



GRETSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS MAY – AUGUST 2023 SEMESTER

BACHELOR OF COMMERCE

COURSE CODE: BCBA 403

COURSE TITLE: STRATEGIC MANAGEMENT

DATE: 31 JULY 2023

TIME: 11:30 AM – 2:30 PM

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **THREE** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: All exam rooms are under CCTV surveillance during the examination period.

SECTION A: COMPULSORY

QUESTION ONE

a) Kenya Power has issued a profit warning indicating that its net profit for the financial year ending June 2023 will be 25% lower than its profit for the previous year. The utility has attributed the expected profit slumb to the rapid depreciation of the Kenyan shilling against major global currencies which has raised sharply its obligations. About 90% of the company's loan book is dominated in foreign currency while about 60% of its power purchases are also in foreign currency. Kenya Power sunk into deep loss of kshs 1.14 billion for the 6 months to December 2022.

Required:

i) Assuming you have been appointed as the Chief Executive Officer in charge of Kenya Power for a period of 10 years, discuss four strategic decisions you can incorporate to reverse the loss situation the utility has been experiencing and make it a profitability venture as it once was

[8 Marks]

ii) Discuss the benefits strategic management in an Organisation like Kenya Power **[10 Marks]**

b) Amos has just graduated from Greta University together with his friend Moses. They intend to form a business and manage it as partners as opposed to looking for employment. Amos has approached you to assist him with crafting a Mission Statement for the business they intend to start in January 2024.

Required

i) Devise a good mission statement for the business Amos and Moses intend to start and the reasons for such a statement

[4 Marks]

ii) Explain any five items that have to be focused on or incorporated when developing a mission statement

[10 Marks]

c) Anock has a large manufacturing company based in India. He wishes to expand his business operations in a number of African Countries with Kenya being one of the identified destinations in Africa. Explain four factors he can consider in determining the attractiveness of the Kenyan Market which will be the basis of his final decision to invest in Kenya or not

[8 Marks]

SECTION B: ANSWER ANY THREE QUESTIONS

QUESTION TWO

a) Assuming DTB limited is the Tea Board Authority in Uganda. Tea grown in that country is collected and Marketed by DTB limited. Recently the Minister for Trade and Tourism in Uganda has brought forth a bill that seeks to decentralize the operations of the Tea Board Authority to be controlled by Tea factories themselves. Explain any five implications of such a move in the Country

[10 Marks]

b) Discuss four defensive strategies a firm can use

[10 Marks]

QUESTION THREE

- a) Bidcoli is a firm based in Eldoret. The management of the firm has organised a workshop for its staff in order to spell out the Key Performance Indicators the firm expects to be met by every staff of the firm. Explain any five objectives of incorporating the use of Key Performance Indicators in a firm **[10 Marks]**
- b) Elaborate on five principles of Management by Objectives way of running a firms operations **[10 Marks]**

QUESTION FOUR

- a) Using an Organisation of your choice discuss the three levels of strategies and the kind of decisions made in each of the three levels **[6 Marks]**
- b) Using the Organisation identified in a) above explain the four stages of evaluating the success of a strategy implemented by the firm **[8 Marks]**
- c) Discuss the three levels of planning in an Organisation **[6 Marks]**

QUESTION FIVE

- a) Discuss any five types of Expansion strategies a business can use to increase its Market share and profitability **[10 Marks]**
- b) You have been appointed as the Strategic Analysis Officer of Delonte limited based in Kitui. In order to grow the Organisation's Market share, you have appointed a tasks force designed to do internal analysis of the firm. Explain five approaches in which the appointed taskforce can use to undertake internal analysis of the firm **[10 Marks]**