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

Date: 9th December, 2022
Time: 8.30am –10.30am

KBA 305 - BUSINESS LEADERSHIP AND STRATEGY

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

Read the case study below and answer the questions that follow

VIVO LIMITED

VIVO Limited was registered and incorporated in 2018 with Mr. Mwamba as its CEO. The main objective of the company was to sell electronic products in Kenya with their head quarters in Daresalam. The CEO Mr. Mwamba, engaged an external consultant to formulate vision and mission statements for the company after conducting environmental scanning for the organization. The marketing management team embarked on market research to find out the prices of CHOMA and ZANA who were the rival companies and doing very well with a large market share in the region. The marketing team set out to price the company's products slightly below their rival companies. During the first year after launching the product the company was able to break even in regard to sales. However, the marketing team engaged in training programs for their sales force. Mr. Mwamba made a policy that every end month to meet sales force in order to get their feedback and address challenges they faced. During the staff meetings Mr. Matumbo used both financial and non financial rewards. During the third quarter of 2018 the sales force embarked on aggressive advertising campaigns which saw the company realize significant sales revenue of 20 million from 2 million in 1st quarter of 2018. Most customers of CHOMA and ZANA started switching to VIVO Company limited.

By the end of year 2018 the financial statements of Koki revealed that the company had made a profit of Ksh 35 million. However, by the end of 1st quarter of year 2019 the CEO Mr. Mwamba saw green pastures in ZANA one of the rival companies who promised to triple his salary package coupled with attractive fridge benefits as opposed to VIVO. After careful evaluation of the benefits Mr. Mwamba decided to quit the company by the end of 2nd year quarter of 2019. The Board of Directors of VIVO decided to replace Mr. Mwamba with Mukele who was previously a managing Director of Sunbeach hotel. During the third quarter of year 2019, Dr. Mukele introduced several strategies such as: price increase of the company's product, and scrapped all the financial and non-financial incentives for sales force in order to decrease cost of operations. Mr. Mukele viewed the monthly meetings with the sales force, staff allowances and other non-financial rewards, team building workshops and training budget as expensive and unnecessary cost.

Dr. Mukele strictly used authoritarian style of leadership and had no space for workers opinions. The new change saw significant decline of sales and high labour turnover of sales force. In addition, many customers started switching to rival companies. By the end of year 2019 the financial statements revealed profit decline from Ksh 35 million in year 2018 to Ksh5 million in 2019. The Board of Directors have advised CEO to embrace growth strategy in pursuit to reverse the trend.

- a) Explain any six reasons why Mr. Mwamba the company's CEO engaged an external consultant to conduct environmental scanning for the company. (6 Marks)
- b) Discuss the importance of mission statement to VIVO Company limited. (6 Marks)
- c) Examine the reasons why the board of directors advised the CEO Dr. Mukele to embrace growth strategy. (6 Marks)
- d) Examine the demerits of the style of leadership used by Dr. Mukele (6 Marks)
- e) If you were hired as a management consultant, what style of leadership would you advice Dr. Mukele to use and why (6 Marks)

QUESTION TWO (20 MARKS)

- a) Discuss the nature of leadership (6 Marks)
- b) Examine any four types of power used by managers in an organization (8 Marks)
- c) Analyze the importance of organizational objectives. (6 Marks)

QUESTION THREE (20 MARKS)

- a) Discuss the importance of strategic controls in an organization (8 Marks)
- b) Examine the merits of functional organizational structure (6 Marks)
- c) Evaluate the strategies recommended in regard to competitive analysis (6 Marks)

QUESTION FOUR (20 MARKS)

- a) Standards are developed to reflect organizational goals and are yard sticks that indicates acceptable levels of organizational performance. Identify and explain any seven common specific standards used by business organizations to measure performance. (7 Marks)
- b) Explain the Michael Porter Five Forces (5 Marks)
- c) Explain the criteria that is used to select strategic alternatives (8 Marks)

QUESTION FIVE (20 MARKS)

- a) Examine the managers role in leading the strategy implementation process (8 Marks)
- b) Evaluate the limitations of organizational change (6 Marks)
- c) Discuss the benefits of democratic style of leadership in an organization (6 Marks)