



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS

DEPARTMENT OF ECONOMICS, MARKETING AND ENTREPRENEURSHIP  
EXAMINATION PAPER

MODULE CODE : MBA521/ MSTM521  
MODULE TITLE : STRATEGIC MANAGEMENT/ STRATEGIC PLANNING  
DURATION : 3 Hours  
LEVEL : 1.2

28 JUL 2025

**INSTRUCTIONS TO CANDIDATES:**

1. No cell phones are allowed in the examination venue.
2. Use of silent, non-programmable calculators is allowed
3. Answer question number **one (1)** in Section A (Compulsory) and any other **three (3)** questions in Section B.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets [ ]
6. Show all workings, where applicable.

**Question 1: [40 marks]**

**"TechNova Inc.: Strategic Decision-Making in a Disruptive Market"**

TechNova Inc., a leading smartphone manufacturer, faces declining market share due to intense competition from low-cost competitors and rapid technological advancements. The company's flagship product, the NovaPhone, is losing its competitive edge as competitors introduce foldable screens, AI-powered cameras, and 5G capabilities at lower prices. Additionally, TechNova's R&D department is under pressure to innovate, but budget constraints limit its ability to invest in new technologies.

The CEO has called for an urgent strategic review. The board is considering three options:

1. **Option A:** Focus on cost leadership by outsourcing production to reduce costs and compete on price.
2. **Option B:** Invest heavily in R&D to develop breakthrough technologies and differentiate the NovaPhone.
3. **Option C:** Diversify into the smart home devices market to reduce reliance on smartphones.

**Questions**

- a) Conduct a SWOT analysis for TechNova. (10 marks)
- b) How intense is the competitive rivalry in the smartphone industry? (5 marks)
- c) What is the bargaining power of suppliers and buyers in this market? (5 marks)
- d) Which option (A, B, or C) aligns best with TechNova's core competencies? Justify your answer. (10 marks)
- e) What are the potential risks of diversifying into the smart home devices market? (10 marks)

**SECTION B. ANSWER 3 QUESTIONS FROM THIS SECTION. EACH QUESTION CARRIES EQUAL MARKS (20 MARKS)**

2. Describe and analyze the key stages of the strategic management process. Explain the interrelationships between these stages and discuss why a systematic approach is essential for effective strategy formulation and implementation.

3. "Porter's Five Forces framework is an essential tool for understanding industry attractiveness, but it is insufficient on its own for developing effective strategies." Discuss this statement, explaining the components of Porter's Five Forces and how it can be complemented by other analytical tools, such as PESTLE analysis, to gain a more comprehensive understanding of the external environment.

4. "In an era of rapid technological change, environmental scanning and forecasting are more important than ever." Argue for or against this statement, considering the challenges organizations face in predicting and adapting to technological disruptions.

5. "SWOT analysis should not be used in isolation." Explain this statement, discussing how SWOT analysis can be integrated with other strategic analysis tools, such as Porter's Five Forces, PESTLE analysis, and value chain analysis, to develop more comprehensive and effective strategies.

6. "A company's global strategy should be tailored to the specific characteristics of the industry and the target markets." Discuss this statement, explaining the different global strategy orientations (global, transnational, multidomestic, international) and when each is most appropriate. How do factors such as cultural differences, economic conditions, and regulatory environments influence the choice of global strategy?

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