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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR
FOURTH YEAR, SECOND SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF SCIENCE
(BUSINESS ADMINISTRATION)

Date: 15th April, 2022
Time: 11.30am – 1.30pm

KBA 002 - STRATEGIC MANAGEMENT

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

MEGA LTD STRATEGY

Mega Ltd manufactured water heaters. In the first year of its operations, the revenue earned by the company was just sufficient to meet its costs. To increase the revenue, the company analyzed the reasons behind the less revenues. After analysis, the company decided:

- To reduce the labour costs by shifting the manufacturing unit to a backward area where labour was available at a very low rate
- To start manufacturing solar water-heaters and reduce the production of electric water heaters slowly.
- Laying off some employees and paying them service benefits.

This will not only help in covering the risks but also help in meeting other objectives. Though Mega Ltd is in business, it would be advisable to start corporate social responsibility activities and identifying issues that uplift the living standards of their new less developed location.

Required:

- a) Explain the objectives of management discussed above. (6 marks)
- b) Suggest any six additional objectives which Mega Ltd may adopt to increase its revenue. (6 marks)
- c) Outline six benefits of social responsibility that Mega Ltd can gain from their corporate social responsibility. (6 marks)
- d) Mega Ltd has hired you as a consultant and you wish to take them through the strategic management process. Highlight to them the value of vision and mission statements. (6 marks)
- e) Mega Ltd in its endeavor to reduce costs is inclined towards downsizing. Outline to them the disadvantages of downsizing. (6 marks)

QUESTION TWO (20 MARKS)

- a) Explain the contents of mission statements in modern organization. (7 marks)
- b) Discuss four manager's role in leading strategy implementation process. (7 marks)
- e) Explain four important areas in which organizational objectives are established. (6 marks)

QUESTION THREE (20 MARKS)

- a) Explain five responsibilities of managers in strategy implementation. (10 marks)
- b) Explain five strategies that promote survival and success of small businesses. (10 marks)

QUESTION FOUR (20 MARKS)

- a) With an aid of a diagram, explain the strategic management process. (10 marks)
- b) Explain five components of external business environment that influences strategic performance of a business. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Explain the commonly used methods used in environmental forecasting. (10 marks)
- b) With an aid of diagram explain the approaches used in formulating business strategy as argued by Michael Porters five competitive forces. (10 marks)