MACHAKOS UNIVERSITY

University Examinations for 2016/2017 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ENTREPRENEURSHIP AND MANAGEMENT SCIENCES

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR DEGREE IN

BACHELOR OF COMMERCE

BBA 400: BUSINESS POLICY AND DECISIONS

DATE: 29/5/2017 **TIME: 2 HOURS**

INSTRUCTIONS:

Answer Question One and Any Other Two Questions

QUESTION ONE (COMPULSORY) (30 MARKS)

a) Define the following terms:

i Goals

ii Objectives

iii Policies

iv Procedures

v Budgets (10 marks)

b) With the aid of a well labeled diagram, explain Michael Porter's five force model of industry analysis indicating the significance of each force. (15 marks)

c) A company has to act selflessly to be considered socially responsible. When building a new plant, a corporation decided to voluntarily invest in additional equipment that enabled it to reduce its pollution emissions beyond any current laws. Knowing that it would be very expensive for its competitors to do the same, the firm lobbied the government to make pollution regulations more restrictive on the entire industry. Is this company socially responsible? Are its managers acting ethically? Discuss. (5 marks)

QUESTION TWO (20 MARKS)

a) What is Environmental Scanning? (4 marks)

b) In undertaking environmental scanning, strategic managers must first be aware of the many variables within a corporation's natural, societal, and task environments. Explain any eight variables in the societal environment and how they would affect the well-being of the corporation. (16 marks)

QUESTION THREE (20 MARKS)

(a) Define "Strategy" and quote at least two (2) authors to back your definitions. (4 marks)

(b) State and explain four approaches to Strategy formulation in an organization. (8 marks)

(c) Why is strategy implementation so vital in an organization? Explain fully what is involved in strategy implementation. (8 marks)

QUESTION FOUR (20 MARKS)

(a) Distinguish between a Policy and a strategy. (8 marks)

(b) Identify and explain the different levels of strategy indicating the significance of each. (12 marks)

QUESTION FIVE (20 MARKS)

(a) The CEO is the most important strategist who is responsible for all aspects of strategic Management. Explain fully the Role of the CEO indicating why this strategist's role is so crucial in an organization. (10 marks)

(b) Assume you are the CEO of BEF Ltd and you have formulated and implemented a growth Strategy. Explain how you would go about evaluating the strategy. (10 marks)