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**INSTITUTE OF BANKERS IN MALAWI**

**ADVANCED DIPLOMA IN BANKING EXAMINATION**

**SUBJECT: STRATEGIC MANAGEMENT (IOBM – AD313)**

**Date: Wednesday, 2nd May 2012**

**Time Allocated: 3 hours (08:00 – 11:00 am)**

**INSTRUCTIONS TO CANDIDATES**

1 This paper consists of **TWO** Sections, A and B.

2 Section A consists of 4 questions, each question carries 15 marks.

Answer **ALL** questions.

3. Section B consists of 4 questions, each question carries 20 marks. Answer **ANY TWO** questions.

4 You will be allowed **10 minutes** to go through the paper before the start of the examination, you may write on this paper but not in the answer book.

5 Begin each answer on a new page.

6 **Please write your examination number on each answer book used. Answer sheets without examination numbers will not be marked.**

7 DO NOT open this question paper until instructed to do so.

**SECTION A (60 MARKS)**

**QUESTION 1**

1. Briefly explain the following terms:
2. Strategic Planning
3. Strategic Management

*(10 marks)*

(b) State the relationship between business strategies and objectives. *(5 marks)*

**(Total 15 marks)**

**QUESTION 2**

(a) The critical evaluation of the hierarchy relationship of the mission, goals, objectives, strategy, tactics and operational plans, places the objectives at the top of the hierarchy of the organization. Why?  *(5 marks)*

(b) In the process of strategy implementation, emergent strategies become part of the realized strategies. Briefly explain what this really means?

1. *marks)*
2. Managing the global market is quite complex, however there are several entry strategies to the global market. Discuss any two of these strategies that you are familiar with. *(5 marks)*

**(Total 15 marks)**

**QUESTION 3**

(a) During the strategy implementation stage, the allocation of resources to particular departments may not result into successful implementation of the strategies. If this statement is true, what could be the major reasons for such failure? *(5 marks)*

(b) You are in the banking sector which is highly electronic. However, you need a lot of specialized stationery to print bank statements for you clients because it is towards the end of the financial year. What strategy would be vital as early procurements could result in storage costs due to stock piling?

*(10 marks)*

**(Total 15 marks)**

**QUESTION 4**

(a) Most of the Malawian firms are managed by owners and their descendants but as they grow larger a shift to engage professional managers come in, with agency relationship challenges with it. What are some of these challenges?

*(7 marks)*

(b) The profitability of any organization is measured by the net operating profit after tax (NOPAT). In strategic business management, what factors help to increase this measure? *(8 marks)*

**(Total 15 marks)**

**SECTION B (40 MARKS)**

Answer any **TWO** questions

**QUESTION 5**

In assessing the external environment, competitor analysis is one critical activity for business competitiveness. Explain with an illustration of a local bank why it is important to conduct such an analysis.

**(Total 20 marks)**

**QUESTION 6**

Value Chain Analysis (VCA) is the process through which a firm determines costs associated with its activities from purchasing of raw materials to manufacturing to marketing those products. Relate this to any financial institution on how management can practically apply the VCA. **(Total 20 marks)**

**QUESTION 7**

How does strategy evaluation allow an organization take a proactive stance towards shaping its own future? Discuss this statement around the illustration of a bank of your choice.

**(Total 20 marks)**

**QUESTION 8**

**Argument** and **competition** are potentially beneficial and fruitful, although both may degenerate into conflict if badly managed. Discuss the term “managing conflict” within the strategic change management framework.

**(Total 20 marks)**

**END OF THE EXAMINATION PAPER**