PAN AFRICA CHRISTIAN UNIVERSITY

BACHELORS OF BUSINESS LEADERSHIP

END TERM EXAMINATION

CAMPUS: VALLEY ROAD

DEPARTMENT: BUSINESS

COURSE CODE: BUS3133|BCM401

COURSE TITLE: STRATEGIC MANAGEMENT

EXAM DATE: WEDNESDAY 7th DECEMBER 2016

Time: 17:30HRS-20:30HRS

INSTRUCTIONS

- ***Read all questions carefully before attempting.***
- ***Write your student number on the answer sheet provided***
- ***Answer FIVE questions out of the SIX Provided***
- ***Question ONE is Compulsory***

SECTION A: 40 MARKS

QUESTION ONE

a. Define the term strategic decisions (**2mks)**

b.The following is the mission statement of Procter & Gamble. **"Procter & Gamble will provide branded products and services of superior quality and value that improve the lives of the world's consumers. As a result, consumers will reward us with industry leadership in sales, profit and value creation, allowing our people, our shareholders, and the communities in which we live and work to prosper".** From the above mission statement identifythe presentmission statement components **(6mks)**

c. State **THREE**elements of strategic management process **(3mks)**

d. Highlight **FOUR** P's of strategy (**4mks**)

e. Stipulate**THREE** reasons why some organizations do not engage in strategic planning (**6mks**)

f.Deliberate**THREE** symptoms of an ineffective organizational structure **(6mks)**

g**.** Explain **THREE** characteristics of forward looking managers **(6mks)**

h.Describe **TWO** characteristics of a strategy evaluation system **(4mks)**

i. Mention **THREE** areas to inculcate values and an ethical culture of integrity in Kenya **(3mks)**

SECTION B: 60 MARKS: ANSWER FOUR QUESTIONS

QUESTION TWO

a. Discuss the significance of external analysis to a firm **(6mks)**

b. Distinguish strategy formulation and strategy implementation **(6mks)**

c. Specify **THREE**dangers of a formal strategy **(3mks)**

QUESTION THREE

Kate had some of her businesses in the category of the **"Problem child".** She approached you as a business consultant for some advice on the strategies she would use to move her businesses from the current category to the **"Stars".**

a**.**Explain the solutions you would give to her **(6mks)**

b**.**Describe**THREE** ways of achieving cost leadership strategy **(6mks)**

c. State reasons why an organization must have a clear vision statement **(3mks)**

QUESTION FOUR

a. Define the product life cycle model **(2mks)**

ii.Mention the stage **"Omo"**washing detergent isin the product life cycle **(2mks)**

iii**.** Explain **FOUR** indicators of the above mentioned stagewhich may be helpful to analyze the market**(8mks)**

b. Highlight**THREE**reasons why Strategy evaluation is becoming increasingly difficult (**3mks**)

QUESTION FIVE

One of the challenges of strategic management in the 21st century is deciding whether strategies should be visible or hidden from stakeholders.As the Chief Executive Officer of UboraCompany clearly explain;

a.Reasonswhy you would involve stakeholders in strategic planning **(6mks)**

b**.**Reasonsyou would not involve stakeholders in strategic planning **(6mks)**

c. Indicate **THREE** levels of strategy **(3mks)**

QUESTION SIX

a. Discuss**THREE** types of culture in organizations (**6mks)**

b. State**THREE**effects of Sub-cultures to organizational diversity (**3mks)**

c. Explain reasons why organizational culture is very important **(6mks)**