

UNIVERSITY OF BOLTON

GREATER MANCHESTER BUSINESS SCHOOL

**MSC ACCOUNTANCY AND FINANCIAL
MANAGEMENT**

SEMESTER ONE EXAMINATIONS 2023/2024

STRATEGIC BUSINESS LEADER

MODULE NO: ACC7530

Date: Friday 12th January 2023

Time: 10.00am – 1.00pm

INSTRUCTIONS TO CANDIDATES:

There are **FOUR** questions on this paper.

Answer **ALL** questions.

All questions carry equal marks.

PAST EXAMINATION

University of Bolton
Greater Manchester Business School
MSc Accountancy and Financial Management
Semester 1 Examination 2023/2024
Strategic Business Leader
Module No. ACC7530

You should use this case study to answer the four questions.

'EcoTech Innovations': Navigating Business Challenges in a Changing Landscape

This business case study delves into the challenges faced by 'EcoTech Innovations,' a sustainable technology start-up that specialises in renewable energy solutions and eco-friendly products. The company has encountered a series of setbacks due to political, economic, social, technological, legal, and environmental issues, which have significantly impacted its operations and growth prospects.

'EcoTech Innovations' is a company founded in 2015 with a noble mission to develop and promote innovative green technologies, aiming to reduce environmental impact while generating sustainable profits. Over the years, the company has faced multiple challenges across political, economic, social, technological, legal, and environmental fronts. This case study analyses these challenges and provides a comprehensive understanding of the difficulties the company is currently grappling with.

One of the initial hurdles faced by 'EcoTech Innovations' was the shifting political landscape. The company was initially encouraged by favourable government policies promoting renewable energy and environmental sustainability. However, a change in the political landscape led to a shift in policy direction. The new policies included reduced incentives and subsidies for green technologies, thereby creating a challenging environment for the company.

'EcoTech Innovations' relied on international supply chains for components and materials. Political disputes and trade tariffs increased costs and hindered the company's ability to compete effectively. These tariffs not only increased procurement costs but also disrupted the supply chain, leading to production delays.

The global economic recession was a significant blow to 'EcoTech Innovations.' The recession affected consumer spending, leading to reduced demand for the company's products. As a result, the company faced declining sales and shrinking profit margins. The economic downturn created a situation where consumers became more cost-conscious and less inclined to invest in eco-friendly products.

Along with the economic downturn came increased competition. Larger, established players in the renewable energy and eco-friendly product sector entered the market. These companies could afford aggressive marketing and price-cutting strategies that 'EcoTech Innovations' struggled to match. This intensified market pressure and threatened the company's market share.

Case Study continues over the page

Please Turn the Page

University of Bolton
Greater Manchester Business School
MSc Accountancy and Financial Management
Semester 1 Examination 2023/2024
Strategic Business Leader
Module No. ACC7530

Case Study continued

While there was a growing awareness of environmental issues, consumers became more price-sensitive during the economic downturn. This shift in priorities meant that many potential customers were unwilling to pay a premium for eco-friendly products. The perception that eco-friendly products were costly acted as a deterrent.

In addition to the financial concerns of consumers, some began to question the efficacy of 'EcoTech Innovations' products. Negative perceptions regarding the company's products led to a decline in brand perception and trust. As a result, the company struggled to maintain and grow its customer base.

The pace of technological change in the renewable energy sector was incredibly fast. 'EcoTech Innovations' initially started with innovative products that were on the cutting edge of technology. However, the rapid pace of change meant that the company struggled to keep up with the latest developments. As a result, its products began to suffer from obsolescence, leading to a loss of competitiveness.

The economic challenges faced by 'EcoTech Innovations' limited the company's ability to invest in research and development. Innovation is critical in the technology sector, but budget constraints hampered the company's capacity to innovate and stay ahead of the competition. The company could not keep up with research and development projects or adapt its products to meet the changing market demands.

As environmental regulations evolved, 'EcoTech Innovations' found itself expending significant resources on compliance efforts. These efforts, though necessary, required substantial investments, which diverted resources away from core business activities. Ensuring compliance was a financial burden for the company, making it difficult to allocate resources effectively.

'EcoTech Innovations' became embroiled in a patent dispute with a larger competitor. This legal battle consumed a significant amount of the company's resources, both financial and in terms of management attention. Legal expenses were escalating, and management was distracted from strategic planning. The protracted nature of the litigation also created uncertainty regarding the company's future.

'EcoTech Innovations' relied on sustainable materials and resources for its products. However, shortages in key resources disrupted the supply chain. The scarcity of materials led to production delays and cost overruns. This directly impacted the company's ability to meet customer demand and manage costs effectively.

The effects of climate change also impacted 'EcoTech Innovations.' The company faced extreme weather events and environmental disasters that impacted its operations. This included damage to facilities and distribution networks. These environmental challenges made it difficult for the company to maintain a stable production and distribution network.

Case Study continues over the page

Please Turn the Page

University of Bolton
Greater Manchester Business School
MSc Accountancy and Financial Management
Semester 1 Examination 2023/2024
Strategic Business Leader
Module No. ACC7530

ANSWER ALL QUESTIONS

Question 1

- a) **Critically discuss how might diversifying the product portfolio beyond renewable energy solutions impact 'EcoTech Innovations' in terms of market reach and consumer appeal, and what potential challenges or risks may arise from expanding into related areas?**
(12 Marks)
- b) **Discuss what specific strategies should the company consider for successful diversification, and how can it ensure that these new product offerings align with its overall mission of environmental sustainability?**
(8 Marks)

Professional marks will be awarded for the demonstration of skill in communication in your answer.

(5 marks)

(Total 25 marks)

Question 2

- a) **Critically review what specific actions should 'EcoTech Innovations' take to establish positive relationships with government stakeholders and influence policy decisions in favour of sustainability?**
(8 Marks)
- b) **Evaluate the challenges might the company encounter in this process?**
(5 Marks)
- c) **Discuss to what extent can the company rely on government incentives and subsidies in the long term, and how should it adapt if government support fluctuates due to changing political dynamics?**
(7 Marks)

Professional marks will be awarded for the demonstration of skill in commercial acumen in your answer.

(5 marks)

(Total 25 Marks)

Please Turn the Page

University of Bolton
Greater Manchester Business School
MSc Accountancy and Financial Management
Semester 1 Examination 2023/2024
Strategic Business Leader
Module No. ACC7530

Question 3

- a) Evaluate the steps should the company take to identify and implement effective cost reduction strategies in its supply chain and operations? What are the potential risks associated with these strategies, such as quality control or supplier relationships?

(12 Marks)

- b) Critique how can 'EcoTech Innovations' ensure that cost-cutting measures do not compromise: -

- Quality
- sustainability,
- ethical aspects of its products and operations
- Internal controls

(8 Marks)

Professional marks will be awarded for the demonstration of skill in evaluation in your answer.

(5 marks)

(Total 25 Marks)

Question 4

- a) Critically discuss what criteria should 'EcoTech Innovations' use to select strategic partners in the renewable energy and eco-friendly sectors?

(8 Marks)

- b) Assess how the company can ensure that such partnerships align with its mission and objectives with good corporate governance?

(5 Marks)

- c) Prepare a briefing paper that identifies potential challenges that might arise from collaborating with larger companies in terms of leadership and culture and how can 'EcoTech Innovations' maintain its identity and values while leveraging these partnerships for growth?

(7 Marks)

Professional marks will be awarded for the demonstration of skill in analysis in your answer.

(5 marks)

(Total 25 Marks)

END OF QUESTIONS

END OF EXAM PAPER