

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS**

**FOURTH YEAR EXAMINATION FOR THE AWARD OF  
DEGREE OF BACHELOR OF ENTREPRENEURSHIP & ENTERPRISE  
MANAGEMENT**

**BCOM 403A: STRATEGIC MANAGEMENT**

**STREAMS: BEEM Y4S2**

**TIME: 2 HOURS**

**DAY/DATE : TUESDAY 28 /09/ 2021**

**2.30 PM – 4.30 PM**

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**INSTRUCTIONS TO CANDIDATES:**

- Answer Question One and any other Two Questions.
- Marks will be awarded for clarity and originality of ideas
- DO NOT WRITE ANYTHING on the question paper

**QUESTION ONE**

*After graduating, you and your friend set up a mobile phone shop in Busia town. You have recently discovered that in neighbouring Uganda, there is high demand for phones. However, you are not sure about this opportunity since you are not very conversant with the market in Uganda. Your friend on the other hand believes that you should diversify the business by providing MPesa services since there is a high demand for them.*

- Practically demonstrate how you will select between the two options with reference to the opportunity cost analysis method and showing what your choice will be. [10 Marks]
- Explain the types of growth outcomes that your venture may be faced with over time. [10 Marks]
- Mergers provide a viable entry mode to penetrate the Ugandan market for your venture. Detail the types of mergers that you can employ. [10 Marks]

**QUESTION TWO**

- a) “An entrepreneurial venture grows organically driven by pressing needs that the venture faces”. Explain the growth stages of an entrepreneurial venture with reference to Greiner’s model of organizational growth. [12 Marks]
- b) “Selecting between the market scope strategies greatly depends on the risk that the entrepreneur wishes to reduce”. Detail the types of market scope strategies that entrepreneurs can adopt showing what risks they reduce. [8 Marks]

**QUESTION THREE**

- a) Explain the term “lead time” and with practical illustrations from businesses in Kenya, show how entrepreneurs can create or increase lead time. [10 Marks]
- b) Your friend recently started a specialty store retailing men’s clothes. Since he has already taken advantages of the opportunity he saw, he is wondering what strategic entrepreneurship is all about. Detail to your friend the relevance of strategic entrepreneurship. [10 Marks]

**QUESTION FOUR**

- a) Discuss five advantages that an entrepreneur is likely to experience from a decision to exploit a market opportunity before other entrepreneurs. [10 Marks]
- b) Explain what an entrepreneurial resource is and the characteristics that resources must contain in order to be a source of competitive advantage according to Wernerfelt illustrating your responses with practical illustrations from a company in Kenya that you believe has competitive advantage in its industry. [10 Marks]
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