

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE**

**DEPARTMENT OF INSURANCE AND ACTUARIAL SCIENCE**

**B.COMM (HONS) DEGREE IN RISK MANAGEMENT AND INSURANCE**

**CORPORATE STRATEGY AND DECISION MAKING [CIN 4102]**

**FIRST SEMESTER FINAL EXAMINATION APRIL / MAY 2009**

**DURATION: 3 HOURS**

**INSTRUCTIONS TO CANDIDATES**

Answer any FOUR questions

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**QUESTION 1**

‘The ability to sense changes in the environment is important because perceived changes in environmental influences signal the possible need for changes in strategy.’ Discuss this statement, indicating the importance, scope and uses of environmental analysis.

**(Total 25 marks)**

**QUESTION 2**

- (a) In the context of strategic management what are ‘mission statements’ and what is their purpose? (5 marks)
- (b) What are the characteristics of effective mission statements in an organisation? (10 marks)
- (c) What considerations will affect the development of an organisation’s mission statement? (10 marks)

**(Total 25 marks)**

**QUESTION 3**

‘The ultimate and overriding objective for the profit making organization should be the maximisation of value to its shareholders.’ Discuss this statement indicating the importance of maximising shareholder value; the various ways in which shareholder value can be measured; and the dangers of using maximisation of shareholder value as the single overriding objective in a company.

**(Total 25 marks)**

#### **QUESTION 4**

‘Portfolio analysis remains an important method of assessing the balance of an organisation and identifying strategic choices.’

- (a) Briefly outline the nature and purpose of portfolio analysis techniques in strategic management. (9 marks)
- (b) Outline the original Boston Consulting Group Matrix (BCG) technique of portfolio analysis and discuss the uses and limitations of this technique of portfolio analysis in the identification of strategic choices. (16 marks)

**(Total 25 marks)**

#### **QUESTION 5**

Discuss each of the following concepts, indicating their importance and relevance to strategic management process and planning:

- (a) The Strategic Business Unit (SBU)
- (b) Strategic Alliances (equal marks)

**(Total 25 marks)**

#### **QUESTION 6**

‘Different organisations in different contexts are likely to emphasise different aspects of the strategic management process.’ Discuss this statement with respect to each of the following:

- (a) Strategic management in small businesses (7 marks)
- (b) Strategic management in the multinational corporation (6 marks)
- (c) Strategic management in the public sector organisation (6 marks)
- (d) Strategic management in the voluntary and not-for-profit sectors. (6 marks)

**(Total 25 marks)**

\*\*\*\*\*END OF EXAMINATION\*\*\*\*\*