

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE
OF BACHELOR OF COMMERCE & BACHELOR OF COOPERATIVE
MANAGEMENT**

BCOM 402/403: STRATEGIC MANAGEMENT

STREAMS: BCOM/BCOP (Y4S1)

TIME: 2 HOURS

DAY/DATE: TUESDAY 05/12/2017

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS:

- **ANSWER QUESTION 1 AND ANY OTHER TWO QUESTIONS**
- **MARKS WILL BE AWARDED FOR CLARITY AND ORIGINALITY OF IDEAS**
- **DO NOT WRITE ON THE QUESTION PAPER**

1. Together with your two friends, you have set up a printing business. You hired a consultant to assist you define the strategic direction of the company. The consultant started by asking you to come up with a vision and mission for the company. The consultant then engaged the members in various sessions and they came up with certain strategies based on an analysis of the internal and external environments. The consultant has advised that you should choose the best strategy for your organization and implement it. One of your friends however believes this exercise is just a waste of time and you should not continue with it.
 - (a) Define a strategy and demonstrate to your friend four ways your business is likely to benefit from strategic management. [10 marks]
 - (b) Explain any five behavioural considerations that you and your friends will consider in choosing the best strategy. [10 marks]
 - (c) Discuss the concept of turbulence showing the levels of turbulence and set out the strategic success formula as advanced by Igor Ansoff. [10 marks]
2.
 - (a) Michael Porter's five forces model is widely accepted for understanding industry competition. Referencing to any industry of your choice, discuss this model clearly illustrating the forces in your chosen industry. [10 marks]
 - (b) Distinguish between strategic decisions and operational decisions. [10 marks]

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3. (a) The BCG matrix is one of the commonly applied methods of business portfolio analysis. Explain how businesses are classified using this model and illustrate your responses with businesses in the Kenyan economy. [10 marks]
- (b) Once a strategy is selected, it has to be operationalized and institutionalized. Differentiate strategy operationalization and strategy institutionalization and explain how you can operationalize strategies. [10 marks]
4. (a) Igor Ansoff proposed the product market model to show how firms gain competitive advantage. Giving illustrations from companies in Kenya, discuss the Ansoff's product-market model. [10 marks]
- (b) The mission statement of an organization, although being a generalized statement is fundamental to any organization. Explain. [10 marks]
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