

University of Colombo, Sri Lanka

Faculty of Management and Finance

Bachelor of Business Administration (Level II – Semester VII) Examination – 2016

FIN 2310 - Strategic Management

Three (03) Hours

Answer ALL Questions

1.
 - i. “Right understanding is fundamental requirement of the strategic management in the current environment.” Elaborate this statement with examples by emphasizing nature of the business environment and its impact on strategy formulation. (10 marks)
 - ii. Identify **macro environmental** trends that affect to Sri Lankan tourism and discuss how they effect on tourism development in Sri Lanka. (10 marks)

(Total 20 Marks)

2. Assume you are the Managing Director of the leading multi business firm which has unbalanced portfolio with five (05) Strategic Business Units (SBUs) such as A, B, C, D and E. SBU A and C are in high growth industries and others are in less attractive industries. Sales of B, C, D and E are very low and especially E is highly unprofitable.
 - i. Evaluate business portfolio by using suitable tool and identify appropriate strategies for each and every Strategic Business Units. (12 marks)
 - ii. Indicate in what situation strategists propose different types of integration strategies are as viable strategies to achieve corporate objectives. (08 marks)

(Total 20 Marks)

3.
 - i. “Firms may have number of capabilities but few distinctive competencies.” Do you agree with this statement? Elaborate your answer taking examples from University of Colombo. (10 marks)
 - ii. “Selecting appropriate strategies at business level is the base for sustainable competitive advantage.” Explain how strategist selects appropriate strategies for different strategic business units. (10 marks)

(Total 20 Marks)

4. i. "Implementing a chosen strategy can be a challenge". Discuss. (10 marks)
- ii. "Developing an organizational structure is difficult task because many factors must be considered." Elaborate this statement based on Larry E. Greiner's Evolution and revolution as organizations grow.

(10 marks)

(Total 20 Marks)

5. Identify feasible corporate strategies by using an appropriate tool for Yahampath Bank based on following information.

The Yahampath bank

The Yahampath bank's primary capital ratio is 8.25%, which is 3.5 percentage points over the generally required, ratio of 5%.

The Yahampath bank has branch network connecting all main cities of the country. Deregulation provides geographic and product freedom.

The Yahampath bank's return on assets is positive 0.83, compared to a banking industry average ratio of positive 0.60.

The Yahampath bank's net income was \$183 million, growth 5 percent from a year earlier.

Sri Lankan banking law allows the bankers to acquire other banks.

The Yahampath bank's revenues increased 7% to \$3.46 billion.

Deregulation increases competition in the banking industry.

Less developed countries are experiencing high inflation and political instability.

The banking sector historically has been heavily dependent on the Tea and Apparel industries. These industries are depressed.

Banking deregulation has created instability throughout the industry.

The Yahampath bank provides data processing and networking services for many other public and private bankers.

Regional banks, international banks, and nonbanks are becoming increasingly competitive

The Yahampath bank has a large customer base.

The Yahampath bank got AAA brand reputation

(20 Marks)