



Queen Margaret University
EDINBURGH

SCHOOL OF ARTS, SOCIAL SCIENCES AND MANAGEMENT

DIVISION OF BUSINESS, ENTERPRISE AND MANAGEMENT

LEVEL 3 DIET 1

MODULE CODE: B3132

MODULE TITLE: Exploring Strategy

<u>DATE: 7th December 2016</u>	<u>TIME: 2.00PM</u>
<u>WRITING TIME: 2 Hours</u>	<u>READING TIME: 5 minutes</u>

PAPER SETTER: GORDON CAMPBELL

INSTRUCTIONS:

The paper is divided into two sections. Students should attempt **both** sections in line with the following advice.

Section One: Multiple Choice (50%)

This section of the exam comprises 25 multiple choice questions. Students should complete **all questions** on the answer sheet provided, and attach the sheet to their answer booklet. Each question is worth **two marks**.

Section Two: Essays (50%)

In this section of the exam, students should answer **Two** of the five essay questions. Answers for each question should be completed in the booklet provided. Each question answered is for 25 marks.

Please ensure before leaving the exam hall, that your multiple choice answer sheet is attached to your answer booklet.

SECTION 1: MULTIPLE CHOICE (50%)

Complete all questions:

- 1. Which of the following is a criterion for distinguishing operational, tactical and strategic decisions?**
 - a) Cost of implementation
 - b) Scope of the decision's impact on the organisation
 - c) Time taken to make decisions
 - d) Who makes the decision

- 2. A group of managers is considering how their organisation can compete successfully in a particular market. What type of strategy are they devising?**
 - a) Corporate
 - b) Business
 - c) Operational
 - d) Strategic

- 3. In which of the categories of the Exploring Corporate Strategy model would you place the organisation's environment, purpose, culture and capability?**
 - a) Strategy in action
 - b) Strategic choices
 - c) Strategic position
 - d) Strategic vision

- 4. Which of the following is an example of a barrier to entry?**
 - a) A rapidly growing market
 - b) Intellectual property rights
 - c) Access to cheap utilities
 - d) Low switching costs

5. Which of the following statements about Porter's 5 forces model are true?

1. It provides an action plan for entering a new market
2. It helps identify the attractiveness of entering a specific market
3. It could be successfully applied to the global tourism sector

- a) 1
- b) 1 & 2
- c) 2
- d) 2 & 3

6. Dynamic capabilities are best defined by which of the following definitions?

- a) The ability of an organisation to develop flexible and skilled employees to help execute strategic effectively
- b) The ability of an organisation to maintain a position over time as the most cost efficient in its industry
- c) The ability of key employees to develop and change competences to meet the needs of changing environments
- d) The ability of an organisation to develop and change core competences to meet the changing needs of customers

7. Which of the following terms in the Ansoff matrix is used for developing existing products into new markets?

- a) Market penetration
- b) Product development
- c) Diversification
- d) Market development

8. Which of Porter's home base determinants relates to the clusters of high-technology enterprises in Silicon Valley, California, USA?

- a) Governmental policy
- b) Home demand conditions
- c) Related and supporting industries
- d) Firm strategy, industry structure and rivalry

9. Stakeholder mapping consists of making judgements on:

- a) How interested each stakeholder group is to impress its expectations on the organisation's choice of strategies
- b) Whether shareholders have the means to impress their expectations on the organisation's choice of strategies
- c) How interested each stakeholder group is to impress its expectations on the organisation's choice of strategies and whether it has the power to do so
- d) How interested each shareholder group is to impress its expectations on the organisation's choice of strategies

10. What do the four letters stand for in the VRIO framework adapted from J. B. Barney?

- a) Value, Rarity, Imitability, Organisation
- b) Value, Resource, Imitability, Organisation
- c) Value, Rarity, Innovation, Organisation
- d) Value, Resource, Innovation, Organisation

11. Which of the following is a key concern when developing corporate level strategy?

- a) Staff development
- b) Marketing planning
- c) Corporate parenting
- d) Quality inspections

12. During the Innovation Lifecycle (S Curve) when products move from the maturity to decline stage, which of the following changes is most likely to be observed:

- a) Move from product to process innovation
- b) Move from push to pull innovation
- c) Move from process to product innovation
- d) Move from open to closed innovation

13. A functional structure divides responsibilities according to:

- a) Primary roles such as marketing, finance and technology
- b) Geographic regions
- c) Size of market
- d) Product divisions

14. When taking the decision to outsource, organisations must be aware of the key risks involved. Which of the following identify clear risks when outsourcing?

- 1. Outsourcing normally results in poorer quality
- 2. Losing control of key competencies
- 3. Cost reductions

- a) 1
- b) 2
- c) 3
- d) 1, 2 & 3

15. Which of the following statements applies to Strategic Business Units (SBUs)?

- a) They are responsible for developing corporate strategy
- b) SBU's tend to be less able to react to market changes than a matrix structure
- c) Each SBU typically competes in a different market or market segment
- d) SBU's eliminate any duplication of functional activity

16. Which of the following correctly identify the four key areas in George Yip's 'drivers of globalisation' framework?

- a) Market, Cost, Competitive, Government
- b) Finances, Cost, Government, Price
- c) Market, Collaboration, Competitive, Shareholders
- d) Finances, Brand Power, Government, Tourism

17. In the PESTEL framework the letters stand for

- a) Political, Economic, Society, Technological, Environmental, Legal
- b) Products, Economic, Social, Technological, Environmental, Legal
- c) Political, Economic, Social, Technological, Environmental, Legal
- d) Procure, Engage, Steer, Test, Evaluate, Lead

18. The Faulkner Bowman strategy clock identifies 8 zones. Which of the following lists contains organisations from three different zones?

- a) Ryanair, Aldi, Primark
- b) Primark, Apple, Sony
- c) Ford, Gucci, Ryanair
- d) Nike, Disney, Adidas

19. An example of backward integration is:

- a) Development into activities which are complementary to present activities
- b) Development into activities that provide supply the company's current business
- c) Development into activities concerned with the outputs from the company's current business
- d) Development into new geographical markets

20. Which company would be least challenged by disruptive innovation?

- a) A multi-business model based on many products or services
- b) A single business model based on many products or services
- c) A single business model based on one main product or service
- d) A multi-business model based on one main product or service

21. Which of the following is an intangible resource?

- a) Delivery Vehicles
- b) Culture
- c) Buildings
- d) Equipment

22. Which of the following is a major entry mode into foreign markets?

- a) Resource Based View
- b) Joint Venture
- c) Capital investment
- d) Diversification

23. Which of the following are correctly identified features of the Innovation cycle (or S Curve)

1. Rate of Diffusion
2. Process Innovation Zone
3. The tipping point

- a) 1, 2 & 3
- b) 1 & 2
- c) 2
- d) 1 & 3

24. Which of the following statements is seen as an advantage of being a second mover into a new market?

- a) The tipping point may be missed
- b) The ability to capture a market before others enter
- c) It's a high risk, high reward strategy
- d) Ability to learn and adapt products from consumer and industry feedback

25. The managers of an organisation are assessing whether they can grow organically, using their own resources. Which of the elements of the Exploring Corporate Strategy model are they working on?

- a) Strategic position
- b) Strategic choices
- c) Strategic planning
- d) Strategy in action

SECTION 2: ESSAY QUESTIONS (50%)

Answer **two** of the following five questions:

1. The VRIO framework facilitates the identification and testing of exceptional capabilities that are central to successful strategy. With reference to **two** organisational contexts, discuss whether you agree or disagree with this outcome.
2. Discuss the risks and rewards of two different options in the Ansoff matrix (of corporate strategy directions). Assume the organisation in question is currently in box 'A', and is considering which strategic direction the organisation should move in.
3. The PESTEL framework is used to consider what trends and factors in the environment may have a critical importance to the organisation. Develop a PESTEL framework for the UK beer market, then evaluate the importance of **two** factors from the PESTEL which you feel have most importance.
4. The Disney group have recently undertaken several high profile acquisitions. Discuss the phenomenon of large scale acquisitions in general, using specific examples to illustrate your points.
5. The values of the lead user principle and the relationships that are developed through it, are argued to be of significant advantage in the innovation strategy for many organisations. Explore how this principle may apply in the rapidly growing global sports clothing and equipment sectors, and how it can be used to develop a strategic advantage.

End of Paper