



NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16, AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
SCHOOL OF MANAGEMENT SCIENCES
SEPTEMBER/OCTOBER 2015 EXAMINATION

COURSE CODE: BUS428 **CREDIT UNIT:** 3
COURSE TITLE: BUSINESS POLICY AND STRATEGY 11 **TIME ALLOWED:** 2 1/2 HOURS
INSTRUCTIONS:

1. Attempt question number one (1) and any other three (3).
2. Question number 1 is compulsory and carries 25 marks while the other 3 carry 15 marks each.
3. Present all your points in coherent and orderly manner.

Q1: A CASE Read the following case and answer the questions at the end

DD is a premier public service broadcaster with more than 1,000 transmitters covering 90% of the country's population across an estimated 70 million homes. It has more than 20,000 employees managing its metro and regional channels. Recent years have seen growing competition from many private channels numbering more than 65, and the cable and satellite operators (C & S).

The C & S network reaches nearly 30 million homes and is growing at a very fast rate.

DD's business model is based on selling half-hour slots of commercial time to the programme producers and charging them a minimum guarantee. For instance, the present tariff for the first 20 episodes of a programme is N30, 000 plus the cost of production of the programme. In exchange the producers get 780 seconds of commercial time that he can sell to advertisers and can generate revenue. Break-even point for producers, at the present rates, thus is N75, 000 for a 10 second advertising spot. Beyond 20 episodes, the minimum guarantee is N65, 000 for which the producer has to charge N1, 5000 for a 10 second spot in order to break-even. It is at this point the advertisers face a problem – the competitive rates for a 10 second spot is =N=.

50,000 producers are possessive about buying commercial time on DD. As a result the DD's projected growth of revenue is only 6-10% as against 50-60% for the private sector channels. Software suppliers, advertisers and audiences are deserting DD owing to its unrealistic pricing policy. DD has three options before it.

First, it should privatise, second, it should remain purely public service broadcaster and third, a middle path. The challenge seems to be to exploit DD's immense potential and emerge as a formidable player in the mass media.

From the above case study,

- i. What is the best option, in your view, for DD?
- ii. Analyse the SWOT factors the DD has.
- iii. Why do you think that the proposed alternative is the best? **(30 Marks)**

Q2-A) Differentiate in clear terms between international company and Multinational Company. **(10 Marks)**

B) → i) In what ways are policies vital to decisions making? **(5 Marks)**

ii) Discuss fully the principles of policy making. **(5 Marks)**

Q3-A) Globalisation is not only a very controversial topic in the public debate; it is also a much contested term in academic discourse. **(10 Marks)**

B) Why is business ethics important? **(10 Marks)**

Q4) Explain the dimensions of a company policy on regulation OF investment in fixed assets **(20 Marks)**

Q5) The steps involved in preparing a case analysis correlates with the stages in the strategic – management process. Use this statement to outline the steps involved in a case analysis. **(20 Marks)**

Q6) Discuss the concepts of business policy and strategy **(20 Marks)**