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| QUALIFICATION: Bachelor of Business Management | |
| QUALIFICATION CODE: 07BBMN | LEVEL: 7 |
| COURSE: Small and Medium Enterprise Strategy and Leadership | COURSE CODE: BSL712S |
| DATE: January 2025 | SESSION: PAPER 1 |
| DURATION: 3 Hours | MARKS: 100 |

SECOND OPPORTUNITY EXAMINATION PAPER

EXAMINERS: Ms Esther Olivier

MODERATOR: Dr Chris van Zyl

INSTRUCTIONS TO CANDIDATES

1. Answer ALL the questions.
2. Write clearly and neatly.
3. Number the answers clearly

PERMISSIBLE MATERIALS

1. Business calculator

THIS QUESTION PAPER CONSISTS OF 6 PAGES (Including this front page)

SECTION A

[20 marks]

Question 1

Choose the correct option and indicate your choice (A-D) next to the appropriate number in the examination book provided. For example 1. B.

1. Wealth maximisation incorporates all spheres of the organisation and emphasises ... and ... in the long term.
 - A. profitability
 - B. sustainability
 - C. survival
 - D. b and c
 - E. a and b
2. In the context of responsible leadership, the organisation must focus on social and ... benefits as well.
 - A. political
 - B. financial
 - C. environmental
 - D. tangible
 - E. intangible
3. In the context of Porter's competitive forces, which of the following conditions will influence the intensity of rivalry between competitors?
 - i. Slow industry growth
 - ii. Suppliers' bargaining power
 - iii. Low switching costs
 - iv. High exit barriers
 - v. Numerous competitors
 - A. i, ii, iii & iv
 - B. i, iii, iv & v
 - C. ii, iii, iv & v
 - D. i, ii, iv & v
 - E. i, ii, iii & v
4. Which of the following are aspects that need to be evaluated as part of the organisation's economic environment?
 - i. Unemployment rate
 - ii. Disposable income
 - iii. Gross domestic product (GDP)
 - iv. Deregulation
 - v. Process of the African Renaissance
 - A. i, ii & iii
 - B. i & iii
 - C. iii, iv & v
 - D. ii, iii & iv
 - E. iv & v

5. In the context of SWOT, which of the following are not examples of potential weaknesses?
 - A. Limited financial resources
 - B. Poor marketing skills
 - C. Quality product or service
 - D. Negative organisational culture
 - E. Closing down of a major competitor

6. Which of the following are some of the cost drivers that need to be managed as part of a cost leadership strategy?
 - i. Economies of scale
 - ii. Experience and learning-curve effects
 - iii. Technological advances
 - iv. Product differentiation
 - v. Increased market share
 - A. ii, iii & iv
 - B. iii, iv & v
 - C. i, ii & iii
 - D. i, ii & iv
 - E. i, iv & v

7. Which of the following strategies involve taking ownership of distributors or retailers?
 - A. Conglomerate integration
 - B. Forward vertical integration
 - C. Concentric integration
 - D. Vertical integration
 - E. Backward vertical integration

8. Which of the following grand strategies involve selling a division or part of the organisation in order to raise capital for further acquisitions?
 - A. Liquidation
 - B. Vertical integration
 - C. Turnaround
 - D. Divestiture
 - E. Consortia

9. In the context of the SPACE matrix, the quadrants of aggressive and conservative represent which of the following internal dimensions?
 - A. Financial strength and competitive advantage
 - B. Environmental stability and industry strength
 - C. Financial strength and environmental stability
 - D. Competitive advantage and industry strength
 - E. Financial strength and industry strength

10. Managerial barriers to strategy implementation typically include ...
- absence of alignment between structure and strategy
 - alignment between structure and strategy
 - goals not sufficiently defined or understood by employees
 - changes in responsibilities of employees clearly defined
 - effective coordination of implementation efforts
- A. i & iii
B. ii & v
C. iii & iv
D. All of the above
E. None of the above

10 X 2 = 20 Marks

SECTION B

[80 Marks]

Question 2

[25 Marks]

Consider the macro environment facing Ohorongo Cement. Give at least three examples of important trends or events from each of the five segments of the organisation's macro environment (economic, technological, demographic, social, political, and legal), and explain whether each represents a threat or an opportunity for the firm. (25)

Question 3

[25 Marks]

3.1. Indicate the strategic position of Ster-Kinekor/NuMetro by drawing and plotting the relevant quadrant in the Grand Strategy Matrix from the information provided in the table below. (20)

| Axis x | INTERNAL STRATEGIC POSITION | EXTERNAL STRATEGIC POSITION |
|----------------------------|---|---|
| | Competitive (CA) | Industry (IS) |
| | <i>(-6 worst, -1 best)</i> -2 Product quality -3 Market share -3 Customer loyalty -2 Product life cycle | <i>(+1 worst, +6 best)</i> +6 Growth potential +3 Profit potential +6 Technological know how +4 Resource utilisation |
| Total Axis X score: | | |
| Axis y | Financial (FS) | Environmental (ES) |
| | <i>(+1 worst, +6 best)</i> +3 Return on investment +4 Liquidity +3 Cash flow +2 Risk involved in business | <i>(-6 worst, -1 best)</i> -5 Technological change -3 Demand variability -4 Competitive pressure -3 Price range of competing products |
| Total Axis Y score: | | |

3.2. Once you have drawn and plotted the position. Indicate which position it is and highlight the best strategies for them to pursue. (5)

Question 4

[30 Marks]

- 4.1. Explain the different types of strategic change and the issues involved. (20)
4.2. Explain the attributes of emotionally intelligent leaders. (10)

100 MARKS

END OF PAPER