

**INSTITUTE OF BANKERS IN MALAWI**

**ADVANCED DIPLOMA IN BANKING EXAMINATION**

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

**Date: Tuesday, 10th November 2015**

**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**

Define the following terms as used in strategic management

1. Strategic management *(3 marks)*
2. Planning *(3 marks)*
3. Strategy *(3 marks)*
4. Strategic plan *(3 marks)*
5. Strategic planning. *(3 marks)*

**(Total 15 marks)**

**QUESTION 2**

1. Define an organization in relation to business vision, Missions and Objectives.

*(3 marks)*

1. The actual objectives pursued by any one organization may be both diverse and complex which may also be subject to environmental influences. Briefly explain **four** objectives which an organization can pursue. *(12 marks)*   **(Total 15 marks)**

**QUESTION 3**

1. What do you understand by the term “Corporate Governance” *(3 marks)*
2. State and explain **four** salient features of corporate governance. *(12 marks)*

**(Total 15 marks)**

**QUESTION 4**

Investment Bank Limited owns several banks in 12 different countries in Africa. The company intends to disersify its area of investments in Malawi, and has therefore decided to open its first Bank in Malawi. However, management is undecided on whether it should use flat or all organization structures.

Advise the bank;

1. **Three** importance of organization structures . *(6 marks)*
2. Why it should consider flat organization structure than tall organization structure.

*(9 marks)*

**(Total 15 marks)**

**SECTION B (40 MARKS)**

Answer **ANY TWO** questions from this section

**QUESTION 5**

1. Strength, Weaknesses, Opportunities and Threats (SWOT) within corporate planning is useful in an organization. Discuss the **four** ways. *(16 marks)*
2. Explain the main purpose of SWOT analysis or corporate appraisal. *(4 marks)*

**(Total 20 marks)**

**QUESTION 6**

Discuss why many organizations actively involve stakeholders in the strategic management process. **(Total 20 marks)**

**QUESTION 7**

The global environment appears very distant to marketers operating on a regional or even national scale and yet with information technologies shrinking distances these multi-national operations are extending into every corner of the market place. To set the micro-environment in context we should also classify factors, which are relevant to the society or micro-environment.

Discuss **four** macro-environmental factors. **(Total 20 marks)**

**QUESTION 8**

‘Success in achieving a low cost edge over rivals comes from out managing rivals in performing value chain activities cost effectively and eliminating or nonessential value chain activities .” (Thompson, Strickland and Gamble, 2009)

**Required:**

Critically evaluate the concept of value chain analysis as a method used to achieve a low cost competitive advantage. **(Total 20 marks)**

**END OF THE EXAMINATION PAPER**