

**KIBABII UNIVERSITY**



**UNIVERSITY EXAMINATIONS**

**2022/2023 ACADEMIC YEAR  
THIRD YEAR FIRST SEMESTER  
MAIN EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 313**

**COURSE TITLE: BUSINESS POLICY & DECISION MAKING**

**DATE: 22 DEC 2022**

**TIME: 2:00-4:00 PM**

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**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

### QUESTION ONE (30 MARKS)

- a) Every enterprise has a number of policies which are regarded as important for realizing the objectives of the organization. They also ensure co-ordination of efforts and activities in the enterprise. Discuss some of the types of policies. (9 marks)
- b) Strategy is not driven by future intent alone, it is the gap between today's reality and intent for the future that is critical: Explain what is meant by strategy formulation, strategy implementation, strategy monitoring and evaluation and their respective differences. (9 marks)
- c) Developing a clear understanding of resource strengths and weaknesses, an organization's best opportunities, and its external threats allows the planning team to draw conclusions about how to best allocate resources in light of the firm's internal and external situation. This also produces strategic thinking about how to best strengthen the organization's resource base for the future. Discuss the statement applying the SWOT analysis. (12 marks)

### QUESTION TWO (20 MARKS)

- a) Business policies are the guidelines formulated by an organization to govern its actions. They define the limits and the scope within which decisions must be made by the subordinates. It allows the lower level management to deal with the issues and challenges without consulting top level management every time for making decisions. Discuss some elements that an effective business policy should have: (10 marks)
- a) You have been appointed by your County Governor to lead the strategic planning exercise of the county. The Governor wants to know whether or not it is useful to undertake strategic planning. By use of examples advice the Governor. (10 marks)

### QUESTION THREE (20 MARKS)

Strategic Decision making is the process of making choices by identifying a decision, collecting information, and assessing alternative solutions. Using a step-by-step decision-making process can help the organizations make more conscious and thoughtful decisions by organizing pertinent information and defining alternatives. This methodology increases the chances of choosing the most appropriate strategy.

a) Explain the steps involved in strategic decision making process.

(8 marks)

b) Discuss the three levels that are entailed in the decision making hierarchy in large business multidivisional organizations.

(12 marks)

#### **QUESTION FOUR (20 MARKS)**

a) Strategy formulation refers to the process of choosing the most appropriate course of action for the realization of organizational goals and objectives and thereby achieving the organizational vision. Discuss the six main steps in the process of strategy formulation. (12 marks)

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. (8 marks)

#### **QUESTION FIVE (20 MARKS)**

a) The term 'goal' is often used interchangeably with the term 'objective'. In this paragraph, we prefer to differentiate the two terms. In contrast to an objective, we consider a goal statement of what one wants to accomplish with no quantification of what is to be achieved and no time criteria for completion. Discuss some of the areas in which a corporation might establish its goals and objectives. (10 marks)

b) Strategy is the means by which objectives are deliberately and systematically pursued and achieved over time. It is not planning as strategy deals with competitive situation in an uncontrolled environment, whereas, planning deals with situations in a guarded environment. It helps the practitioners to respond thoughtfully and consciously without the need for instinct or presumptions. Discuss the characteristics of a business strategy. (10 marks)