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CHUKA



UNIVERSITY

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**UNIVERSITY EXAMINATIONS**

**EXAMINATION FOR THE AWARD DEGREE OF  
BACHELOR OF ENTREPRENEURSHIP AND ENTERPRISE MANAGEMENT**

**BCOM 403A: STRATEGIC MANAGEMENT**

**STREAMS: BEEM Y4 S2**

**TIME: 2 HOURS**

**DAY/DATE: THURSDAY 9/04/2020**

**8.30 A.M – 10.30 A.M.**

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**INSTRUCTIONS**

1. Answer questions **ONE** and any other **TWO** Questions only
2. Marks will be awarded for clarity and originality of ideas
3. Do not write anything in the question paper

**QUESTION ONE**

As a young entrepreneur, you are constantly seeking new opportunities that you can exploit. You have recently discovered that there is an increasing need for a fast foods hotel and a trendy barber shop within the student centre. Unfortunately you do not have sufficient resources to exploit both opportunities.

- a) Using practical illustrations, demonstrate how you will select between the two options with reference to the SWOT analysis method. [10 Marks]
- b) Explain the types of growth outcomes that your venture may be faced with over time. [10 Marks]
- c) Discuss five disadvantages that you are likely to experience from the decision to exploit the opportunity before other entrepreneurs. [10 Marks]

## QUESTION TWO

- a) Explain the term “lead time” and with practical illustrations from business 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 advantage 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 THREE

- a) Greiner argues that organizations grow in various stages necessitated by crisis which the entrepreneur must resolve to advance to the next stage. Identify the types of crises according Greiner showing the sources of these crises. [12 Marks]
- b) It has been argued that most aspiring entrepreneurs in Kenya like to use the “me-too” strategy. However the application of this strategy does not necessarily guarantee success. Discuss any four pitfalls that are associated with the ‘me-too’ strategy. [8 Marks]

## QUESTION FOUR

- a) Mergers provide a viable entry mode into international markets especially when entrepreneurs want to penetrate markets quickly. Detail the types of mergers that such entrepreneurs can employ. [10 Marks]
  - b) With the aid of practical illustrations from companies in Kenya, explain what an entrepreneurial resource is and the characteristics that resources must contain in order to be a source of competitive advantage according to Wemerfelt. [10 Marks]
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