



(The University of Choice)

**MASINDEMULIROUNIVERSITY OF SCIENCE
AND TECHNOLOGY (MMUST)**

MAIN

**UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR**

FIRST YEAR SECOND SEMESTER EXAMINATIONS

**FOR THE DEGREE
OF**

MASTERS OF BUSINESS AND ADMINISTRATION (MBA)

COURSE CODE: MBA 811/HRM 823

**COURSE TITLE: STRATEGIC MANAGEMENT/BUSINESS
POLICY**

DATE: WEDNESDAY, 12TH APRIL 2023 TIME: 2:00-5:00PM

INSTRUCTIONS TO CANDIDATES

- Section A is compulsory. Attempt any three questions in section B

TIME: 3 HOURS

This Paper Consists of 3 Printed Pages. Please Turn Over 

PART A: COMPULSORY

Mwalimu plc was founded in the early 2000s by two brothers. As employees in their father's home-decorating business they become aware of the opportunities available in the growing home improvement and DIY ('do-it-yourself') markets. Spotting a gap in the middle-price range of the market for bathroom and kitchen fittings, they set up a company to manufacture these items. The demand for their products outstripped their ability to supply, and they expanded rapidly. Most of these expansions were financed by retained earnings but, as they happened to be located in an area of economic decline, they qualified for a state grant towards the cost of the new premises.

By 2010 Mwalimu plc had organized itself around eight operating companies covering the different product and sales activities of the group. Some of these sold directly to housing developers, some to major retail DIY multiples and one of the companies coordinated the groups export operations.

Each company had its own independent board of directors on which the brothers sat with one vote each. The brothers could be out-voted and in fact has been at various times in the past. The senior management believed in decentralization, arguing that it promoted enterprise and that it was easier for small companies to grow than for larger ones to do so.

Mwalimu plc has invested heavily in new technology, automating processes whenever possible. It has developed good relationship with its supplies and developed Just-in-time purchasing and production systems. It is also able to deliver its products within 48hours of orders being placed. It has progressive human resource management policies in place.

At the present time the company has no new products coming on-stream and its research and development function is tiny and confines itself to modifying existing products for what is a difficult overseas market.

The environment in which the company operates is currently very difficult. Economics recession in the early 1990s and the housing market which continues to remain stagnant are causes of concern.

This case has been prepared for the purposes of the exam and the fact of the case does nit represent the reality.

Required

Question One

- a). Identify the key issues involved in formulating the corporate strategy of a company such as Mwalimu Ltd (8 marks).
- b). How would you go about setting the business strategy of various operating companies within the Mwalimu group (10 marks).
- c) In what ways might the strategies of the organizational functions within each of the operating companies contribute to the overall strategy (7marks).

Part B

Question Two

a). The following is an extract from “The Bank” mission statement

“Our policy is to outperform our competitors in satisfying the agreed present and future needs of our customers for goods and services by continuous improvement, harnessing the skills of all our men”.

i) What in strategy terms are the implications of this statement (7 marks?)

ii) A good mission statement has four elements. Discuss the above statement in line with these elements (8 marks)

b). Do you think a business organization in today’s society benefits by defining a socially responsible role for itself? Why and why not (10 marks).

Question Three

a). According to Michael Porter, it is important for a firm to carry out industry analysis. Why is this analysis important and what forces influence the state of competition in the industry. (15 marks).

b) As a strategy consultant, you have been approached by the management of a leading firm to advise them on whether to concentrate on one source of competitive advantage (cost versus differentiation versus speed versus focus) or to nurture all four in a firm’s operations. Generate a report advising them (10 marks).

Question Four

a). According to the SWOT Matrix there are four general strategic directions the organization should take. Discuss them showing when each strategic direction is appropriate. (10 marks).

b). Public organisations in our country have been performing poorly due to mismanagement. A management consultant has proposed the use of turnaround strategy to save these firms but the management disagrees arguing that what they need is a diversification strategy. What do you understand by these two strategies and when is it appropriate to apply each (10 marks).

Question Five

b). The Director of Cosmetics Company has asked you to undertake a competitor’s analysis. Outline the content and structure of such analysis. Illustrate the relevance of each aspect of the analysis in informing strategic decisions. (15 marks)

a) The agency problem has been identified and one of the problem facing organisation. Explain what you understand by this problem and how it can be resolved ? (10 marks).