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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

2020/2021 ACADEMIC YEAR

FOURTH YEAR SECOND SEMESTER

MAIN EXAMINATIONS

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCB 421

COURSE TITLE: STRATEGIC MANAGEMENT

DATE: 08/10/2021

TIME: 2.00 – 4.00PM

INSTRUCTION TO CANDIDATES

- 1) The paper contains FIVE questions
- 2) Attempt THREE questions
- 3) Question ONE is compulsory

TIME: 2 HOURS

KIBU observes **ZERO** tolerance to examination cheating

This Paper Consists of 3 Printed Pages. Please Turn Over. 

QUESTION ONE (30 MARKS)

- a) Discuss the role of strategic management. In what ways does it contribute to the effectiveness of the organization? (10mks)
- b) The notion underlying the concept of generic strategies is that competitive advantage is at the heart of any strategy, and achieving competitive advantage requires a firm to make a choice. Explain the three generic strategies that a firm can adopt in achieving competitive edge. (9mks)
- c) Explain any three growth strategies formulated by top management in order to achieve its overall objectives. (6mks)
- d) Explain the main characteristics of strategic decisions. (5mks)

QUESTION TWO (20 MARKS)

- a) Igor Ansoff (1965), in a seminal text on corporate strategy, saw strategy as being a rule for making decisions. He took the view that strategy is about means not ends. Using Ansoff product-market strategies model, discuss the statement. (12mks)
- b) It has been observed that there is growing popularity of strategic planning in Kenya today than ever before. Describe the possible explanations for this popularity? (8mks)

QUESTION THREE(20 MARKS)

- a) Strategy is the link between the organization and its environment. Analyze the external and internal environment and evolve a strategy for implementation. (10mks)
- b) Offensive tactics are designed to take market share from a competitor, while defensive tactics attempt to keep a competitor from taking away some of our present market share. Under the onslaught of offensive and defensive tactics by the competitor, explain some of these tactics. (10mks)

QUESTION FOUR(20 MARKS)

- a) Business portfolio models or matrices are a technique for categorizing businesses and ranking them on the basis of attractiveness. Portfolio analysis enables the organization to identify the strategic options that can help in strengthening its business portfolio in order to enhance performance. Explain the Growth-Share Matrix and outline the strategies to be adopted in each quadrant. (12mks)

b) Strategic management is a continuous process that appraises the business and industries in which the organization is involved; appraises its competitors; and fixes goals to meet the entire present and future competitor's and then reassesses each strategy. Briefly discuss the four steps in Strategic management process.

(8mks)

QUESTION FIVE (20 MARKS)

a) Porter's model is the most popular and most relevant for open market economies. Porter discusses five forces that determine the nature of competition in an industry. The power of each force tends to vary in different industries. Even in the same industry the power varies over time. Discuss the statement (10mks)

b) Explain how strategic management contributes to the success of public as well as private sector organization.