



## INTERNATIONAL ADVANCED DIPLOMA IN LOGISTICS AND TRANSPORT

### STRATEGIC CONTEXTS

#### ADIP 01

#### JUNE 2023 EXAMINATION

#### Instructions to Candidates

- Duration of examination: **3** hours
- Answer any **four** questions.
- Questions may be answered in any order.
- Allocation of marks is indicated alongside each question.
- Credit will be given for citing relevant examples.
- Write legibly.

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#### Question 1

'In developing a strategic plan, one needs to consider the organisation's values, vision, mission, goals and the operating environment'. Discuss. **(25 marks)**

#### Question 2

Business Risk is "the risk of financial loss due to changes in the competitive environment or the extent to which the organization could timely adapt to these changes" (Doff, 2004). With reference to an organisation of your choice discuss the business risks that may be associated with the organisation's strategic initiative and the contingency planning process that may be implemented in order to mitigate the impact of the risks. **(25 marks)**

### **Question 3**

Justify the adoption of outsourcing as an effective competitive strategic initiative for a logistics and transport company of your choice. **(25 marks)**

### **Question 4**

Discuss the significance of the following financial indicators in strategic decision making:

- a) Debt/Equity Ratio **(5 marks)**
- b) Price/Earnings Ratio **(5 marks)**
- c) Earnings Yield **(5 marks)**
- d) Dividend Yield **(5 marks)**
- e) Return on Capital Employed Ratio **(5 marks)**

**(Total 25 marks)**

### **Question 5**

Evaluate the strategic inputs secured by a logistics and transport company of your choice with reference to the people, technologies, natural resources, capital and information. **(25 marks)**