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**INSTITUTE OF BANKERS IN MALAWI**

**ADVANCED DIPLOMA IN BANKING EXAMINATION**

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

**Date: Tuesday, 5th November 2013**

**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 (not your student 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)**

Answer **ALL** questions from this section

**QUESTION 1**

Identify and discuss **five** key stages of the strategic management process.

**Total (*15 marks*)**

**QUESTION 2**

1. Briefly explain why is it important for a business to specify its objectives? *(5 marks)*
2. Discuss the benefits of stakeholders’ involvement in the strategic implementation process. *(10 marks)*

**(Total 15 marks)**

**QUESTION 3**

“You have to transform the culture, not just the strategy. Culture is what people do when no one is watching.” (Thompson, Strickland & Gamble 2010) Illustrate how culture can support better strategy execution? **Total** (**15 marks)**

**QUESTION 4**

A business faced with complex and turbulent business environments, Strategy effectiveness and competitive success is dependent on continuous monitoring of its external environment.

1. Explain **three** main reasons why an organization has to monitor its external environment. *(9 marks)*
2. Stateany **three** main driving forces causing the industry’s structure and business environment to change on a continuous basis giving an example to support your answer. *(6 Marks)*

**Total (15 marks)**

**SECTION B (40 MARKS)**

Answer any **TWO** questions from this section

**QUESTION 5**

First Choice Bank is one of the leading banks in the country. The bank realizes that for it to be successful, innovation and creativity are important factors, together with providing superior customer service at affordable prices. The company realizes that building a capable organization 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. Discussthe motivational approaches that the top management team needs to address in order to make their workplace more appealing and spur employee commitment in the strategy execution process. *(10 marks)*

1. Explain any **five** barriers you are likely to face in executing such strategies. *(10 marks)*

**(Total 20 marks)**

**QUESTION 6**

Greenland, one of the leading banks in the country has been suffering in recent times from negative publicity in relation to corporate governance ethical practices and procedures in the financial service sector in general. In response to this, the bank wishes to show its dedication to the stakeholders of the company and has appointed you as an Ethics Manager.

Explain in details at least **five** roles business ethics play in successful businesses. **Total (20 marks)**

**QUESTION 7**

Discuss the role and importance of corporate governance to banks in the modern day business environment.

**Total** **(20 Marks)**

**QUESTION 8**

“Benchmarking is the process by which the companies look at the “best” in the industry and try to imitate their styles and processes” (Allan 1997).

Critically evaluate **five** benefits with benchmarking. (**20 marks)**

**END OF THE EXAMINATION PAPER**