# MACHAKOS UNIVERSITY

**University Examinations for 2019/2020 Academic Year**

**SCHOOL OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**FOURTH YEAR FIRST SEMESTER EXAMINATION FOR**

**BACHELOR OF COMMERCE**

**BBA 400: BUSINESS POLICY AND DECISIONS**

**DATE: 2/12/2019** **TIME: 8.30-10.30 AM**

**INSTRUCTIONS:**

**Answer Question ONE and any other TWO Questions.**

**QUESTION ONE (30 MARKS)**

**Delis Limited, a** registered company dealing in importation and selling of second hand vehicles, commenced its operations in 2007. The company enjoyed a big customer base with all major parastatals buying from them. However in 2011, a law came into force prohibiting state corporations from buying used cars. At the same time, more firms entered the lucrative market leading to stiff completion and constant price wars within the industry. Delis is now unable to operate profitably due to increased operating costs and competition.

a) In the light of the above discuss Five grand strategies that can be applied by the company in such a situation (10 marks)

b) Using a relevant illustration, explain the features of the growth stage a product life cycle. (10 marks)

c) Briefly discuss three levels of strategy (10 marks)

**QUESTION TWO (20 MARKS)**

a) Briefly discuss the components of a firm's internal environment (10 marks)

b) The process of strategy formulation is a process comprising of a series of some specific activities. Discuss (10 marks)

## QUESTION THREE (20 MARKS)

a) **Michael Porters**came up with some generic strategies that can be adopted by a firm to help acquire competitive advantage. Discuss these generic strategies (12 marks)

b) State and explain the qualities of good organizational objectives (8 marks)

## QUESTION FOUR (20 MARKS)

a) Using relevant illustrations, discuss the strategy implementation process (12 marks)

b) With the use of relevant examples discuss three types of leadership styles (8 marks)

## QUESTION FIVE (20 MARKS)

a) Briefly discuss the contents of mission statement (10 marks)

b) Discuss major activities which take place during the introduction stage in the product life cycle (10 marks)