

**INSTITUTE OF BANKERS IN MALAWI**

**ADVANCED DIPLOMA IN BANKING EXAMINATION**

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

**Date: Tuesday, 18th November 2014**

**Time Allocated: 3 hours (08:00- 11:00 hours)**

**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 books 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**

1. What is meant by organizational architecture?  *(3 marks)*
2. If you were designing a new organizational structure for the bank you are working for, how will your perception of technology used in the organization influence the type of organizational structure you will have? Give **two** explanations. *(6 marks)*
3. Clearly explain **two** factors that determine how complicated technology can be. *(6 marks)*

**(Total 15 marks)**

**QUESTION 2**

1. In order to objectively assess performance of an organization, benchmarks set on a variety of key performance indicators may be used. Usually, marketing research and competitor intelligence is used to establish benchmarks and monitor the progress. Explain the **two** principle approaches used in benchmarking. *(6 marks)*
2. Your boss is so eager to devise a strategy of identifying, satisfying and capturing the interests of the few loyal, long-term customers that pay full price and are worth selling to. Write a memo to your boss explaining the **four** characteristics of the desired customers to guide his plans and marketing activities. *(9 marks)*

**(Total 15 marks)**

**QUESTION 3**

1. The effectiveness of processes that implement strategy increases when the processes are based on ethical practices. Explain any **three** actions that strategic leaders can take to develop an ethical organization culture. *(6 marks)*
2. Top-level managers are an important resource in the formulation and implementation of strategies. The managers often use their discretion in making strategic decisions. What are the **three** primary factors (giving examples on each) that will determine the amount of a manager’s discretion in decision making? *(9 marks)*

**(Total 15 marks)**

**QUESTION 4**

1. There are internal and external forces that may drive change in an organization. Any type of change in the organization may affect the individual in different ways. Explain the **three** effects of change on an individual’s self-concept. *(6 marks)*
2. Imagine that you are the Operations Manager of New Zest Bank and you have succeeded in convincing Management to have new systems of capturing customer transactions which is done by Bank Tellers. Definitely the bank teller, having got used to the old way of entering transactions, will react in different ways. Explain any **three** reactions by different Bank Tellers to proposed change in the bank. *(9 marks)*

**(Total 15 marks)**

**SECTION B (40 MARKS)**

Answer any **TWO** questions from this section

**QUESTION 5**

1. Internet fraud including hacking into company computers and spreading viruses has become a major unethical activity that plagues every sector of online commerce from banking to shopping sites. Name any other **five** business actions that are considered to be unethical.  *(5 marks)*
2. Hundreds of companies today have embraced strategic actions in their quest for higher revenues and profits. Explain clearly the **three** generic strategies proposed by Michael Porter which may help a firm to remain competitive in its industry. *(15 marks)*

**(Total 20 marks)**

**QUESTION 6**

1. Name and explain the **four** soft aspects of an organization as proposed by McKinsey. *(8 marks)*
2. As one of the managers involved in conducting the SWOT analysis for your company, what are the **three** errors that you must avoid in this process of conducting SWOT analysis? *(12 marks)*

**(Total 20 marks)**

**QUESTION 7**

You have been requested by the Chief Executive Officer of your company to construct an Internal Factor Evaluation (IFE) in order to summarize and evaluate the major strengths and weaknesses in the various functional areas in the organization. Explain briefly the **five** stepsthat you are going to follow to come up with a good IFE matrix.  **(Total 20 marks)**

**QUESTION 8**

1. One of the basic functions of Management is planning. Most of the members of your management team at Zew Bank think planning is a waste of time. Explain to them using only **four** points why planning is important to the Bank.

(*12 marks)*

1. The same team of managers feels doing a competitor analysis is also another time waster as they think products of Zew Bank are the best on the market. Convince the team by telling them **four** reasons why conducting a competitor analysis is important. *(8 marks)*

**(Total 20 marks)**

**END OF EXAMINATION PAPER**