



UNIVERSITY EXAMINATIONS

MAIN EXAMINATION

2022/2023 ACADEMIC YEAR

SECOND YEAR FIRST SEMESTER

FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION WITH IT

COURSE CODE: MBT 831 E

COURSE TITLE: STRATEGIC MANAGEMENT

DATE: ^{06 02} 00/00/2023

TIME: ^{2:00 - 5:00 P.M} 0.00PM-0.00PM

INSTRUCTIONS TO CANDIDATES

- 1) Answer Question ONE(Compulsory) and ANY OTHER THREE Questions
 - 2) Candidates must hand in their answer booklets to the invigilator while in the examination room
 - 3) Credit is given for legibility, clarity and use of relevant examples
 - 4) Question ONE is 40 marks while Questions 2-5 carry 20 marks each
 - 5) Clearly write your Registration Number on each answer sheet used
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TIME: 3 Hours

KIBU observes ZERO tolerance to examination cheating

QUESTION ONE

Read the following excerpts from Sun Tzu's *The Art of War Writings* and answer the following questions.

- War is a matter of vital importance to the state: a matter of life or death, the road either to survival or ruin. Hence, it is imperative that it be studied thoroughly.
- Warfare is based on deception. When near the enemy, make it seem that you are far away; when far away, make it seem that you are near. Hold out baits to lure the enemy. Strike the enemy when he is in disorder. Avoid the enemy when he is stronger.

If your opponent is of choleric temper, try to irritate him. If he is arrogant, try to encourage his egotism. If enemy troops are well prepared after reorganization, try to wear them down. If they are united, try to sow dissension among them. Attack the enemy where he is unprepared, and appear where you are not expected. These are the keys to victory for a strategist. It is not possible to formulate them in detail beforehand.

- A speedy victory is the main object in war. If this is long in coming, weapons are blunted and morale depressed. When the army engages in protracted campaigns, the resources of the state will fall short. Thus, while we have heard of stupid haste in war, we have not yet seen a clever operation that was prolonged.
- Generally, in war the best policy is to take a state intact; to ruin it is inferior to this. To capture the enemy's entire army is better than to destroy it; to take intact a regiment, a company, or a squad is better than to destroy it. For to win one hundred victories in one hundred battles is not the acme of skill. To subdue the enemy without fighting is the supreme excellence. Those skilled in war subdue the enemy's army without battle.
- The art of using troops is this: When ten to the enemy's one, surround him. When five times his strength, attack him. If double his strength, divide him. If equally matched, you may engage him with some good plan. If weaker, be capable of withdrawing. And if in all respects unequal, be capable of eluding him.
- Know your enemy and know yourself, and in a hundred battles you will never be defeated. When you are ignorant of the enemy but know yourself, your chances of winning or losing are equal. If ignorant both of your enemy and of yourself, you are sure to be defeated in every battle.
- He who occupies the field of battle first and awaits his enemy is at ease, and he who comes later to the scene and rushes into the fight is weary. And therefore, those skilled in war bring the enemy to the field of battle and are not brought there by him. Thus, when the enemy is at ease, be able to tire him; when well fed, be able to starve him; when at rest, be able to make him move.
- Analyze the enemy's plans so that you will know his shortcomings as well as his strong points. Agitate him to ascertain the pattern of his movement. Lure him out to

reveal his dispositions and to ascertain his position. Launch a probing attack to learn where his strength is abundant and where deficient. It is according to the situation that plans are laid for victory, but the multitude does not comprehend this.

- An army may be likened to water, for just as flowing water avoids the heights and hastens to the lowlands, so an army should avoid strength and strike weakness. And as water shapes its flow in accordance with the ground, so an army manages its victory in accordance with the situation of the enemy. And as water has no constant form, there are in warfare no constant conditions. Thus, one able to win the victory by modifying his tactics in accordance with the enemy situation may be said to be divine.
- If you decide to go into battle, do not announce your intentions or plans. Project “business as usual.”
- Unskilled leaders work out their conflicts in courtrooms and battlefields. Brilliant strategists rarely go to battle or to court; they generally achieve their objectives through tactical positioning well in advance of any confrontation.
- When you do decide to challenge another company (or army), much calculating, estimating, analyzing, and positioning bring triumph. Little computation brings defeat.
- Skillful leaders do not let a strategy inhibit creative counter-movement. Nor should commands from those at a distance interfere with spontaneous maneuvering in the immediate situation.
- When a decisive advantage is gained over a rival, skillful leaders do not press on. They hold their position and give their rivals the opportunity to surrender or merge. They do not allow their forces to be damaged by those who have nothing to lose.
- Brilliant strategists forge ahead with illusion, obscuring the area(s) of major confrontation, so that opponents divide their forces in an attempt to defend many areas. Create the appearance of confusion, fear, or vulnerability so the opponent is helplessly drawn toward this illusion of advantage.

(Note: Substitute the words strategy or strategic planning for war or warfare)

Source: Based on The Art of War and from
www.ccs.neu.edu/home/thigpen/html/art_of_war.html

Questions :

- (a) Discuss what you feel are the five most important lessons for business that can be garnered from The Art of War book

[10 Marks]

(b) Similarities can be construed from Sun Tzu's writings to the practice of formulating and implementing strategies among businesses today. Relate the relevance of the excerpts of Sun Tzu's "*The Art of War*" to strategic management activities of:

- i. Strategy formulation, [10 marks]
- ii. Strategy implementation [10 Marks]
- iii. Strategy evaluation [10 Marks]

QUESTION TWO

- a. Discuss the connection between strategy and structure in line with the following statement, (8 marks)
'Strategy follows structure, structure supports strategy.'
- b. The BCG Matrix produces a framework for allocating resources among different business units and makes it possible to compare many business units at a glance. But BCG Matrix is not free from limitations. Discuss. [12 Marks]

QUESTION THREE

- a. When an organization diversifies, it moves out of its current products and markets into new areas. However, diversification will be fruitful only when the benefits generated by diversification outweigh the related costs. Describe the circumstances when it is most preferred [10 Marks]
- b. Michael Porter made the bold claim that there were only three fundamental strategies that any business could undertake-that is why he called them generic strategies. Shed light on the strategies [10 Marks]

QUESTION FOUR

- a. New entrants to an industry bring new capacity and a desire to gain market share that puts pressure on prices, costs, and the rate of investment necessary to compete. The threat of entry in an industry depends on the height of entry barriers that are present and on the reaction entrants can expect from incumbents. Discuss the entry barriers that incumbents have relative to new entrants. [10 Marks]

- b. "Strategic evaluation and control is the process of evaluating strategic plans and monitoring organizational performance so that necessary corrective action can be taken. Today, it also indicates process of improvement in order to preclude out of control situations from occurring and to continually provide greater value to customers". Highlight the importance of strategic evaluation to an organisation. **[10 Marks]**

QUESTION FIVE

- a. "Strategic evaluation and control is the process of evaluating strategic plans and monitoring organizational performance so that necessary corrective action can be taken. Today, it also indicates process of improvement in order to preclude out of control situations from occurring and to continually provide greater value to customers". Highlight the importance of strategic evaluation to an organization **[10 Marks]**
- b. Explain the various ways in which organisation strategy and structure are related. **[10 Marks]**