

**INSTITUTE OF BANKERS IN MALAWI**

**ADVANCED DIPLOMA IN BANKING EXAMINATION**

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

**Date: Tuesday, 10th May 2016**

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

8 If you are caught cheating, you will be automatically disqualified in all subjects seated this semester.

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

**SECTION A (60 MARKS)**

Answer **ALL** questions from this section.

**QUESTION 1**

The Bank requires an effective evaluation system for proper assessment of the strategic implementation process.

1. Describe **two** significance of strategy evaluation in banking sector. *(6 marks)*
2. State and explain **three** characteristics of an effective evaluation system. *9 marks)*

**(Total 15 marks)**

**QUESTION 2**

1. Why is it important for a business to specify its mission statement? *(5 marks)*

1. Identify and discuss any **two** of the five key stages of the strategic management process. *(10 marks)*

**(Total 15 marks)**

**QUESTION 3**

In today’s business environment, it is important for businesses to act responsibly and in the interest of stakeholders of the business. Openness and transparency are crucial in all business activities.

1. State **three** benefits of Corporate Social Responsibility to the business. *(6 marks)*

(b) Illustrate **three** ways how you would harness ethical behaviour in an organisation in order to improve productivity. *(9 marks)*

**(Total** **15 marks)**

**QUESTION 4**

It is a fact that no organisation or individual can escape change.

**Required**

Briefly explain **five** pitfalls that cause change to get off track.

**(Total 15 marks)**

**SECTION B** **(40 MARKS)**

Answer **ANY TWO** questions from this section.

**QUESTION 5**

1. In relation to strategy implementation, discuss **four** reasons why resource allocation decisions should be based on the strategic priorities of the organization. *(12 marks)*
2. Explain any **four** factors that may hinder efficient and effective strategy implementation. *(8 marks)*

**(Total 20 marks)**

**QUESTION 6**

“Strategy supportive motivational practices and reward systems are powerful management tools for gaining employee commitment*” (Thompson et al, 2013).*

**Required**

Discuss any **four** motivational approaches open to management to make their workplace more appealing and spur stronger motivational commitment to the organization.

**(Total 20 marks)**

**QUESTION 7**

The strategic business manager who is seeking to develop an edge over rival firms can use Porter’s framework to gain a better understanding of the industry context in which a firm operates.

**Required**

1. Critically analyze Porter’s **five** forces model of competition. *(15 marks)*
2. Comment on the limitations of the model. *(5 marks)*

**(Total 20 marks)**

**QUESTION 8**

Discuss any **four** reasons why corporate governance advocate for separation of ownership and managerial control. **(Total 20 marks)**

**END OF THE EXAMINATION PAPER**