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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2020/2021 ACADEMIC YEAR FOUR**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 462**

**COURSE TITLE: STRATEGIC MANAGEMENT**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 06/04/2021 TIME: 09.00-11.00 AM**

**INSTRUCTION TO CANDIDATES**

* **The examination has FIVE (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR (4) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of TWO (2) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

Pendo Communication Limited (PCL) is a leading network operator that was incorporated in Kenya in the year 2003 to primarily provide mobile telephone services. The company was established by a group of private entrepreneurs who pooled their resources to fulfil the unmet communications needs in the country. Its headquarter is located in Nakuru County.

The employment policy at PCL emphasized on the need to uphold employee diversity. The policy recognizes that each individual employee is unique and therefore provides for individual differences in all employee – related matters. This is well inculcated in the company’s culture.

Relative to its, PCL is also very popular owing to its stance on corporate social responsibility and business ethics. According to the Strategy Management at PCL, “the company recognizes the legitimate rights of its stakeholders. These include not only the shareholders and employees but also the outsiders affected by the firm’s actions”.

In recent interview with one of the television stations, the Chief Executive Officer at PCL hinted that the company will soon be venturing into strategies of diversification. This way, it will be well placed to diversify into other markets, products and services. In an effort to further address the threats posed, the management contracted a consultant whose terms of reference were to recommend the most appropriate strategies to ensure the company’s survival in the changing circumstances.

1. Outline five benefits that may be associated with the employment policy adopted by PCL

(10marks)

1. Explain five negative consequences of PCL’s stand on corporate social responsibility

(10marks)

1. Suggest five ways in which PCL may benefits from implementing the strategic option hinted by the company’s Chief Executive Officer (10 marks)

**QUESTION TWO**

1. Explain **five** circumstances under which the suppliers may have a stronger bargaining power (10marks)
2. Discuss **five** elements that need to be deliberated upon by managers when formulating the strategy of a firm (10marks)

**QUESTION THREE**

1. Discuss the steps of strategy formulation (10marks)
2. The implementation process of the strategic plan requires effective monitoring. Explain the significance of monitoring the implementation plan (10 marks)

**QUESTION FOUR**

1. Discuss how Porter’s **five** forces model help managers to identify the opportunities and threats confronting an organization (10marks)
2. Zigizigi Limited, a newly established firm, is in the process of formulating its mission statement. Explain **five** types of information that should be included in the statement (10marks)

**QUESTION FIVE**

1. Discuss **five** reasons that make it necessary for a manager to have clear understanding of the business environment in which a company operates (10marks)
2. Explain **five** factors that determine the strategies adopted by an organization (10marks)