

Strategic Management course

Written exam for attending and non attending students

Part I for BOTH attending AND non-attending students

Question 1 (2 pages maximum)

- 1a) Describe the concept of “threat of entry” as adopted in industry analysis (Porter’s 5-forces model).
- 1b) Give a conceptual description of the main factors which determine threat of entry within any industry.
- 1c) Describe the main determinants of the threat of entry faced by Swiss watch makers in the early 1980s (at the time Swatch was founded). In answering this question, try to explicitly refer to factors described in answer 1b.

Question 2 (2 pages maximum)

- 2a) Referring to the resource-based view of the firm: i) describe the difference between a resource and a capability; ii) provide two examples of resources and two examples of capabilities, drawn from cases discussed in class.
- 2b) Describe how can a firm build a competitive advantage on its resources and capabilities.
- 2c) Describe the role of resources and capabilities in determining the competitive advantage of 3M, based on your answer to point “2b”.

Question 3 (1 page maximum)

- 3a) Describe the three main success criteria of strategic options: suitability, acceptability and feasibility.
- 3b) Provide an example of a strategic option which is suitable and acceptable, but not feasible.
- 3c) What criteria would you adopt to evaluate the acceptability of the strategic option “building a major infrastructure” for a publicly-owned construction company? Explain.

Part II: additional questions for NON ATTENDING STUDENTS only

Question 4 (2 pages maximum)

Describe the main criteria for understanding the acceptability of a strategic option. Clearly illustrate: a) what aspects of acceptability each criterion allows to understand; b) the main limitations of each criterion; c) provide one example for each criterion.

Question 5 (1 page maximum)

- 5a) Briefly define the concepts of: i) competitive advantage; ii) cost advantage; iii) benefit advantage.
- 5b) Is cutting price always the best way for a firm to exploit a COST competitive advantage? Answer YES/NO and provide an explanation to your answer.
- 5c) On what type of strategy is Swatch’s competitive advantage based: cost or benefit? Please, provide an explanation to your answer.

Exam instructions

- You have 90 MINUTES to complete the exam (120 non attending students).
- Remember to complete the cover sheet with your personal data
- Answer in a clear and structured way (avoid long, verbose sentences; get immediately to the point and stay focused).
- Please, write with a clear handwriting (use CAPITAL letters if you think your handwriting is difficult to read)
- During the exam you may NOT ask for clarification of words or sentences used in the examination papers. If you are unclear about a given question, explain in your answer how you have interpreted the question.
- NO form of communication between students is allowed during the exam.
- Readings, notes and overheads CANNOT be taken into the examination hall. Anyone trying to use unauthorized material during the exam will have their exam papers invalidated.
- If an invigilator suspects a candidate of academic dishonesty, he/she will act as follows: 1st : written notice on the student’s examination papers; 2nd: confiscation of examination papers
- Students may NOT leave the examination room at any time during the exam.
- If you finish the exam ahead of time, or if you withdraw, you may leave the room with the invigilator’s permission.
- Before leaving the examination hall, ensure that you hand in all the examination papers, and that you have completed the cover sheet with your personal data.
- You are requested to leave the examination hall quietly in consideration of others still working.
- Students may NOT re-enter the room after having handed in their exam papers.