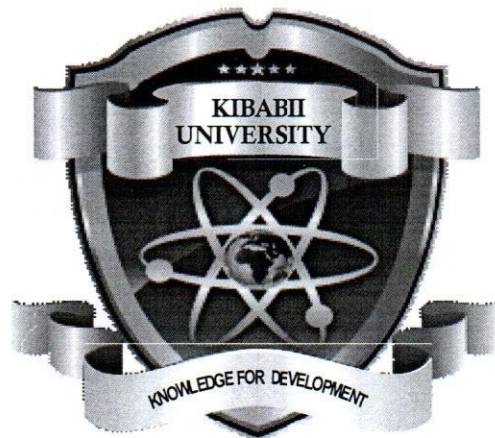


KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS MAIN EXAM

2017/2018 ACADEMIC YEAR
FIRST YEAR SECOND SEMESTER

FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION

COURSE CODE: MBA 811

COURSE TITLE: STRATEGIC MANAGEMENT

DATE: 9/08/2018

TIME: 2 – 5PM

INSTRUCTIONS TO CANDIDATES

INSTRUCTIONS ANSWER QUESTION 1 AND ANY OTHER THREE (3)
QUESTIONS

TIME: 3 HOURS

Question One

Walmart has achieved a very substantial cost and pricing advantage over rival supermarket chains both by revamping portions of the grocery retailing value chain and out-managing its rivals in efficiently performing various value chain activities. Its cost advantage stems from a series of initiatives and practices.....

Altogether, these value chain initiatives give Walmart an approximately 22 percent low cost advantage over Kroger, Safeway and other leading supermarket chains. With such a sizeable cost advantage, Walmart has been able to under-price its rivals and rapidly become the world's leading supermarket retailer.

Question One.

- (a) Describe five possible approaches employed by Walmart to revamp its value chain activities. **(10marks)**
- (b) Apart from low cost strategy, discuss four other generic competitive strategies pursued by firms in this industry. **(12marks)**
- (c) Highlight four negative effects that may result from under-pricing its rivals **(8marks)**
- (d) How can the firms in this industry protect its market from new entrants. **(10marks)**

Question Two.

- (a) One important way in which managers can make better use of their knowledge and information is to understand how common cognitive biases can result in making bad decisions. Discuss cognitive biases which may influence managers to end up making poor strategic decision. (5marks)
- (b) Analyze the formal strategic planning model for making strategy (10 marks)
- (c) Evaluate porter's five forces model which is used to analyze competitive forces in the industry environment. (5 marks)

Question Three

- (i) Assess three corporate level strategies that are primarily directed towards improving a company's competitive advantages and profitability in its present business. (9 marks)

- (ii) Corporate and business level strategic that have been carefully formulated are of little value if they cannot be implemented. Discuss major factors that affect strategy implementation (6 marks)
- (iii) Explain when strengths and weakness of an organization have strategic significance (5 marks)

Question Four

- a) The role of carefully formulated strategies is quite significant in all types of organizations, business or non-business, public or private sector, large or small, in developed countries or underdeveloped countries. Explain why differentiation may be the best strategy for a business. [10 marks]
- b) The Boston Consulting Group (BCG) tool matrix is one of the tools used in product portfolio analysis. Clearly illustrate and explain the analogy of the BCG matrix. [10 marks]

Question Five

You have been appointed as a strategic manager of an organization and the company is planning to carry out environmental analysis.

- (a) Explain three major steps involved in environment analysis (6 marks)
- (b) Describe four major external environment forces that can influence the organization (8marks)
- (c) Explain the importance of mission statements and the information that should be included in a good mission statement. (6 marks)