



BOTSWANA COLLEGE OF DISTANCE AND OPEN LEARNING

In collaboration with

THE VIRTUAL UNIVERSITY FOR SMALL STATES OF THE COMMONWEALTH
(VUSSC)

Bachelor of Business Entrepreneurship

STRATEGIC PLANNING

SP231

SESSIONAL EXAMINATION

Time: 3 Hours

Marks: 100

Instructions:

1. The examination consists of three sections: A, B and C.
2. Begin each answer to a new question on a new page.
3. Answer questions according to instructions given in each section.
4. Write answers in the answer booklet provided.
5. Write in grammatical English.

SECTION A - Multiple Choice Questions.

[10 MARKS]

Answer ALL questions in this section. Each question carries one mark.

1. What constitutes competitive advantage?
 - a) Resource scarcity
 - b) Non-imitability
 - c) Non substitutability
 - d) All of the above

2. The following are resources except _____.
 - a) Effectiveness capital
 - b) Human Capital
 - c) Organisational capital
 - d) Physical capital

3. Which of the following is a factor to consider for internal environment analysis?
 - a) Company culture
 - b) Organizational culture
 - c) Company image
 - d) All of the above

4. Which of the following is not a pertinent issue to be considered in internal scanning?
 - a) Strengths and weaknesses are always measured in relation to competitors and not in absolute terms.

 - b) Psychological considerations of change

- c) Issues are prioritized based on those that are most likely to affect strategic capability of the company.
 - d) Strengths may not always fit opportunities and weaknesses may not always be critical for market competitiveness.
5. When potential competitors are perceived as a threat, managers can develop which of the following tactics?
- a) Erect Barriers to Entry
 - b) Establish Brand Loyalty
 - c) Develop absolute Cost Advantages
 - d) All of the above
6. Exit Barriers exclude _____.
- a) negotiated interest rates
 - b) Fixed assets with a low break-up value.
 - c) High costs of closing down e.g. redundancy payments to employees or the high cost of retraining or relocating those who will be dismissed.
 - d) Emotional reasons e.g. family businesses that persist despite rational reasons to close down.
7. The extent of rivalry in an industry depends on which of the following factors?
- a) Industry Structure
 - b) Growth Rate of the Market
 - c) Exit Barriers

- d) All of the above
8. Which of the following is not one of PEST framework?
- a) Psychological
 - b) Economic
 - c) Social
 - d) Technological
9. Examples of demographic variables include _____.
- a) Birth rates
 - b) Ageing population
 - c) Ethnicity
 - d) All of the above
10. To analyze potential threats consider the following except _____.
- a) Identify threats to the company or the industry
 - b) Identification of opportunities
 - c) Assess how competitors will be affected.
 - d) Assess how the company will be affected.

SECTION B – True or False Questions.

[10 MARKS]

Answer ALL questions in this section. Each question carries one mark.

1. Some organizations may possess a very strong culture that is embedded in what its people think and do and finally determines its reputation on the market.
2. Government action influences all companies primary components through providing direct subsidies to certain targeted industries, building infrastructure, offering tax incentives, controlling industry standards.
3. Capability refers to inputs to a company's production process.
4. Intangible resources refer to financial and physical resources.
5. Organizations need to have internal strategic capability in order to be successful.
6. Functional Activities refer to broad activities which can be disaggregated to unravel a chain of value adding activities, each activity representing a capability.
7. Complementary resources mean that, for example, product design capabilities are blended with marketing capabilities to communicate product value to the market.
8. The industry environment refers to that segment of the external environment which is made up of the elements outside the business it can control or influence.
9. Suppliers can influence company profitability by exerting pressure for higher prices.
10. Economic factors cannot have dramatic impacts on business strategies.

SECTION C – Short answer Questions.

[40 MARKS]

Answer ALL questions in this section.

1. What is strategic planning? (5 marks)
2. Explain 3 roles of strategic management (5 marks)
3. What is free - wheeling opportunism? (5 marks)
4. Discuss the meaning of business model. (5 marks)
5. What is a Business plan? (5 marks)
6. Explain the meaning of “competitor analysis” (5 marks)
7. What are tangible resources? (5 marks)
8. Briefly discuss your understanding of the term “human resources” (5 marks)

SECTION D.

[40 MARKS]

Answer any TWO questions only in this section.

1. Discuss the PEST Framework (20 marks)
2. Explain Ansoff’s Matrix Strategies (20 marks)

3. Elaborate on the following:

- Cost leadership (5 marks)
- Differentiation (5 marks)
- Cost Focus (5 marks)
- Differentiation focus (5 marks)

END OF PAPER