

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS**

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

**MBAD 872: ADVANCED STRATEGIC MANAGEMENT**

**STREAMS: MBAD Y2S1**

**TIME: 2 HOURS**

**DAY/DATE: THURSDAY 7/10/2021**

**8.30 A.M – 10.30 A.M**

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**INSTRUCTIONS**

**Answer ALL questions**

**All questions carry equal marks**

**Marks will be awarded for clarity and originality of ideas**

**Do not write on the question paper**

**QUESTION ONE**

Mizigo logistics is a company operating in the shipping industry. One of the company's subsidiaries is currently making very huge losses although its competitors are making profits. A strategic management consultant has explained to the managing director that the subsidiary's problems are short lived and turnaround strategy might be more appropriate.

- (a) Differentiate the concepts of strategic fit and strategic stretch. [4 marks]
- (b) What is market signaling and what kinds of signals do rivals send. [6 marks]
- (c) Explain to the managing director what a turnaround strategy is and the focus of such a strategy and when it is most appropriate. [10 marks]

**QUESTION TWO**

Explain in detail the concept of strategic groups analysis giving the merits and demerits of strategic groups analysis and the process organizations can follow in strategic groups analysis.

[20 marks]

**QUESTION THREE**

(a) Critically evaluate why strategic management in government agencies is different from the private sector. [10 marks]

(b) With practical illustrations from Kenyan businesses, explain how strategy develops in organizations as postulated by Mintzberg. [10 marks]

**QUESTION FOUR**

(a) Explain strategic diagnosis and highlight the point at which the performance of the firm is optimized using the strategic success hypothesis. [10 marks]

(b) With the aid of a relevant example in the Kenyan business environment, show how mergers and acquisitions can be used as an entry strategy, giving the pitfalls that managers should look out for in applying this method of entry. [10 marks]

**QUESTION FIVE**

(a) John and Scholes have labeled different perspectives to strategy as strategy lenses. Discuss the concept of strategy and show these strategy lenses. [10 marks]

(b) Discuss outsourcing and with the aid of relevant examples show four reasons why companies apply this strategy. [10 marks]

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