

BUSINESS POLICY AND STRATEGY – PAPER 14**1.0 General Performance**

- There was a notable decline in performance with the pass rate at 45.03% compared to 51.59% in the December 2010 examinations diet. Many candidates seemed inadequately prepared for the examination.

2.0 PERFORMANCE IN INDIVIDUAL QUESTIONS**2.1 Question 1**

- The question was an imaginary case study, based on Maskap Foods (MF), a retail chain of fast food restaurants. The company had started small as a partnership, but later grew in size mainly through acquisition of other smaller food stores. Maskap Foods had met a number of challenges including staff retention, competition and slow decision making processes.
- It required candidates to: (a) discuss the factors that accounted for MF's present position, with the guidance of the value chain, (b) advise on the considerations by the board prior to deciding whether or not to accept the takeover bid, (c) suggest strategic interventions that could be considered in case the board decided not to accept the bid, and (d) discuss the benefits and challenges of the form of growth adopted by MF prior to their current woes.
- Overall the question was well attempted.
- In part (a) most candidates convincingly used the value chain analysis tool to discuss MF's present position. However, some candidates did not discuss the secondary activities in the value chain.
- Part (b) was fairly attempted, even though some candidates only pointed out the need for proper valuation.
- In part(c) the strategic options were well highlighted.
- In part (d) several candidates were unable to correctly identify the form of growth adopted by MF. Some candidates kept referring to the partnership arrangement which had been used at the start of the business.

2.2 Question 2

- This question was based on Kiboko University, where a pioneer project in e-learning was being implemented at one of its colleges. The university had recently undergone a restructuring exercise where faculties were being merged to form colleges. The e-learning project had generated some friction among various stakeholder groups.
- It required candidates to: (a) present an analysis of all the stakeholders, (b) discuss the approaches that senior management at the university could use to reconcile the different stakeholder groups, and (c) use the balanced score card and advise management on how the current problems could be resolved.
- This was the least attempted question, yet it was generally well answered by the few candidates who attempted it. Some candidates, however, only identified the stakeholders and fell short of discussing their expectations, influence and power.

2.3 Question 3

- The question was based on a small case study focussing on Miranda Tammy, a retired banker, who was venturing into the confectionery business by opening a bakery. Miranda was unsure of how to go about setting his marketing strategy or how his products were going to reach the target customers. The question was quite attempted by the majority, but not well answered.
- It required candidates to : (a) advice Miranda on what he needed to do before deciding on an appropriate marketing strategy to adopt. (b) discuss the various channel intermediaries that Miranda could use in reaching out to his customers (c) discuss how the marketing mix may vary across the various channel intermediaries
- Part (a) was not well attempted; most candidates failed to articulate what needed to be answered and were instead discussing the marketing strategies.
- Part (b) was the best answered part of the question with candidates able to discuss the intermediaries such as the retail chain and use of agents.
- Part (c) was also fairly well answered, although some candidates focused on the marketing mix variables without showing how they depended on the channel intermediaries.

2.4 Question 4

- This question was about New Edition Services Enterprise Ltd, a company dealing in the manufacture of tomato concentrate. The company had no human resource function, and the newly appointed managing director was desirous of setting up one.
- It required candidates to write a memo to the MD explaining and justifying the need for human resource planning.
- This question was very popular but not well attempted. Most candidates discussed the entire human resource process yet the question specifically required justification for human resource planning.