

**PAN AFRICA CHRISTIAN UNIVERSITY
EXAMINATIONS PAPER**



PAN AFRICA CHRISTIAN UNIVERSITY

BACHELOR OF BUSINESS INFORMATION TECHNOLOGY AND BACHELOR OF SCIENCE IN INFORMATION TECHNOLOGY

END OF SEMESTER EXAMINATION

DEPARTMENT: COMPUTING AND INFORMATION TECHNOLOGY

COURSE CODE: BSIT409 | BCM401 | BUS3133 | BIT408

CAMPUS: ONLINE

COURSE TITLE: STRATEGIC MANAGEMENT

EXAM DATE: FRIDAY, XXXX, DECEMBER, 2024

TIME: 5.30-8.30PM

INSTRUCTIONS

- This exam script has **TWO (2)** sections.
- Read all questions carefully before attempting.
- Answer All questions in Section **A** and any other **THREE** questions in Section **B**.
- None programmable calculators permitted
- Calculators on phones, tablets and computers are **NOT** permitted in Theory Papers

SECTION A

(Answer ALL questions in this section)

QUESTION 1

Read the case below and answer the following:

Luxury German car maker Mercedes Benz has been having a bad time of it recently. For many years the company's cars were considered to be a byword for quality and reliability but in the last few years Mercedes' famous three-pointed star has become a little tarnished in the eyes of many buyers. These days Mercedes lags behind arch-rival BMW in terms of sales and profits and some argue, image.

Its problems seem to stem from the tie-up between Mercedes' parent company, Daimler-Benz and America's Chrysler in 1998. The merger created the world's fifth biggest car manufacturer, employing 385,000 workers worldwide.

At that stage Chrysler was the struggling third place volume manufacturer in the US behind General Motors and Ford. By 2005, however, efforts to turn around Chrysler's fortunes seemed to be paying dividends as the company reported a 5 per cent annual increase in unit sales and a 10 per cent increase in revenues in its results for 2004.

Meanwhile Mercedes Benz's operating profits fell in 2004 on the back of poor sales of the luxury brand and restructuring costs at its Smart car division; the ultr-small 'citycar' division had failed to perform as expected since its launch in 1998.

Mercedes itself has been struggling with quality control problems on many of its vehicles and increasing numbers of its previously loyal customers have been moving to competitors such as Audi or BMW. In 2005, the company even had the embarrassment of having to issue the biggest product recall in its history, Problems with batteries, alternators and brakes on a number of models made since 2001 necessitated 1.3million cars having to be returned to dealers to be fixed. The move is likely to cost many millions of euros, hampering efforts to improve its product image, and hitting profits.

(Source material www.bbc.co.uk)

- a) Explain TWO sources of Mercedes' competitive advantage. **(2 Marks)**
- b) Explain Two causes of Mercedes recent problems in operations **(2 Marks)**
- c) Perform a swot analysis for Mercedes Benz above. **(4 Marks)**

- d) As a Strategic Consultant, Mercedes has approached you to resolve their product quality issues. Advice. **(2 Marks)**

SECTION B

(Answer any THREE (3) questions in this section)

QUESTION 2

- a) You are the marketing manager of a food products company that is considering entering the Indian market. The retail system in India tends to be very fragmented. Also, retailers and wholesalers tend to have long-term ties with Indian food companies; these ties make access to distribution channels difficult. Explain distribution strategy would you advise the company to pursue. **(4 Marks)**
- b) Assuming you are seconded by your CEO to work in a foreign country. Elucidate skills you will require to be effective as a global leader. **(6 Marks)**

QUESTION 3

- a) Discuss THREE micro environmental factors of Safaricom and how it has created competitive advantage to telecommunication industry. **(6 Marks)**
- b) Identify FOUR ways showing how companies may be affected by the natural environmental dictates. **(4 Marks)**

QUESTION 4

As a manager working for car manufacturing company you have been assigned the duty of ensuring the new model of car that you are planning to launch in the

next 6 months becomes a success. Analyze the car manufacturing industry using Porter's five forces framework. **(10 Marks)**

QUESTION 5

- a) List TWO opportunities and TWO threats that could represent key factors facing your college or university. **(4 Marks)**
- b) Using a computer system manufacturing company of your choice explain the support functions in its value chain analysis. **(6 Marks)**

QUESTION 6

- a) 'Differentiation is a preferred choice by a few companies'; in the light of the above statement explain how a company can achieve differentiation with a suitable example. **(4 Marks)**
- b) A baby product company plans to increase the sale of the current products in current market. Outline FOUR strategic options that are available to the company. **(4 Marks)**
- c) State TWO factors which should be considered by a firm for choosing strategy in a declining Industry. **(2 Marks)**

End of Exam