



KIBABII UNIVERSITY COLLEGE (KIBUCO)

MAIN CAMPUS

**UNIVERSITY EXAMINATIONS
2014 /2015 ACADEMIC YEAR**

THIRD YEAR FIRST SEMESTER EXAMINATIONS

MAIN EXAMINATION

MASTERS DEGREE

IN

HUMAN RESOURCE MANAGEMENT

COURSE CODE: HRM 823

COURSE TITLE: BUSINESS POLICY

DATE: DECEMBER, 2014

TIME:

INSTRUCTIONS TO CANDIDATES:

Answer Question ONE and any other Two Questions

TIME: 2 Hours

QUESTION ONE

Read the case study below and answer the questions that follow

Matofali Ltd is a medium sized Company involved in the transport business. It has several buses plying the major roads of the country of late; it has lost its market share to competitors. Its future is threatened since new entrants are getting a large chunk of its market share. The management Accountant, on analyzing trends in financial returns suggests that the firm ought to have a formal strategic plan, one that will guide it overtime. To him, a good top down formal strategic plan will help the firm focus its pursuits.

This view is however opposed by a consultant, hired to advice the firm. To Mrs. Msema Kweli, the consultant, the firm ought to identify its skills, resources and capabilities and come up with a strategy that can give it a competitive advantage that is sustainable. To her, the formal strategic planning is a waste of time.

Required

- a) Explain the draw backs and benefits of Matofali Ltd. embracing, informal strategic planning that is top down in nature as suggested by the management accountant. (15 marks)
- b) Build a case to support Mrs. Msema Kweli's view on the need to look inside out when seeking sustainable competitive advantage (10 marks)
- c) Outline five characteristics that the resources and capabilities suggested by Mrs. Msema Kweli should have for the competitive advantage to last (5 marks)

QUESTION TWO

- a) With suitable examples, explain the role of the manager in the strategic management process. (10 marks)
- b) Discuss the key elements of a mission statement (5 marks)

QUESTION THREE

- a) Discuss the benefits of a business engaging in corporate social responsibility activities (10 marks)
- b) Explain any five factors in the remote organizational environment that should be considered in formal strategic planning (5 marks)

QUESTION FOUR

- a) Choose an industry you would wish to compete in. using Michael Porter's five forces model, explain what makes that industry attractive to you. (10 marks)
- b) Examine the role of controls in strategic management (5 marks)

QUESTION FIVE

- a) Explain how culture can be utilized in ensuring successful strategy implementation (8 marks)
- b) Briefly explain the key ideas in the planning school of strategy as advances by Mintzberg, Ahlastrand and Lampel (7 marks)