KIBABII UNIVERSITY

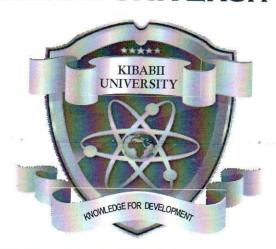## UNIVERSITY EXAMINATIONS

2021/2022 ACADEMIC YEAR

FIRST YEAR SECOND SEMESTER

SPECIAL/SUPPLEMENTARY EXAMINATION

FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

COURSE CODE: MBA 811

COURSE TITLE: STRATEGIC MANAGEMENT

DATE: 24/11/2022   TIME: 2.00 – 5.00PM

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**)

QUESTION ONE

Sunfix Company offers and excellent example of the growing use of controls. Losing Ksh. 300million from a single trader, the firm initiated a program to rebuild its controls from the bottom up. Sunfix Company established a separate risk management division whose manager reports only to the chairman and the president.

New controls were placed at every level of the organization. For example, operations employees were placed between every two traders. These employees, who report directly to the head of operations, are responsible for promptly reporting every transaction by entering it is not a corporate wide computer.

Traders were placed within struck limits, to safeguard against large losses.

Each night, all date from Sunfix Company products around the world are tabulated. This helps to calculate the risk for each desk and for the entire company.

Sunfix Company has other control systems that cover other aspects of operations. This controls system, of which the computerized risk management program is a major component, plays a key role in maintaining integrity in the company's operations.

a) The success of Sunfix Company can be attributed to strict strategic controls. Discuss their role. (10 marks)

b) Describe the different components of an organization's strategic controls with reference to Sunfix Company. (10 marks)

c) Strategy is anchored on various schools of thought. Identify and describe any five such premises. (10marks)

d) Explain the reasons that can be attributed to for the success of Sunfix Company. (10 marks)

QUESTION TWO

a) Managers have to make strategic decisions to steer organizations forward. However, strategic decisions are unique. What makes them unique? (5marks)

b) Using appropriate examples, analyze the formal strategic planning model for making strategy (10 marks)

c) Competition in the business world is ever growing. Using Porter's five forces model and suitable examples, explain how to analyze competitive forces in the industry environment. (5 marks)

QUESTION THREE

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

b) 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)

c) A SWOT analysis is critical for any organization to survive. Explain when strengths and weakness of an organization have strategic significance (5 marks)

QUESTION FOUR

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) Discuss the precautions that should be taken in regard to the use of forecasting techniques. (6 marks)

QUESTION FIVE

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. [10marks]

b) Assume you have been hired to give a presentation on the values of a well formulated vision statement gives the organization. What will be your key highlights in the presentation? Give three examples of such vision statements. [10 marks]

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