15 Marks)

(Total 25 marks)

2.

- i. Based on Anna Bligh's media conference following Queensland's floods in 2011 that you watched in Professor Geraldine Kennett's session on Leadership and Crisis Management, describe the leadership characteristics which are essential to handle a crisis situation by highlighting examples from the video.

(10 Marks)

- ii. Briefly explain five (05) emerging trends in crisis management.

(15 Marks)

(Total 25 marks)

3.

- i. Briefly describe three (03) potential crises that could arise from the external environment in future affecting Sri Lankan organizations in general.

(10 Marks)

- ii. Briefly explain the potential crises that could arise in the following industries or businesses.

- a. Hyperloop Transportation (mode of transportation that would propel a pod-like vehicle through a reduced-pressure tube that could potentially exceed airliner speeds)

- b. Pick Me (Sri Lankan startup originated in 2014 to upgrade the local taxi industry through effective use of technology)

- c. Dialog Axiata PLC (a renowned brand in the mobile telecommunication industry of Sri Lanka)

(05 x 03 = 15 Marks)

(Total 25 marks)

PART - II

4.

Sri Lanka has been experiencing massive and severe disasters in the recent past. The Meethotamulla Garbage Dump Disaster and the landslides and floods caused by extreme weather in the Western and Southern parts of Sri Lanka are two prominent evidences.

- i. Define Disaster and Disaster Management. (04 Marks)
- ii. Illustrate the Integrated Disaster Risk Management Cycle by highlighting the occurrence stages and briefly explain the phases in the cycle. (10 Marks)
- iii. Assess the association between the physical impact and human consequences of the above mentioned disasters. (07 Marks)
- iv. List the four priorities proposed by the Sendai Framework for Disaster Risk Reduction 2015 – 2030 by UNISDR. (04 Marks)

(Total 25 marks)

5.

- i. Organisational Culture plays a vital role in determining the organization's vulnerability to crises. Briefly describe the three types of readiness of the organisations. (05 Marks)
- ii. Explain the possible crises associated with the Differentiation Strategy and the Focus Strategies of Michael Porter with appropriate examples. (12 Marks)
- iii. Strategic Control Process is considered to be a tool of a crisis management process. Based on the Balanced Scorecard approach state two indicators for each perspective and respective potential crisis that each indicators represents. (08 Marks)

(Total 25 marks)

6.

- i. Differentiate the roles and the traits of a spokesperson when communicating to the external stakeholders. (10 Marks)
- ii. Briefly explain the possible measures to overcome the Social Media Crises faced by the organisations by quoting relevant examples. (05 Marks)
- iii. "Good Decisions do not necessarily guarantee good outcomes."
 - a. Assess the validity of the above statement based on the consequences faced by the CEO of Union Carbide aftermath the Bhopal Gas leak tragedy in India.
 - b. State your opinion on how such severe crises could be communicated effectively to the stakeholders, based on the learning you have obtained from classroom discussions.

(05 x 02 = 10 Marks)

(Total 25 marks)
