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Exam : CIMAPRO15-E03-X1-ENG

Title : E3 - Strategic Management Question Tutorial

Version : DEMO

1.Which of the following categorizations would be correct, according to McFarlan's Strategic Grid, for a system which is critical to sustaining existing business but its future strategic importance is considered to be low?
A. Turnaround
B. Support
C. Strategic
D. Factory
Answer: B
Explanation:
Reference: https://books.google.com.pk/books?id=spVXv8BW-ycC&pg=PA217&lpg=PA217&dq=categorizations+would+be+correct,+according+to+McFarlan%27s+Strategic+Grid,+for+a+system+which+is+critical+to+sustaining+existing+business+but+its+future+strategic+importance+is+considered+to+be+low&source=bl&ots=W9s2tpnYqU&sig=ACfU3U2nIV0lqM5hdp8Ql1ZmanscOkFJmg&hl=en&sa=X&ved=2ahUKEwik_I2Zh93mAhUB6RoKHchJAdAQ6AEwAHoECAkQAQ#v=onepage&q=categorizations%20would %20be%20correct%2C%20according%20to%20McFarlan's%20Strategic%20Grid%2C%20for%20a%20system%20which%20is%20critical%20to%20sustaining%20existing%20business%20but%20its%20future%20strategic%20importance%20is%20considered%20to%20be%20low&f=false

2.As a CIMA qualified management accountant working within a manufacturing company, you are subject to both CIMA's Code of Ethics and your company's Code of Business Conduct.
Which TWO of the following statements are TRUE? (Choose two.)
A. As a CIMA qualified Management Accountant you must follow CIMA's Code of Ethics.
B. Where there is a difference between CIMA's Code of Ethics and the company's Code of Business Conduct, the company's Code of Business Conduct takes priority.
C. Both CIMA's Code of Ethics and the company's Code of Business Conduct must be based on a set of basic principles.
D. Both CIMA's Code of Ethics and the company's Code of Business Conduct include references to Confidentiality. Disclosure on public interest grounds is therefore prohibited.
E. A company's Code of Business Conduct can be rules based.
Answer: DE

3.YZ operates a national mobile phone (cell phone) network in one country. It is considering upgrading its network to 4th Generation (4G) by providing an improved bandwidth that will enable its customers faster access to the Internet.
This investment will cost S29 million which YZ's institutional investors have agreed to provide by subscribing to a rights issue. This is due to management having informed institutional investors that a rival is already offering 4G and that this is taking customers away from YZ because its network is now regarded as too slow. YZ's remaining customers have shown a willingness to pay extra for 4G and overall the investment will have a positive net present value.
Which of the following statements are correct? (Choose all that apply.)
A. It provides a market development opportunity for YZ.
B. YZ will gain a first mover advantage.
C. There is stakeholder approval for the investment.

D. It is essential given the strategic threats to YZ.
E. There are sufficient investment funds available
Answer: CDE

4.Which THREE of the following frameworks are used solely to evaluate the external environment of an organization? (Choose three.)
A. Porter's Value Chain
B. Kaplan and Norton's Balanced Scorecard
C. PEST Analysis
D. Porter's Diamond
E. SWOT analysis
F. Porter's Five Forces Model
Answer: ACF
Explanation:
Reference:
http://www.cimaglobal.com/Documents/ImportedDocuments/cid_tg_strategic_position_mar08.pdf.pdf

5.RRR is an insurance company which maintains an extensive database of its customer transactions over the last 10 years. RRR is developing a new product and has carried out a SWOT analysis.
Within which of the following aspects of the SWOT analysis would RRR include its customer database?
A. Opportunity
B. Threat
C. Weakness
D. Strength
Answer: D
Explanation:
Reference:
https://www.cimaglobal.com/Documents/ImportedDocuments/cid_tg_strategic_analysis_tools_nov07.pdf.pdf (5)