

CHUKA

UNIVERSITY



UNIVERSITY EXAMINATIONS

CHUKA/EMBU CAMPUS

EXAMINATION FOR THE AWARD OF DEGREE OF MASTER OF BUSINESS
ADMINISTRATION

MBAD 881: STRATEGIC MANAGEMENT

STREAMS: MBAD (Y1S2)

TIME: 3 HOURS

DAY/DATE: MONDAY 11/08/2025

2.30 P.M. – 5.30 P.M.

INSTRUCTIONS:

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

QUESTION ONE (COMPULSORY)

MKATE BREAD COMPANY

Mkate Bread Company (MBC) was founded in 1981 by a French entrepreneur, adopting the AU Bon Pain model that promotes healthy, chemical-free artisan bread. Over the years, MBC has expanded to more than 900 bakery-cafes across 37 countries in the Mkate Republic, with a unique eat-in atmosphere that encourages customers to stay and enjoy their experience. Independent surveys highlight its high approval ratings, ranking it No. 1 among 110 new businesses. The company has also built a strong corporate image through charitable food distribution. Despite its success, MBC faces challenges such as rapid growth, high employee turnover, changing dietary trends, and the need for differentiation in the market. In response, the company plans to open 150-160 new bakery-cafes in 2025 and continues to focus on its "good-carbs" philosophy for healthy eating. With annual revenue exceeding Ksh 20 billion, MBC is positioned for sustained success in the fast-food industry.

Required

- (a) How has MBC's emphasis on healthy eating strategy contributed to its success and customer loyalty (10 marks)

- (b) Critically examine the features of strategic decisions that may necessitate the attention of the CEO and the Branch managers of MBC (10 marks)
- (c) Discuss the defensive strategies MBC management can use in an effort to manage its resources productively. (10 marks)

QUESTION TWO

- (a) Assess the components of operating environment that affect formulation and implementation of business strategies. (10 marks)
- (b) Not all levels of management are involved in formulating strategies, but all of them must be aligned to chosen strategies if they are to succeed. Explain these levels of management involved in strategy formulation and set out any four reasons why policies are useful in strategy implementation (10 marks)

QUESTION THREE

- (a) A strategy expert Michael Porter developed Five Competitive Forces model to analyze the nature and intensity of competition in a given industry. With examples, explain how these forces can affect the profit potential or long-term return on investment of a business. (10 marks)
- (b) Discuss five qualities that you would adhere to in setting strategic objectives clearly demonstrating how you would incorporate them in your organization's objectives (10 marks)

QUESTION FOUR

- (a) Strategy analysis and choice can be done through business portfolio approaches. Discuss the contribution of Boston Consulting Group (BCG) matrix in this respect (10 marks)
 - (b) Explain the basic requirements of an effective strategy evaluation system of a large diversified company (10 marks)
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