



POST GRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF MASTER OF BUSINESS ADMINISTRATION

SMO 502: ADVANCED STRATEGIC MANAGEMENT

DATE: 31ST MARCH 2026

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE is compulsory**.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**

QUESTION ONE

Read the case study below and answer the questions that follow:

CASE STUDY: TESLA'S STRATEGIC DECISIONS IN GLOBAL MARKETS

Tesla Inc., founded in 2003, has grown into a global leader in electric vehicles (EVs), energy storage, and renewable technologies. Under the leadership of Elon Musk, Tesla disrupted the automobile industry by pioneering high-performance EVs and investing in sustainable energy solutions. Its strategy has been characterized by bold innovations, direct-to-consumer sales, heavy investment in R&D, and building an ecosystem of energy products.

However, Tesla's rapid growth has presented multiple strategic challenges. In dynamic industry environments, it faces intense competition from both established automakers (Toyota, Volkswagen, GM) and new EV startups (BYD, Rivian). Regulatory frameworks across countries differ significantly: Europe emphasizes sustainability; the U.S. pushes for innovation incentives, while some Asian markets remain price-sensitive.

Tesla must also decide whether to standardize or adapt its strategies. For instance, it promotes a universal brand of innovation and sustainability, but local adaptations are necessary due to cultural, economic, and regulatory differences. Additionally, Tesla's corporate governance has been scrutinized, especially with Elon Musk's dual role as CEO and visionary leader, raising questions about board oversight, shareholder protection, and long-term strategic alignment.

Financially, Tesla relies on technology-driven efficiencies and economies of scale. Yet, risks such as supply chain disruptions, battery technology dependence, and fluctuating raw material costs pose challenges to strategy execution. Stakeholder pressures—from governments, consumers, employees, and investors—require Tesla to balance

profitability with CSR and sustainability goals. As Tesla expands globally, it must manage strategic drift, stakeholder expectations, and corporate culture while ensuring long-term competitive advantage in an uncertain and evolving business environment.

Required:

a) Evaluate Tesla's strategic choices in dynamic industry environments.
(8 Marks)

b) Discuss the role of corporate governance and the Board of Directors in guiding Tesla's strategic decisions.
(7 Marks)

c) Analyze how international expansion strategies can enhance Tesla's competitive advantage.
(8 Marks)

d) Examine how stakeholder pressures influence Tesla's corporate strategy.
(7 Marks)

QUESTION TWO

a) Critically assess the significance and limitations of corporate strategy in managing multinational firms.
(9 Marks)

b) Explain the role of corporate policy in strategy formulation and implementation.
(6 Marks)

QUESTION THREE

a) Evaluate the impact of information technology on strategy execution and performance measurement.
(7 Marks)

- b) Using examples, analyze how R&D contributes to competitive advantage in multinational firms.
(8 Marks)

QUESTION FOUR

- a) Identify and explain five features of effective corporate culture in sustaining competitive advantage.

(5 Marks)

- b) Briefly discuss five ethical issues in strategic management.

(5 Marks)

- c) Suggest five strategies multinational firms can adopt to remain competitive in global crises.

(5 Marks)