

**INSTITUTE OF BANKERS IN MALAWI**

**CERTIFICATE IN BANKING EXAMINATION**

**SUBJECT: STRATEGIC MANAGEMENT (IOBM-AD318)**

**Date: Date: Tuesday, 6th May 2014**

**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 20 multiple choice questions, each question carries 2

marks. Answer **ALL** questions.

3 Section B consists of 5 questions, each question carries 20 marks. Answer **ANY THREE** questions.

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

5 Begin each answer on a new page in Section B.

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

7 All persons writing examinations without payment will risk expulsion from the Institute.

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

**SECTION (60 Marks)**

Answer **ALL** questions from this section

**QUESTION 1**

1. Outline **two** benefits of a strategic evaluation and control in an organization. (*6 marks)*

1. Explain **three** reasons why strategy evaluation is becoming increasingly difficult with the passage of time. (*9 marks)*

**(Total 15 Marks)**

**QUESTION 2**

(a) What are **two** qualities of a great mission statement? *(6 marks)*

(b) Mention **three** benefits of having a vision in your organisation.  *(9 marks)*

**(Total 15 Marks)**

**QUESTION 3**

As an organization’s strategy and objectives change, there should be an appropriate change in structure to align with work efforts, to efficiently and effectively achieve your strategy.

(a) What are the **two** key areas you should bear in mind when you are designing an effective and flexible structure for your organization?  *(6 marks)*

1. Discuss **three** benefits of promoting flexibility in an organization. *(9 marks)*

**(Total 15 Marks)**

**QUESTION 4**

Your Choice Bank is one of the leading banks in the country. The bank has introduced a balanced scorecard that would help top managers to assess the performance of their staff in meeting the banks strategies.

(a) Explain **two** benefits of using a balanced scorecard. *(6marks)*

(b) Brieflyexplain **any three** perspectives in a balanced scorecard. *(9 marks)*

**(Total 15 Marks)**

**SECTION B (40 Marks)**

Answer any **TWO** questions from this section

**QUESTION 5**

An organisation’s competitive advantage is built upon well planned and executed programmes.

Explain **five** ways in which a bank can create competitive advantage through meeting its Corporate Social Responsibility.  **(Total 20 Marks)**

**QUESTION 6**

In the face of increased competition, accelerating regulatory challenges and ever present global financial pressures, banks in Malawi today struggle to sustain their revenue models, manage shrinking credit margins and deal with a consumer base that no longer trusts financial institutions. Achieving and continually improving efficiency without breaking the bank has been regarded as a threshold strategic capability in the banking industry in today’s competitive environment.

In your own opinion what are the **four** strategies that banks in Malawi need to undertake in order to improve efficiency without breaking the bank. **(Total 20 Marks)**

**QUESTION 7**

Your Board has recently approved an expansion drive that would see your bank opening new branches across the country. For success in this industry, innovation and creativity are important factors, together with providing superior customer service. The bank realises that building a capable organisation with highly qualified staff is also a key success factor. One of the key challenges for management is to ensure that all staff is highly motivated. You and the top management team have to devise a strategy for the firm’s future, which includes the need to motivate your staff and get their support for this strategy.

1. Discuss **four** motivational approaches that the top management team needs to address in order to make their workplace more appealing and spur strategic employee commitment in the strategy execution process. *(12 marks)*
2. Outline **four** barriers that might impede successful execution. *(8 marks)*

**QUESTION 8**

During the management meeting of one of the banks in the country, one manager was heard saying, “Value chain is of no benefit to this company and should be abandoned.”

Advise management on how the bank can practically apply value chain to their benefits.

**(Total 20 Marks)**

**END OF EXAMINATION PAPER**