CIMA

CIMAPRA19-E03-1 Exam

E3 Strategic Management

Questions & Answers
Demo

Version: 11.0

Question: 1

XYZ operates a national chain of restaurants.
Which THREE of the following are external environmental drivers for XYZ?

A. Appointment of a new Marketing Director
B. Recession in XYZ's country
C. Reduced personal income of its customers due to increased personal taxation
D. A direct competitor to XYZ closes down
E. Launch of a new improved menu by XYZ

Answer: B, C

Question: 2

Which of the following of Porter's Five Forces would affect the power of suppliers?

A. Economies of scale
B. A lack of differentiation
C. Similar sized competitors
D. A lack of substitutes

Answer: D

Question: 3

Which TWO of the following are economic factors?

A. Change of government
B. Interest rates
C. Obsolescence

D. Exchange rates
E. Demographic change

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Answer: B, D

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Question: 4

LMN is a medium sized Organization which has faced a number of challenges due to the recent economic recession. In the last 3 years, its profits have fallen each year and it has made 10% of its staff redundant during the same period. LMN has a hierarchical structure with formal lines of communication. All of the key business decisions are made by a small senior management team, as the senior managers believe that they have the most experience to make these decisions.

LMN has recently hired an external change agent to review its activities and to make recommendations on what it must do to ensure its survival. Having spent several weeks talking to staff and observing the activities and management processes of LMN, the external change agent has made the following recommendations:

1. Reduce the management levels within LMN, as this is limiting its ability to respond effectively to customer demands.

2. Allow some of its staff to take part in the decision making process, as much experience and expertise is being overlooked when making key business decisions.

Which TWO of the following elements of the Cultural Web will be most affected by the change agent's recommendations?

A. Organizational structure
B. Symbols
C. Routines and rituals
D. Power structures

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Answer: A, D

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Question: 5

Which THREE of the following frameworks are used solely to evaluate the external environment of an Organization?

A. PEST Analysis
B. Porter's Five Forces Model
C. Porter's Diamond
D. Porter's Value Chain
E. Kaplan and Norton's Balanced Scorecard

Answer: A, B, C