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**University Examinations 2015/2016**

FIRST YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF

MASTER OF

BUSINESS ADMINISTRATION

**BFA 5179: STRATEGIC MANAGEMENT**

**DATE: AUGUST 2016 TIME: 3 HOURS**

**INSTRUCTIONS:** *Answer question* ***one*** *and any other* ***three***questions.

**QUESTION ONE (24 MARKS)**

**Study the case and answer the questions that follow:**

**Resource Based View of a Firm**

Organizations should look inside the company to find the sources of competitive advantage instead of looking at the competitive environment for it.

According to RBV proponents, it is much more feasible to exploit external opportunities using existing resources in a new way rather than trying to acquire new skills for each different opportunity. Resources could either be tangible or intangible.

Intangible resources are those that have no physical presence but can still be owned by the company. Brand reputation, Trademarks and intellectual property are intangible assets.

Two critical assumptions of RBV are that resources must be heterogeneous and immobile. If organizations could have the same amount and mix of resources, they could not employ different strategies to out compete each other. What one company would do, the other could simply follow and no competitive advantage would be achieved.

When resources are immobile, at least in the short-run companies cannot replicate rival’s resources and implement the same strategies. Socially complex resources and capabilities, reputation, friendship, team work and culture may not be patentable but are much more difficult to copy. Hewlett Packard (HP) has a powerful and enabling culture. It has used this kind of resource to enhance the compatibility of its products, thus enhancing its market share.

1. Identify and discuss socially complex resources in an organization and how they can lead to a sustainable competitive advantage. (12 marks)
2. Discuss the concept of resource based view of (RBV) of a firm, and its relevance in strategic management (12 marks)

**QUESTION TWO (12 MARKS)**

Using Porter’s Five Forces Model of industry competition, explain how industry structure can influence industry profitability (12 marks)

**QUESTION THREE (12 MARKS)**

1. Explain why firms need to understand their distinctive competences during strategy formulation (6 marks)
2. “Change management determines the success of strategy implementation.” Explain (6 marks)

**QUESTION FOUR (12 MARKS)**

Citing an industry of your choice, discuss critical success factors and how they have influenced strategic planning of the firms in the industry. (12 marks)

**QUESTION FIVE (12 MARKS)**

Discuss the concept of balanced sore card, and its relevance in strategy implementation (12 marks)