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**KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR**  
**SECOND YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE BACHELOR OF BUSINESS AND INFORMATION TECHNOLOGY**  
**KBA 2205 – BUSINESS PLANNING AND MANAGEMENT**

Date: 10<sup>TH</sup> December 2024  
Time: 2:30PM – 4:30PM

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

**THE COCA COLA COMPANY**

In 1886, John Pemberton Coca Cola founder, came up with a drink, Coca Cola, that was meant to replace alcohol. At the beginning, Coca Cola was considered as medicine to relieve headaches and provide energy. It was believed that the carbonated water was good for health and it was first sold in a pharmacy in Atlanta, Georgia. John Pemberton died in 1888 without realizing the success of the beverage he had created.

Asa Griggs Candler secured rights to the business and became the first president & CEO of the Coca Cola company. He gave the company a vision and a brand. Candler was a salesman who came up with a good marketing strategy introducing the product to the people everywhere as a drink. In 1895, Candler built the first Coca Cola factory in Chicago Dallas and Los Angeles. By 1900, the company was selling its products outside the country to England, Canada and Mexico. In 1916, the products arrived in France, Jamaica, Germany and Cuba. It is worth noting that the first Coca Cola bottling factory was built in the Middle East. In 1944 another factory was built in Egypt. Many more factories were opened in the mid – 20<sup>th</sup> century in Iraq and Saudi Arabia to produce Coca Cola drinks.

Today, Coca Cola is a global leader in the beverage industry. The company offers more than 500 products which include soft drinks, fruit juices, sport drinks and other beverages in over 200 countries worldwide. The target market for Coca Cola is all age groups, but it has a special focus on teenagers with their advertisements also targeting the family. Coca Cola has a large number of loyal and stable customers. The company has extended its life-cycle by developing more new products and ensuring the brand remains very visible to the consumers. Some of the strategies that the company has employed to keep improving sales include: Introduction of new products every now and then, e.g. bottled juices and water;

- A constant change in designs of both cans and bottles;
- Focused marketing during festive season such as Christmas;
- Introduction of different product sizes, e.g. smaller bottles for children and larger bottles for families;
- Functional casing for their canned soda;
- Additional flavours for their sodas, e.g. strawberry, lemon, cherry;
- Use of plastic bottles instead of glass bottles

**Required**

- a) Explain three strategies Coca-Cola used to penetrate the market and win trust of her customers (6 Marks)
- b) Using a diagram, Explain the business life cycle of Coca Cola Company. (6 Marks)
- c) Elaborate six lessons KWUST can learn from Coca Cola in KWUST attempt to penetrate Kenyan market countrywide (6 Marks)
- d) Discuss six methods used by Coca Cola industry to expand her base of royal customers. (6 Marks)
- e) Highlight six importance's of innovation and creativity as a way of expanding growth and maturity stage in business life cycle for rebirth stage of business (6 Marks)

**QUESTION TWO (20 MARKS)**

- a) Examine the advantages of planning to modern competitive firms. (8 Marks)
- b) Explain three factors to consider in the selection of business location. (6 Marks)
- c) Explain three Characteristics of a Business Plan (6 Marks)

**QUESTION THREE (20 MARKS)**

- a) “Discuss four relevant areas of manufacturing that are to be included in the product and services part of business plan? (8 Marks)
- b) Explain three roles of Board of Directors that should be highlighted in business plan. (6 Marks)
- c) Elaborate three sources of finances for a new business featured into the Business Plan document. (6 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Explain four importance of having a comprehensive and easy to understand business plan before launching of actual business (8 Marks)
- b) Explain three external environmental factors to consider in the business plan (6 Marks)
- c) Briefly discuss three challenges your firm is likely to face while preparing a business plan. (6 Marks)

**QUESTION FIVE (20 MARKS)**

- a) Discuss the various types of plans organizations adopt to achieve her objectives. (8 Marks)
- b) Suggest three factors which may hinder organizations from effective strategy implementation. (6 Marks)
- c) Briefly explain economic factors you may consider when preparing a business plan (6 Marks)