

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS**

**EMBU CAMPUS**

**SECOND YEAR EXAMINATION FOR THE AWARD OF MASTER OF BUSINESS  
ADMINISTRATION**

**MBAD 885: BUSINESS POLICY AND STRATEGY**

**STREAMS: MBAD Y2S1**

**TIME: 3 HOURS**

**DAY/DATE: WEDNESDAY 16/04/2025**

**2.30 P.M. – 5.30 P.M.**

**INSTRUCTIONS: ANSWER ANY FOUR QUESTIONS**

**QUESTION ONE (20 MARKS)**

- a. Strategic management refers to the process in which organizations analyze and learn from their environment (internal & external), establish strategic direction & create strategies so that the firm can attain a competitive edge. In Light of the above, discuss six benefits of implementation of strategic management decisions and strategies in an organization  
[12 marks]
- b. Elaborate the Strategic Management Process using an organization of your choice [10 marks]

**QUESTION TWO (20 MARKS)**

- a) In the Mckinsey's 7-s framework model developed in the early 1980s by Tom Peters and Robert Waterman, two consultants working at the McKinsey & Company consulting firm, Culture represents the seventh S i.e Shared Values. It is the culture which shapes or moulds the soft S in an organization. Culture is not created by declaration, it is generally unwritten or unstated assumptions, values and beliefs etc. Culture is one of the internal aspects of an organization that need to be aligned for success of the organization. Discuss [10 Marks]
- b) Ralph Devis defined "Policy is a statement of a principle or group of principles, with their supporting rules of action that conditions and governs the achievement of certain objectives to which a business is directed." Policy is an internal law which guides the administrative actions in the organization. Policy indicates the intention of the management. Why would you advice businesses to develop their policies? [10 Marks]

**QUESTION THREE (20 MARKS)**

- a) Toms of Maine introduced a new deodorant that disappointed customers, company founder Tom Chappell pulled the product from the market and reimbursed the customers who had purchased it. The company lost the money it had put into developing and producing the product, as well as the reimbursement cost. What is the importance of such move in a business.  
[10 Marks]

- b) Using an organization of your choice, discuss critical resources required by a business manager to ensure business success and attainment of set goals and objectives [10 marks]

**QUESTION FOUR (20 MARKS)**

- a) Policies are the key for success of business. Policies offer great advantages to the management if they are stated with clarity. It raises the confidence of the line managers. They make the decisions within given boundary. The managers act without the need for consulting the senior managers every time which minimizes the need for close supervision. Identify characteristics of a good policy. [10 Marks]
- b) The purpose of strategic management is to create competitive advantage. But how do companies know they have competitive advantage? In the long term, competitive advantage will lead to greater profitability. But in the shorter term, it is difficult for companies to assess how well they are creating competitive advantage. Discuss the importance of strategic management as a competitive advantage tool. [20 Marks]

**QUESTION FOUR (20 MARKS)**

- a. Peter senge (1990) defined a learning organization as a company that facilitates the learning of its members & continuously transforms itself. Discuss Five benefit's that an organization will accrue from implementing a learning organization strategy. [10 marks]
- b. Using an organization of your choice, elaborate Five strategies in which an organization can adopt to attain a competitive edge over its competitors [10 marks]
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