UNIVERSITY EXAMINATIONS: 2025/2026

EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE IN INFORMATION TECHNOLOGY

BIT /BSIT 301

BCOM

BBL

BIT408|BSIT409|BCM400|BUS3133 STRATEGIC MANAGEMENT

END TERM EXAMINATION

DATE: THURSDAY, 8.00-11.00AM **TIME: 2 HOURS**

INSTRUCTIONS: Question One is Compulsory, Choose Three Other Questions

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SECTION A (COMPULSORY)

QUESTION ONE (15 Marks) Compulsory

Read the case below and answer the following:

POWERSTEP LIMITED

Powerstep was founded in the early 2000s and is now recognized as one of the most famous global manufacturers of sports products. Powerstep is developing its products to serve customers' needs at best possible level. Powerstep works on its products by incorporating new fashion trends and technology and making them more sport-specific.

The Marketing Mix of Powerstep include **Product:** This product that Powerstep markets under its various labels, such as energy boost, running, football training, tropical heat wear, etc. **Place:** This is a place where these products primarily sell out depending upon the developed region. **Price:** Powerstep is aggressive in promoting prices to enjoy a competitive position. In this area, Powerstep believes the price will be dictated by the market's demand, not its shortages or excesses. In 2014 when Powerstep began pricing shoes at $12 vs. Nike at $15, Shoe sales went down, but once set price, they stayed the same, becoming more attractive to prospective buyers versus new entrants with their much lower prices. **Promotion:** This refers to the strategies of Powerstep for attracting consumers to purchase its products, whether it is competition, direct marketing campaigns, or social media messaging and advertising.

The corporate level strategy of Powerstep focuses on innovation, trying to produce new products, services, and processes to cope with the competition. The group's multi-brand portfolio gives them an important competitive advantage. They implemented a multi-brand strategy by having a diverse brand portfolio, allowing them to cater to all market segments, from players to almost everyone.

The past year has witnessed the growing popularity of Instagram Reels with millennials and Gen-Z audiences. Thus, harnessing the popularity & impact of Instagram Reels was the approach to creating visually appealing and stirring content that drove product heat and led the campaign story #OpenForum.

a) Distinguish between core competencies and competitive advantage. **(2 Marks)**

b) Describe the type of corporate strategy employed at Powerstep Limited**. (1 Mark)**

c) As a strategic consultant you have been appointed to help the company carry out a SWOT analysis. Discuss two factors under each area of the analysis. **(8 Marks**

d) Perform TOWS analysis using the factors in (c) above**. (4 Marks)**

SECTION B

(ANSWER ANY THREE (3) QUESTIONS IN THIS SECTION)

QUESTION TWO (15 marks)

a) "Goals are general in nature while objectives are specific". Explain using suitable examples. **(6 Marks)**

b) Highlight THREE roles of a mission statement of a company. **(3 Marks)**

Nike: **Mission**: *Create groundbreaking sports innovations, make our products sustainable, build a creative and diverse global team, and make a positive impact in communities where we live and work*

c) Explain THREE questions that the above mission statement can answer about Nike's stakeholders. **(6 Marks)**

QUESTION THREE (15 marks)

a) X is a large logistics (parcel delivery) company. As part of its strategic planning process, X has identified several factors in its business environment that seem to be important. Discuss each factor according to PESTEL analysis.

   i. There is increasing pressure on the logistics industry to minimise its carbon footprint. **(2 marks)**

   ii. The government is planning a change to employment law, to prevent drivers working more than ten hours in any 24-hour period. **(2 marks)**

   iii. The use of Global Positioning Systems (GPS) and smartphones are now becoming an industry threshold competence. **(2 marks)**

   iv. The current government is unpopular with voters, and there may be an election soon. X is unsure of the impact this would have on their business. **(2 marks)**

   v. Fuel price inflation is influencing the decision to increase service charges. **(2 marks)**

b) Identify FIVE major trends in the firm's technological environments. **(5 marks)**

QUESTION FOUR (15 marks)

a) The corporate level strategy is formulated by the top management for the use by the overall corporation. Highlight three strategic alternatives that are employed at this level. **(3 marks)**

b) Explain FOUR reasons for organisations pursing diversification strategies related or Unrelated. **(8 marks)**

c) Distinguish between Vertical and Horizontal Integration with examples. **(4 marks)**

QUESTION FIVE (15 marks)

a) In the context of Kenya, discuss how an organization can use the Boston Consulting Group matrix in the formulation of strategy. **(10 marks)**

b) Highlights FIVE roles that strategic leaders perform while implementation of strategies within organizations. **(5 marks)**

QUESTION SIX (15 marks)

a) Highlight TWO methods organizations can continually improve themselves as strategic control measures. **(2 marks)**
b) Explain with examples, how a firm could employ the concept of balanced score card in strategic evaluation. **(8 marks)**
c) Companies must continually examine the value they create in order to retain their competitive advantage.

With reference to the above statement, assess the roles of the five components of the primary activities in the value chain model. **(5 marks)**