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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS 2020/2021 ACADEMIC YEAR FIRST YEAR SECOND SEMESTER

MAIN EXAMINATION

**FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION**

COURSE CODE: MBA 811

COURSE TITLE: STRATEGIC MANAGEMENT

**DATE: 25/11/2021 TIME: 9.00AM – 12
NOON**

INSTRUCTION TO CANDIDATES

- Answer question **ONE** (compulsory) and any other **THREE** questions
- Question **ONE** attracts **40 marks**
- Time allowed is **THREE** hours
- All other questions attract equal marks (**20 marks**)

MAMA MILK COMPANY

Mama Milk Company is a large milk processor in Eldoret. It was founded in 1999 by John Kaka to serve the small-scale livestock farmer who have largely been ignored by the large multinational, rich milk processors. The company buys milk on cash from small-scale farmers, processes the same at their factory and produces ghee and the popular mama branded yoghurt sold to supermarkets around Eldoret town. The company has been thriving with annual sales growing from ksh 1.5 million in 2000 to sh. 24 million in 2012, around sh. 2.0 million per month. Recently, however, Kaka has observed with alarm that sales have dropped to ksh 1.2 million per month. His initial research indicates that some farmers that formed joint ventures and are processing their milk at the farms.

Required

- a) Research has reviewed that organizations that engage on strategic management outperform those that do not. Discuss strategic management as a key to realization of Kenya vision 2030. (10 marks)
- b) Discuss various strategies Kaka can implement to reverse the declining sales. (10 marks)
- c) "The continuous analyses of both internal and external environment of an organization is essential in formulation and implementation of organizational strategies" in light of this statement examine remote environment, industry environment and operating environment of an organization (10 marks)

QUESTION TWO

- a) Analyze the possible levels of strategy and their role in a well-developed organization. (6 marks).
- b) Explain the various tools that managers can use to choose strategies during strategy institutionalization process. (6 marks)
- c) The development of competitive strategies must include the assessment of the separate value activities, which the organization undertakes. Discuss the use of value analysis in the assessment of value activities in an organization (8 marks)

QUESTION THREE

a) Discuss the limitations of PESTEL as a tool for environmental analysis in strategic management. (10 marks)

b) Analyze five factors important in the implementation of Kenya's vision 2030. (10 marks)

QUESTION FOUR

a) Discuss five areas that strategic planners use to establish the long-term objective of an organization. (6 marks)

b) "You have a strong desire as a potential entrepreneur to launch your business organization in a very competitive environment" identify various barriers you expect and explain the strategies you could apply to neutralize the foreseen new entrant (6 marks)

c) Using value chain illustrate how you can analyze competitive advantage in different industrial and organizational settings (8 marks)

QUESTION FIVE

a) "For the organization to compete effectively, it must take an account of its competitive advantage and analyze the strength and weakness of its competitors". Give an account of the competitive advantage of a company your choice and advice the management the strategies the company should adopt to position itself a head of its competitors (6 marks)

b) After graduation, you are not likely to move directly to top level management position. In fact, few members of your class will ever reach the top management level. Why then is it a pre-requisite for all Master of Business Administration to study the field of strategic management. (6 marks)

c) Briefly discuss the role of organization culture in strategy implementation (4 marks)

d) Briefly discuss the role of leadership in strategy implementation (4 marks)