MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF AGRICULTURAL SCIENCES

DEPARTMENT OF AGRIBUSINESS MANAGEMENT

FIRST YEAR FIRST SEMESTER EXAMINATION FOR
MASTER OF SCIENCE IN AGRIBUSINESS MANAGEMENT

AGB 806: STRATEGIC MANAGEMENT IN AGRIBUSINESS

DATE: 19/6/2019 **TIME: 10:00 – 1:00 PM**

INSTRUCTIONS: Answer Question ONE and any other TWO questions.

QUESTION ONE (20 MARKS)

a) Kenya Breweries Ltd. intends to undertake strategic analysis to gauge how it is fairing on in the industry with a view to strategizing on its business survival:

i) Explain the term strategic analysis (1 mark)

ii) Differentiate between internal analysis and external analysis. (2 marks)

iii) Discuss the **TWO (2)** approaches that Kenya Breweries Ltd. will use in its internal analysis (5 marks)

b) Explain the differences between strategic objectives and operational objectives. (6 marks)

c) Describe how the balanced scorecard is applied as a tool for measuring performance in strategic planning in agribusiness industry. (6 marks)

QUESTION TWO (20 MARKS)

a) Michael Porter (1979) developed what in business is referred to as "Porter's Five Forces of Competitive Position Analysis", thereby culminating in the Porter's Five Competitive Forces Theory/Framework:

i) Explain the principles on which the Porter's Five Competitive Forces Theory/Framework is based. (6 marks)

ii) Discuss the Porter's five competitive forces framework citing agribusiness related examples. (8 marks)

b) Discuss value chain analysis as a strategic analysis tool. (6 marks)

QUESTION THREE (20 MARKS)

a) Every firm or organization desires to achieve both sustainable competitive advantage and comparative advantage.

i) Differentiate between competitive advantage and comparative advantage (2 marks)
ii) Explain the principle behind sustainable competitive advantage. (3 marks)
iii) Describe **SEVEN (7)** methods in which sustainable competitive advantage can be achieved (7 marks)

b) Discuss the hierarchical levels of strategy citing examples relevant to agribusiness (8 marks)

QUESTION FOUR (20 MARKS)

a) Del Monte Ltd. is convinced that it is facing tough competition in the industry due to the presence of fake products in the market and wishes to make strategy choices at both corporate and business levels through application of the appropriate business models.

i) Explain the need for models and/or theories in strategic management. (4 marks)
ii) Discuss the application of the Growth-Share Matrix or Boston Consulting Group (BCG) Model in corporate level strategy analysis clearly indicating the strategy choices therein. (10 marks)

b) Explain the similarities and differences between the Boston Consulting Group (BCG) Model and the Market Attractiveness-Business Strength Matrix or General Electric (GE) Model as applied in corporate level strategy analysis in agribusiness. (4 marks)

c) Outline the steps involved in strategy evaluation and control. (2 marks)

QUESTION FIVE (20 MARKS)

a) Discuss the integration strategy as a grand expansion strategy, citing relevant agribusiness case studies. (6 marks)

b) Explain the pros and cons for each of the category of integration strategy. (4 marks)

c) Strategy implementation is the most rigorous and demanding part of the entire strategic management process.

i) Explain the basic activities in strategy implementation. (3 marks)
ii) Discuss the McKinsey 7s Framework as a strategic planning tool in effective implementation of strategy. (7 marks)