THE CO-OPERATIVE UNIVERSITY OF KENYA

END OF SEMESTER EXAMINATION DECEMBER -2022

EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE

UNIT CODE: BMGT 3116

UNIT TITLE: BUSINESS POLICY AND SRATEGIC PLANNING

DATE: TUESDAY, 13TH DECEMBER, 2022

TIME: 9:00 AM – 11:00 AM

INSTRUCTIONS:

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

QUESTION ONE

a) Differentiate between Business policy and Strategic planning (4 marks)

b) Differentiate between Strategic plan and Strategic management (4 marks)

c) State any FOUR sources of a policy (4 marks)

d) Discuss any five importance of business policy. (10 marks)

e) Explain any four Features of Business Policy. (8 marks)

QUESTION TWO

a) Discuss any six external environmental factors that influence the performance of business. (12 marks)

b) Explain any four reasons why organisations indulge in corporate social responsibility (CSR) in an organization. (8 marks)

QUESTION THREE

a) Explain Micheal Porter five forces of industry analysis model (10 marks)

b) Ogongo is planning to improve on his business to be successful and has realized that you are an expert in business policy and strategic planning. The main concern is on how to conduct his business as per self-knowledge moral standard. Give advice to Ogongo by listing down some significant ethical principles to be followed by a successful business. (10 marks)

QUESTION FOUR

a) Differentiate between strategy formulation and strategy implementation. (8 marks)

DP is the Indian's premier Public Service Broadcaster with more than 1,000 transmitters covering 90% of the country's population across estimated 70 million homes. It has more than 20,000 employees managing its metro and regional channels. Recent years have seen growing competition from many private channels numbering more than 65, and the cable and satellite operators (C&S). The C & S) network reaches nearly 30 million homes and is growing at a very fast rate. DP's business model is based on selling half-hour slots of commercial time to the programmes producers and charging them a minimum guarantee for instance, the present tariff for the first 20 episodes of a program is Rs 30 lakhs plus the cost of production of the programme. In exchange the procedures get 780 seconds of commercial time that he can sell to advertisers and can generate revenue. Break-even point for procedures, at the present rates, thus is Rs 75,000 for a 10 second advertising spot. Beyond 20 episodes, the minimum guarantee is Rs 65 Lakhs for which the procedures have to charge Rs 115,000 for a 10 second spot in order to breakeven.

It is at this point the advertiser's face a problem the competitive rates for a 10 second spot is Rs 50,000. Procedures are possessive about buying commercial time on DP. As a result the DP's project growth of revenue is only commercial time on D.P. A s a result the D.P's projected growth of revenue is only 6-10% as against 50 – 60% for the private sector channels. Software suppliers, advertisers and audiences are deserting D.P owing to its unrealistic pricing policy.

D.P has options before it. First it should privatize, second it should remain purely public service broadcaster and third a middle path.

The challenge seems to exploit D.Ps immense potential and emerge a formidable player in the mass media.

i. Analyze the SWOT factors that D.P has (4 marks)
ii. What is the best option, in your own view for D.P (6 marks)
iii. Why do you think that the proposed alternative is the best (2 marks)

QUESTION FIVE

a) Explain using a well labeled diagram the Seven S model (14 marks)
b) Describe any three strategic levels found in a organization (6 marks)