

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE  
OF BACHELOR OF ENTREPRENEURSHIP & SMALL BUSINESS MANAGEMENT  
AND BACHELOR OF CATERING & HOTEL MANAGEMENT

BBAM 402: STRATEGIC MANAGEMENT

STREAMS: BENS & BCHM Y4S2

TIME: 2 HOURS

DAY/DATE: MONDAY 9/04/2018

11.30 A.M - 1.30 P.M.

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INSTRUCTIONS:

- 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.

QUESTIONS

*As the CEO of Starbright Resorts, you have realized that your business has been growing steadily in the past. Together with your managers, you are considering two strategies in order to grow your business: opening a new branch in Tanzania or opening a hotel and catering college. Your managers are not sure which option is better. A consultant has advised you that you need to adhere to the strategic success formula and how you will implement the strategy.*

- (a) State and explain Ansoff's strategic success formula and highlight the levels of turbulence as set out by Ansoff. [10 Marks]
- (b) Outline the different view of how strategies develop in organizations. [4 Marks]
- (c) Explain the challenges your organization is likely to face from internal sources in implementing the chosen strategy and suggest any measures you will apply to overcome them. [6 Marks]
- (d) You believe that the choice of strategy between the two options should be based on behavioral considerations. Discuss any five behavioural considerations that you would consider in choosing the best strategy. [10 Marks]

**QUESTION TWO**

- (a) Discuss the value chain analysis and show how you would apply this model in evaluating the strengths and weaknesses of an organization. [10 Marks]
- (b) Traditional controls are inadequate in controlling strategies. Discuss this statement showing how strategies can be controlled. [10 Marks]

**QUESTION THREE**

- (a) Threats of new entrants as one of the five forces that affect industry competition depends on the barriers to entry and the retaliation that entrant can expect. Picking on any industry of your choice illustrate five barriers to entry in that industry clearly showing how they affect the threat of new entry. [10 Marks]
- (b) The mission statement of an organization, although being a generalized statement is fundamental to any organization. Explain. [10 Marks]

**QUESTION FOUR**

- (a) Managers usually make a variety of decisions some of which are strategic while others are operational. Set out the characteristics of strategic decisions. [10 Marks]
  - (b) 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]
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