

**KABARAK**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**2011/2012 ACADEMIC YEAR**

**FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION**

**SMGT 520: STRATEGIC MANAGEMENT**

**DAY: SATURDAY**

**DATE: 17/12/2011**

**TIME: 4.00 – 7.00 P.M.**

**STREAM: SEM 2**

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**INSTRUCTIONS:**

- Answer Question ONE(compulsory)and any other TWO questions

**Question One: (Compulsory)**

ABC company ltd actively started its business operations 5 years ago. For the first 3 years of its operations, the company performed progressively well in the areas of profit, general growth and cost management. However, the last 2 years have been characterized with wanting performance. Profit has been dwindling, operational, transaction and administrative costs have been systematically rising. Further there have been complaints by customers on the issues of product quality and customer service. There is general customer dissatisfaction leading to low retention levels.

You have been hired as a consultant to advice management on the way forward.

**Required:**

Explain possible ways the company can pursue to enable the organization achieve its:

- a) Cost leadership goals (10 marks)
- b) Differentiation goals (10 marks)

**Question two**

- a) Explain the difference between the core competence and distinctive competence. (5 marks)

- b) How can a firm utilize its core competence to develop and nurture a sustainable competitive advantage? (10 marks)

### **Question three**

During a workshop of the senior managers of one of the key state corporations one manager was heard commenting that “strategic formulation is only appropriate for the private sector organizations”

Do you agree? Explain with appropriate examples. (15 marks)

### **Question four**

Explain how each of the following portfolio analysis approach can be used to aid in choosing strategy.

- a) BCG- Market share/ market growth model (7.5 marks)  
b) Ansoffs vector ( product market) matrix (7.5 marks)

### **Question five**

Towards facilitating smooth and effective strategy implementation, different approaches are used

- a) State any three of these approaches (3 marks)  
b) Explain why and how each of the stated approaches is important in the strategy implementation process. (12 marks)