



MUEO

MOI UNIVERSITY

**OFFICE OF THE DEPUTY VICE CHANCELLOR, ACADEMIC
AFFAIRS, RESEARCH & EXTENSION**

UNIVERSITY EXAMINATIONS

2018/2019 ACADEMIC YEAR

END OF SEMESTER EXAMINATIONS

**FOR THE DEGREE
IN BACHELOR OF BUSINESS AND ECONOMICS**

EXAM CODE: BBM 462

COURSE TITLE: STRATEGIC MANAGEMENT

DATE: 18TH DECEMBER, 2018

TIME: 9.00A.M. -12.00 NOON.

INSTRUCTION TO CANDIDATES

➤ **SEE INSIDE.**

THIS PAPER CONSISTS OF (3) PRINTED PAGES

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BBM 462 BUSINESS POLICY AND STRATEGIC MANAGEMENT

INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS

QUESTION ONE IS COMPULSORY

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

EXPLORATION STRATEGY AT ITC Plc.

A single business firm can handle the task of corporate strategy formulation in a relatively easy way. With just one business to be tackled, it can straight away raise the question: Should we pursue stability for a term or what should we go for? A multi –business firm on the other hand has to examine which strategy it has to follow with respect to each of its businesses.

The exploration at ITC plc would run as indicated: In our cigarettes business, what generic strategy alternative should we adopt? In this business, our unit is in dire trouble; the industry as a whole is also undergoing turmoil and shakeup. In the hotel business, we have been doing so well and the industry as a whole seems to be an attraction for the present, holding reasonably good opportunities for growth. In our agribusiness, what should we do? Our growth and profitability are not satisfying. What then are our best alternative strategies for survival in the industry?

QUESTIONS

- a) Advise management of ITC plc on any five possible challenges that it may experience during the implementation of their strategic plans. **(5 marks)**
- b) Provide, giving relevant examples, the generic strategy alternatives available to ITC plc for its survival in the industry. **(20 marks)**

QUESTION TWO

- a) Many forward- looking organizations have an explicitly stated mission which is always displayed conspicuously. Explain the benefits of a good mission statement. (10 marks)
- b) State any 5 features of an effective strategic decision in a firm. (5 marks)

QUESTION THREE

- a) Discuss any five strategy constraints a manager may encounter in management. (10 marks)
- b) Policies come into being in organizations in different forms. Explain any five of these business policies that are found in a firm of your choice. (5 marks)

QUESTION FOUR

Make a comparative analysis of Boston Consulting Group (BCG) Model and General Electric (GE) Model by stating the advantages and disadvantages of each. (15 marks)

QUESTION FIVE

- a) Explain to a newly recruited team of strategic managers in your firm the 3 broad generic strategies a firm may employ to achieve competitive advantage. (9 marks)
- b) Give any six reasons why a firm should undertake situational analysis. (6 marks)

QUESTION SIX

- a) Leadership is an essential element in effective strategy implementation. Discuss this statement giving relevant examples. (9 marks)
- b) Distinguish between goals and objectives, explaining how they are used in developing corporate strategies. (6 marks)

