

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION

MBAD 875: BUSINESS POLICY AND STRATEGY

STREAMS:

TIME: 2 HOURS

DAY/DATE : TUESDAY 5 /10/ 2021

2.30 PM – 5.30 PM

INSTRUCTIONS TO CANDIDATES:

- Answer ALL questions.
- Don't write anything on this question paper

QUESTION ONE

- (a) In the McKinsey's 7-s framework model developed in the early 1980s by Tom Peters and Robert Waterman, two consultants working at the McKinsey & Company consulting firm, Culture represents the seventh S i.e Shared Values. It is the culture which shapes or moulds the soft S in an organization. Culture is not created by declaration, it is generally unwritten or unstated assumptions, values and beliefs etc. Culture is one of the internal aspects of an organization that need to be aligned for success of the organization.
Discuss [10 Marks]
- (b) Toms of Maine introduced a new deodorant that disappointed customers, company founder Tom Chappell pulled the product from the market and reimbursed the customers who had purchased it. The company lost the money it had put into developing and producing the product, as well as the reimbursement cost. What is the importance of such move in a business. [10 Marks]
- (c) Policies are the key for success of business. Policies offer great advantages to the management if they are stated with clarity. It raises the confidence of the line managers. They make the decisions within given boundary. The managers act without the need for consulting the senior managers every time which minimizes the need for close supervision. Identify characteristics of a good policy. [10 Marks]

QUESTION TWO

- (a) (Ralph Devis defined “ *Policy is a statement of a principle or group of principles, with their supporting rules of action that conditions and governs the achievement of certain objectives to which a business is directed.*” Policy is an internal law which guides the administrative actions in the organization. Policy indicates the intention of the management. Why would you advice businesses to develop their policies?

[10

Marks]

- (b) Procedures needs to be reviewed and updated. This leads to work simplification, rationalization, increased efficiency and reduced costs. Differentiate between the Policy and the Procedure. [10 Marks]

QUESTION THREE

- (a) Business policies are classified on several bases. Identify these categories. [10 Marks]
- (b) The Raymond Corporation recognizes its responsibility to be a good steward of the environment and contribute to a more sustainable planet. Across the organization, they work to minimize direct and indirect impacts on the environment. They tend to develop policies on the same through your consultation. Give them the direction. [10 Marks]

QUESTION FOUR

The purpose of strategic management is to create competitive advantage. But how do companies know they have competitive advantage? In the long term, competitive advantage will lead to greater profitability. But in the shorter term, it is difficult for companies to assess how well they are creating competitive advantage. Discuss the importance of strategic management as a competitive advantage tool. [20 Marks]

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