



UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT AND FINANCE

No. of Pages : 03

No. of Questions: 06

Total Marks : 70

BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE

3000 LEVEL SECOND SEMESTER END EXAMINATION - FEB/MAR 2023

Three Hours

BBA 32013: Strategic Management

Academic Year 2021/2022

Instructions

➔ Answer only four questions, including the Question 01.



Question 01

Read the case titled "Cargills Food City" and answer the questions given.

Cargills Food City

In 1844, David Sime Cargills and William Miller started an import and wholesale business in Fort Colombo. The company, which used to be called "House of Cargills," became a public limited liability company in 1946. Currently, the Cargills Group comprises three key operating segments, namely the retail, food manufacturing, and restaurant industries.

The first Cargills Food City store opened in 1983 on Staple Street. It was different from other stores because it offered "Higher Value for the Lowest Price." Since then, it has become a well-known brand with the largest modern retail network in the country. Cargills Food City maintains over 500 outlets across the Island, open for business from 8 am to 10 pm, 365 days of the year.

Since 1993, when it opened its first production facility called Cargills Quality Food, Cargills has worked to make sure that its products and services are affordable, healthy, and of good quality. In 1996, the company got the franchise license for the well-known international fast food chain KFC. This allowed them to open international restaurants in Sri Lanka and change their menus to better suit local tastes. A major turning point for Cargills was in 1999, when the company committed to empowering local farming communities through its first vegetable collection center in Hanguranketha. This, in turn, set up the agricultural supply chain, which allowed Cargill to directly source produce from farmers. Cargills joined and changed its manufacturing businesses between 2000 and 2010. In 2002, Wall's was reorganized into Cargill's Magic Ice Cream. When the dairy plant was switched over, the company's network of out growers grew. The company KIST was bought in 2003, and the company Kotmale was bought in 2010. Cargills Bank was started in 2014 to change the way people in Sri Lanka think about traditional banking. In an effort to support customers receiving inward remittances, Cargills Bank has partnered with Cargills Food City to provide a five percent discount on customers' total bills when they withdraw remittances at any Cargills Food City outlet island wide. In addition to branches, ATMs, and digital channels, Cargills Bank accounts are also accessible through Cargills Food City outlets island-wide, and customers enjoy free cash deposits and withdrawals at any Cargills Food City counter, courtesy of the Cargills Cash Service.

Questions

- a) Find the corporate level strategies that Cargill has used throughout its journey and discuss the pros and cons of each one. (10 Marks)
 - b) If you're advising Cargills Food City, suggest market development strategies that they can use in the future. Explain why your suggestion will help the company grow. (10 Marks)
 - c) Discuss how the incorporation of a commercial bank and a food manufacturing plant by the corporation can assist Cargills Food City in meeting its value proposition. (05 Marks)
- (Total 25 Marks)**

Question 02

- a) Explain the importance of having vision and mission statements for a business organization. (04 Marks)
 - b) Discuss relationships among objectives, strategies, and policies. (06 Marks)
 - c) List the financial and nonfinancial benefits of a firm engaging in strategic planning. (05 Marks)
- (Total 15 Marks)**

Question 03

- a) Determine a recent economic, social, political, or technological trend that has a significant impact on a local restaurant. (05 Marks)
 - b) What is the five forces model, and how is it applied? (05 Marks)
 - c) Describe the resource-based view on gaining a competitive advantage. (05 Marks)
- (Total 15 Marks)**

Question 04

- a) Describe each of Porter's generic competitive strategies. (05 Marks)
- b) Create a BCG matrix for the given data for a hypothetical organization, propose strategies for each business unit and explain why proposed strategies are suitable for the particular division.

Business Unit	Firm's Sales Revenue (Rs. Millions)	Top Firm in Industry Division Sales Revenue (Rs. Millions)	Market Growth Rate (%)
A	20,000	20,000	-0.13
B	7,500	10,000	-0.03
C	3,000	30,000	-0.15
D	15,000	15,000	0.30
E	5,000	50,000	0.40

(10 Marks)
(Total 15 Marks)

Question 05

- a) Identify and discuss the key factors influencing strategy implementation outcomes. (05 Marks)
- b) What actions must be taken when implementing the strategies? (05 Marks)
- c) Discuss the difference between restructuring and reengineering. (05 Marks)

(Total 15 Marks)

Question 06

Discuss the distinctions between the following concepts:

- a) Business Level Strategies and Functional Level Strategies. (05 Marks)
- b) External Factor Evaluation (IFE) Matrix and Internal Factor Evaluation (IFE) Matrix. (05 Marks)
- c) Vertical Integration Strategy and Horizontal Integration Strategy (05 Marks)

(Total 15 Marks)
