AJA Commerce Academy
CA - Intermediate
Test Series – STRATEGIC MANAGEMENT

Time Allowed – 1.5 Hours | Maximum Marks – 50

Section A – Multiple Choice Questions (10 Marks)

Case Scenario: Strategy Execution at ABC Ltd. (6 Marks)

Scenario:
ABC Ltd. has recently formulated a new strategy to expand its operations globally. The company faces challenges in allocating resources, establishing a new organizational structure, and motivating employees to embrace the strategic change.

Questions:

1. Which stage of strategic management involves putting strategies into action?
   (a) Strategy Formulation
   (b) Strategy Evaluation
   (c) Strategy Implementation
   (d) Environmental Analysis
2. Resource allocation during strategy implementation primarily focuses on:
   (a) Short-term profits
   (b) Ensuring resources align with strategic goals
   (c) Maintaining status quo
   (d) Achieving functional-level targets
3. The process of encouraging employees to adopt and align with strategic changes is referred to as:
   (a) Strategic Control
   (b) Behavioral Implementation
   (c) Procedural Implementation
   (d) Project Management
4. The term **"strategic fit"** refers to the alignment between:
   (a) Strategy and leadership
   (b) Strategy and organizational structure
   (c) Strategy and external environment
   (d) Organizational culture and policies
5. Which of the following is a **hard element** in McKinsey's 7S framework?
   (a) Staff
   (b) Strategy
   (c) Style
   (d) Shared Values
6. Effective strategy execution requires:
   (a) Developing comprehensive strategic plans
   (b) Continuous performance monitoring and corrective actions

(c) Restricting employee involvement in strategic decisions
(d) Avoiding changes in organizational culture

General MCQs (4 Marks)

7. The primary purpose of strategic control is to:
   (a) Monitor competitor strategies
   (b) Measure strategy implementation and make adjustments
   (c) Evaluate employee performance
   (d) Develop organizational culture
8. Digital transformation is a process of:
   (a) Changing organizational goals and policies
   (b) Introducing technologies to create new value
   (c) Outsourcing key business functions
   (d) Avoiding external market pressures
9. Kurt Lewin's **refreezing phase** ensures that:
   (a) Changes are identified and analyzed
   (b) New behaviors are reinforced and institutionalized
   (c) Employees are prepared for strategic changes
   (d) Organizational resources are allocated
10. Which structure is best suited for large, multi-business corporations?
   (a) Functional Structure
   (b) Simple Structure
   (c) Strategic Business Unit Structure
   (d) Matrix Structure

Section B – Practical and Descriptive Questions (40 Marks)

Question 1: Strategy Formulation vs. Implementation (10 Marks)

Scenario:
XYZ Ltd., a mid-sized company, successfully formulated a new strategy to diversify its business. However, during implementation, the company faced challenges such as lack of leadership, resistance from employees, and inefficiencies in resource allocation.

(a) Differentiate between strategy formulation and strategy implementation. (6 Marks)
(b) Suggest three steps XYZ Ltd. should take to improve strategy implementation. (4 Marks)

Question 2: Strategic Change and Leadership (10 Marks)

Scenario:
DEF Corp. plans to undergo a major strategic change by adopting digital transformation initiatives. However, employees resist the changes due to lack of clarity and fear of job displacement.

(a) Explain Kurt Lewin's change management model and its application to this scenario. (6 Marks)
(b) Discuss two ways strategic leadership can address employee resistance. (4 Marks)

Question 3: McKinsey's 7S Framework (10 Marks)

Scenario:
PQR Ltd. has restructured its operations to improve efficiency. The management plans to use McKinsey's 7S framework to ensure alignment between strategy, structure, and other organizational elements.

(a) Explain the hard and soft elements in the McKinsey 7S framework. (6 Marks)
(b) How can PQR Ltd. use this framework to improve strategy implementation? (4 Marks)

Question 4: Strategic Control and Performance Measures (10 Marks)

Scenario:
LMN Ltd. implemented a new market penetration strategy. To ensure success, the company plans to establish strategic control and performance measures.

(a) Define strategic control and its components. (6 Marks)
(b) Suggest two performance measures LMN Ltd. can use to monitor the strategy's effectiveness. (4 Marks)