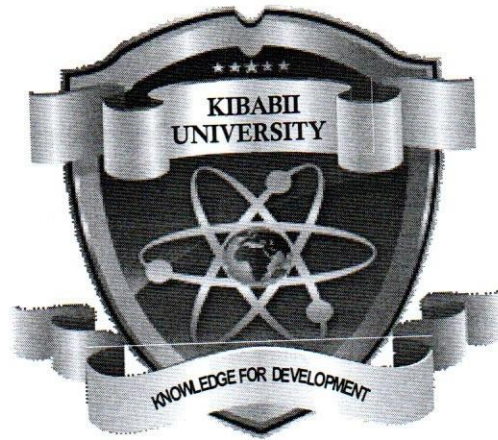


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KIBABII UNIVERSITY



**UNIVERSITY EXAMINATIONS
SPECIAL/SUPPLEMENTARY EXAMS
2017/2018 ACADEMIC YEAR
FOURTH YEAR SECOND SEMESTER
FOR THE DEGREE OF BACHELOR OF
COMMERCE**

COURSE CODE: BCB 421

COURSE TITLE: STRATEGIC MANAGEMENT

DATE: 17/10/2018

TIME: 11.30AM – 1.30PM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE (compulsory) and ANY OTHER TWO questions

QUESTION ONE

a). Evaluate the following mission statement of Celestial Seasonings.
Our mission is to grow and dominate the U.S. specialty tea market by exceeding consumer expectations with the best tasting, 100% natural hot and iced teas, packaged with Celestial art and philosophy, creating the most valued tea experience. Through leadership, innovation, focus, and teamwork, we are dedicated to continuously improving value to our consumers, customers, employees, and stakeholders with a quality-first organization
Analyze Celestial seasoning mission statement.

(10mks)

b). Competitor analysis is a driver of an organization's strategy and affects how firms act or react in their sectors. Explain the objectives of conducting a competitor analysis. (10mks)

c). Explain the role of strategic management in business organizations (10mks)

QUESTION TWO

a). Discuss Porter's five forces model. How does it help managers to identify the opportunities and threats confronting a company?
(15mks)

b) The organizational life cycle describes how the organization grow, develop and eventually decline. The stages of organization life cycles are: Birth, Growth, Maturity, Decline and Death. Indicate relevant strategies that can be used to sustain an organization at each stage. (5mks)

QUESTION THREE

"Companies that fail to develop new products are putting themselves at risk. At the same time, new product developments are risky."

(a) List the reasons for failure of new products.
(10mks)

(b) List and briefly explain the factors that hinder the progress of new product development.
(10mks)

QUESTION FOUR

a). Describes the steps of strategic decision making.
(10mks)

b). Downsizing refers to the planned elimination of positions or jobs. Explain the process of downsizing.
(10mks)

QUESTION FIVE

a). Explain strategic implications of BCG matrix model.
(15mks)

b Define the criteria for identifying capabilities that creates a firms sustainable competitive advantage
(5mks)