

**CMA JANUARY 2022 EXAMINATION
ADVANCED LEVEL II
BUSINESS STRATEGY**

Course Code	: MS351	Total Marks	: 100
Reading Time	: 15 minutes	Writing Time	: 180 minutes

Instructions to Candidates

- You **MUST NOT** write anything during the reading time.
- There are 5 (five) questions.
- You should attempt ALL questions.
- Answers should be properly structured and relevant.
- Show all relevant computation.
- Carefully read ALL the requirements and sub-questions before attempting a specific question.
- ALL answers must be written in the answer book.
- **AVOID WRITING/MARKING** on the question paper at any time which may cause disciplinary action.
- Start answering each question from a fresh sheet.
- Answers should be clearly numbered with the sub-question number.

Allowable Materials

- Writing Stationaries
- Non-programmable Calculator

Assessment Structure

		<i>Sub-question</i>	<i>Marks</i>	<i>Expected Time Required</i>
Question 1	Essay/Computational/Case	3	20	35 minutes
Question 2	Essay/Computational/Case	2	20	35 minutes
Question 3	Essay/Computational/Case	3	20	35 minutes
Question 4	Essay/Computational/Case	-	20	35 minutes
Question 5	Essay/Computational/Case	-	20	35 minutes
	Revision			5 minutes
	Total		100	180 minutes

RESTRICTED USE

This paper **MUST NOT BE REMOVED** from the examination venue

Do not turn the page until instructed

QUESTION 1**[4 + 6 + 10 = 20 MARKS]**

- (a) Define the term strategic management and explain its relationship to strategic planning.
- (b) What are the approaches to strategy formulation?
- (c) Explain the role of Cost and Management Accountants in developing sustainable strategies.

QUESTION 2**[10 + 10 = 20 MARKS]**

- (a) Discuss the structure of SWOT analysis. Describe Porter's five forces approaches for strategic analysis.
- (b) What are the product life cycle stages? Describe the importance of understanding business environment.

QUESTION 3**[8 + 6 + 6 = 20 MARKS]**

- (a) What is Change Management? Compare and contrast different types of risks in a business context.
- (b) Describe the model for rational decision -making process. What do you mean BPO (Business Process Outsourcing) ?
- (c) List and discuss the three steps in target marketing.

QUESTION 4**[20 MARKS]**

XYZ Ltd has been in business for 25 years, during which time profits have risen by an average of 3% per annum, although there have been peaks and troughs in profitability due to the ups and downs of trade in the customers' industry. The increase in profits until five years ago was the result of increasing sales in a buoyant market, but more recently, the total market has become somewhat smaller and XYZ Ltd. Has only increased sales and profits as a result of improving its market share. The company produces components for manufacturers in the engineering industry. In recent years, the company has developed many new products and currently has 40 items in its range compared to 24 only five years ago. Over the same five-year period, the number of customers has fallen from 20 to nine, two of whom together account for 60% of the company's sales.

Required:

Submit the company's future appraisal using a SWOT analysis along with your suggestions to avoid the probable wrongs.

QUESTION 5**[20 MARKS]**

You are a senior manager in the internal audit department of ACI Ltd. In July 2010, ACI Ltd purchased exclusive rights to operate a car and passenger ACI Ltd route until December 2009. The offer has an alternative to driving an additional 150 kilometers via the nearest bridge crossing. There have been several ambitious plans to build another crossing but they have failed through lack of public support and government funds.

ACI Ltd refurbished two 20-year-old roll on, roll off ('Ro-Ro') boats to service the route. The boats do not yet meet the emission standards of Environmental Protection Regulations which come into force in two years' time, in 2006. Each boat makes three return crossings every day of the year, subject to weather conditions, and has the capacity to carry approximately 250 passengers and 40 vehicles. The ACI Ltd service carried 70,000 vehicles in the year to 31 December 2003 (2002: 58,000; 2001: 47,000). Hot and cold refreshments and travel booking facilities are offered on the one-hour crossing. These services are provided by independent businesses on a franchise basis.

TURN OVER

ACI Ltd currently receives a subsidy from the local transport authority as an incentive to increase market awareness of the ACI Ltd service and its efficient and timely operation. The subsidy increases as the number of vehicles carried increases and is based on quarterly returns submitted to the authority. ACI Ltd employs 20 full-time crew members who are trained in daily operations and customer-service, as well as passenger safety in the event of personal accident, collision or breakdown. The management of ACI Ltd is planning to apply for a recognized Safety Management Certificate (SMC) in 2005. This will require a ship audit including the review of safety documents and evidence that activities are performed in accordance with documented procedures. A SMC valid for five years will be issued if no major nonconformities have been found.

Required:

- (a) Identify and explain the business risks facing ACI Ltd which should be assessed.
- (b) Describe the processes by which the risks identified in required (a) above could be managed and maintained at an acceptable level by ACI Ltd.

END OF QUESTION
