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MAIN EXAMS



**MASINDE MULIRO UNIVERSITY OF  
SCIENCE AND TECHNOLOGY  
(MMUST)**

MAIN CAMPUS

**UNIVERSITY EXAMINATIONS  
2021/2022 ACADEMIC YEAR**

**FIRST YEAR, SECOND SEMESTER EXAMINATIONS  
FOR THE DEGREE  
OF**

**B.Sc. HOSPITALITY AND INSTITUTIONAL MANAGEMENT  
(MAIN EXAMINATION)**

**COURSE CODE: BHM 409**

**COURSE TITLE: STRATEGIC MANAGEMENT**

**DATE: 29/04/2022**

**TIME:: 8.00AM - 10.00AM**

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**INSTRUCTIONS TO CANDIDATES**

**Answer all questions in SECTION A and B**

**Answer two questions from section C.**

**MMUST observes ZERO tolerance to examination Cheating**  
*This paper consists five printed Pages. Please Turn Over*

## MAIN EXAMS

### SECTION A: Answer all questions (10 MARKS)

- 1) Strategy can be best defined as:
  - A. A process by which managers create, direct, maintain and operate purposive organizations
  - B. A central directing agency required for integrating the efforts of members of a group.
  - C. A common thread related to the organization's activities derived from the policies, objectives and goals.
  - D. All of the above.
- 2) The Business policy of an organization is influenced by various interrelated and interacting, factors. Which of the following is an internal factor?
  - A. Management values
  - B. Objectives
  - C. Mission
  - D. All of the above
- 3) Which of the following statements represents the description of a vision in strategic formulation.
  - A. It is a descriptive image of what a company wants to be or want to be known for
  - B. A vision is a statement for where the organization is heading over the next few years.
  - C. It defines the basic reason for their existence
  - D. All of the above.
- 4) Which of the following is a feature of a business objective?
  - A. Present time oriented
  - B. Future oriented
  - C. Complicated
  - D. Not time bound
- 5) The following statements represent the essence of environmental scanning **EXCEPT**:
  - A. Prime Influence
  - B. To understand profitability
  - C. Time for adjustment
  - D. Early Warning system
- 6) The following are strategic options based on degree of risk involved **EXCEPT**:
  - A. High risk strategic alternatives
  - B. Low risk strategic alternatives
  - C. Long term risk strategic alternatives

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- D. Moderate risk strategic alternatives
- 7) Which of the following statements represents the function of corporate culture in an organization?
- A. Increases demands management during strategy implementation
  - B. It communicates the company's objectives to the employees
  - C. Conveys a sense of identity for employees
  - D. It is applied in evaluation of employee's performance.
- 8) One of the following statements is **NOT** a strategy that the human resource manager can apply to improve quality of work life. Which one?
- A. Introducing participative problem solving.
  - B. Increasing salaries
  - C. Restructuring work
  - D. Introducing innovative reward system
- 9) The following variables are parts of a market mix **EXCEPT**:
- A. Promotion
  - B. Price
  - C. Preference
  - D. Place
- 10) Which of the following statements explain the importance of financial strategy to a hospitality enterprise?
- A. It is a component of the marketing strategy.
  - B. It attempts to maximize the financial value of a firm
  - C. It controls the inflation rate
  - D. None of the above

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### SECTION B: Answer all questions (30 MARKS)

- 11) The term "Strategic Management" is gaining importance in the era of privatization, globalization and liberalization. Highlight **THREE** functions of strategic management in a hospitality enterprise. (6 Marks)
- 12). The management of Kimo Hotels are in the process of formulating their strategic plan and have you as a consultant to assist in the process. Outline to them the **SIX** steps of strategy formulation. (6 Marks)
- 13) Distinguish between vision and mission with examples relevant to the hospitality industry. (6 Marks)
- 14) According to Wheeler "Business Environment is the total of all things external to firms and individuals, which affect their organization and operations". Identify **SIX** factors of internal environment, which affect a hospitality enterprise. (6 Marks)
- 15) The directors of Peponi resorts are ready to expand into the international hospitality market. Analyze **THREE** strategies that they can use to enter and compete in the international environment. (6 Marks)

## MAIN EXAMS

### SECTION C: Answer question 16 and any other one question. (30 MARKS)

- 16) The Following your three months industrial attachment, you are required to carry out a SWOT analysis for your host establishment.
- i. Elaborate on the acronym 'SWOT' (5 Marks)
  - ii. For each of the parameters in i. above list at least **TWO** characteristics of the establishment. (4 Marks)
  - iii. State **THREE** reasons why it is important for the establishment to carry out a SWOT analysis. (6 Marks)
- 17) The Distinguish between the following strategic options by giving examples in the context of the hospitality industry:
- i. Vertical Integration and Horizontal expansion (5 Marks)
  - ii. Liquidation and disinvestment (5 Marks)
  - iii. Mergers and Joint ventures (5 Marks)
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- 18) The Director of Pink Pot Café is formulating marketing strategies for her café. Her main objective is to gain competitive advantage in a crowded market.
- i. Define the term competitive advantage (1 Mark)
  - ii. Discuss **FOUR** types of competition in the market (8 Marks)
  - iii. For **THREE** of the competitions identified above, describe the possible strategic alternative to have sustainable competitive. (6 Marks)

