



# The Co-operative University of Kenya

## EXAMINATION FOR THE DEGREE OF BACHELOR OF CO-OPERATIVE

### BUSINESS (YR III SEM I)

#### UNIT CODE: HCOB 2304

#### UNIT TITLE: BUSINESS POLICY AND STRATEGIC PLANNING

**DATE: 8<sup>TH</sup> APRIL, 2019**

**TIME: 9:00 AM – 11:00 AM**

#### **INSTRUCTIONS:**

- Answer question **ONE (compulsory)** and any other **TWO** questions

#### **QUESTION ONE**

Read the following extract and answer the questions that follow:

You have landed your first job as a business development person at Vodafone. Your first assignment consists in examining the attractiveness of developing a mobile payment system for the market of Kenya. In such a system, mobile phone users send SMS messages to their provider. However, you realize that the company's mission, and vision statements are misplaced them strategically through you face resistance from employees that their level of motivation is low. In addition, you realize that Vodafone Company is a market follower and your intention is to turn around the situation and make it into a vibrant leader market brand. One area where the management is proposing is corporate social responsibility. However, the finance director of the company has financial and management issues with the outline CSR strategies lined up by the management. As a business strategist.

- a) Differentiate between a vision and mission statements, highlighting their features. (8 marks)
- b) Identify various CSR issues of an organization and show how the business can handle the conflict arising between here and various publics. (10 marks)
- c) You have been appointed as the team leader to oversee the above project. Explain various ways by which you can motivate the employees. (12 marks)

#### **QUESTION TWO**

- a) The management of a successful medium-sized company in Kenya decides to put in place a Board of Directors to run the firm. As the firm's strategic planner, your services have been requested to identify and explain any five responsibilities of the BOD. (10 marks)
- b) The strategies think that there are two main reasons why a strategic plan fails. By drawing from appropriate examples, briefly explain five reasons why strategic planning fails to deliver desired results? (10 marks)

### **QUESTION THREE**

- a) Companies have used centralized structures. However the current organizational trends are to change them in t learn, flatter, decentralized structures. Describe briefly some of the changes taking place in the organization to suit the current trends. (10 marks)
- b) Firms fundamentally differ in ways in the possesses a unique “ bundle” of resources that can be used a source of competitive advantage. Explain five factors that make a resource of a firm valuable. (10 marks)

### **QUESTION FOUR**

- a) Conduct an in-depth PESTEL analysis for an organization with which you are familiar. (12 marks)
- b) Using the PESREL analysis in part (a) suggest corporate and business strategies to address the identified challenges and opportunities. (8 marks)

### **QUESTION FIVE**

- a) Conceptually, strategy of a firm consists of two inseparably parts: business strategy and corporate strategy. Distinguish between business strategy and corporate strategy briefly giving their salient characteristics. (8 marks)
- b) Discuss porter’s five forces model and show how it may affect competitiveness of a company. (12 marks)