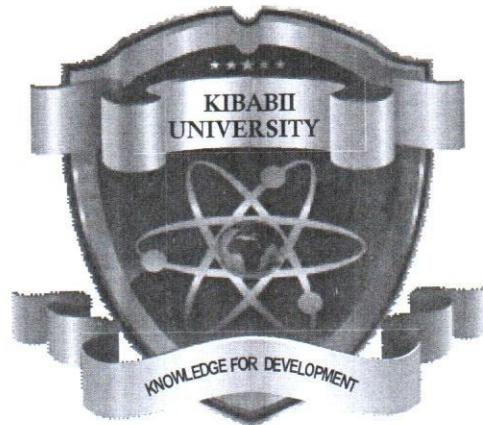


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KIBABII UNIVERSITY



**UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR
FOURTH YEAR SECOND SEMESTER
MAIN EXAMINATION**

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BCO 422

COURSE TITLE: STRATEGIC MANAGEMENT

DATE: 18/04/2023

TIME: 9:00-11:00AM

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 4 Printed Pages. Please Turn Over.

QUESTION ONE (30 MARKS)

Every organization has a mission, objectives, and strategy, even if these elements are not consciously designed, written or communicated. The strategic- management process is dynamic and continuous. A change in any one of the major components in the model can necessitate a change in any or all of the other components. Strategists do not go through the process in lock step fashion. Many organizations conduct formal meetings semiannually to discuss and update the firm's mission, opportunities/threats, strengths/weaknesses, strategies, objectives, policies, and performance. These meetings are commonly held off-premises and called retreats. The rationale for periodically conducting strategic-management meetings away from the work site is to encourage more creativity and condor among participants. Good communication and feedback are needed throughout the strategic management process.

- a) A good mission statement describes an organization's purpose, customers, products or services, markets, philosophy, and basic technology. Describe the importance of a clear mission. (10mks)
- b) Vision is usually incorporated in the firm's mission document. Discuss the statement. (10mks)
- c) Business portfolio models or matrices are a technique for categorizing businesses and ranking them based on 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. (10mks)

QUESTION TWO (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. (12mks)
- b) Explain the strategic option that takes the organization away from its existing products and markets showing its main advantages and disadvantages and the appropriate methods for its implementation? (8mks)

QUESTION THREE (20 MARKS)

- a) The product life cycle is a curve that describes an attempt to trace or recognise distinct stages in the sales history of a product. The concept argues that just like plants and animals, products too are born, they mature

and finally they die. The PLC recognizes four stages through which product moves in its sales history. Explain the salient features of each of these stages. (12mks)

b) State and explain the five steps involved in Strategic Planning Process. (8mks)

QUESTION FOUR (20 MARKS)

- a) 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 this tactics. (10mks)
- b) Ansoff 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's product-market strategies model, discuss the statement. (10mks)

QUESTION FIVE (20 MARKS)

- a) Explain the three main characteristics of a good strategy and discuss what makes a good strategy? (8mks)
- b) Corporate level strategy, competitive strategy (or Business level strategy) and functional strategy are the three aspects or levels of strategy formulation that need to be dealt with in the formulation phase of strategic management. Discuss with appropriate examples for each level. (12mks)