



Kasarani Campus
Off Thika Road
Tel. 2042692 / 3
P. O. Box 49274, 00100
NAIROBI
Westlands Campus
Pamstech House
Woodvale Grove
Tel. 4442212
Fax: 4444175

KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
FIRST YEAR, SECOND SEMESTER EXAMINATION
FOR THE BACHELOR OF BUSINESS & INFORMATION TECHNOLOGY
KBA 2205 – BUSINESS PLANNING AND MANAGEMENT

Date: 18TH April 2024
Time: 11:30AM – 1:30PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

Read the case study below and answer the questions that follow.

Mulolongo Company Limited.

Mulolongo Company Limited was registered in 2010 with Madam Betty as its first CEO. For the first five years of existence the company performed poorly in regard to profit growth. Ten years later since the company's inception there is no trace of any fundamental philosophical statements such as the company's vision, mission and core values and even objectives. This could be the reason accounting for the poor performance in the company in regard to profit growth. The tenure of the Board of Directors who were appointed in 2010 when the company started expired in 2020. The CEO met the staff once in six months at the mid of financial year. This is because she is ever busy with her own private business undertakings. She does not involve the workers in any decision making and the communication is one way that is instructions directed to workers. The new Board of Directors have challenged the CEO Madam Betty to rethink on strategies that can be implemented to improve the performance of Mulolongo Company Limited. The Board of directors have advised the CEO to conduct the following undertakings among others:- competitive analysis; customer analysis; financial analysis; PESTEL analysis and SWOT analysis.

The Board of directors are of the view that once the analysis is done appropriate strategies will be developed. Madam Betty has appointed a team of experts comprising of all the heads of departments to conduct the above analysis. The team has been given a deadline of three weeks after which they should submit their report.

Required.

- Advise the CEO on the importance of developing the company's objectives (6 Marks)
- Explain the purpose the vision statement would have served if it was developed by the CEO (6 Marks)
- Why did the Board of directors advise the CEO to conduct PESTEL analysis (6 Marks)
- Explain the demerits of the leadership style used by Madam Betty, the CEO of Mulolongo Company. (6 Marks)
- Based on the analysis conducted by the team of experts appointed by the CEO, suggest any six common market entry strategies. (6 Marks)

QUESTION TWO (20 MARKS)

- a) Describe the strategies a manager can use to motivate workers in the organization (7 Marks)
- b) Explain the challenges encountered when preparing business plan (5 Marks)
- c) Discuss the promotional and advertising strategies that the marketing team of a business organization should embrace. (8 Marks)

QUESTION THREE (20 MARKS)

- a) Explain the features of an operational plan (6 Marks)
- b) Discuss any six types of organizational structure and explain the importance of each (6 Marks)
- c) Competitor analysis is of critical importance to a business organization. Discuss any Eight reason for conducting competitor analysis. (8 Marks)

QUESTION FOUR (20 MARKS)

- a) Describe the critical factors that determine the choice of distribution strategy (8 Marks)
- b) Explain the process of developing an effective Business Plan (6 Marks)
- c) Discuss the importance of conducting SWOT analysis (6 Marks)

QUESTION FIVE (20 MARKS)

- a) The following information was obtained from the records of Githurai Company Limited for the year ended 30th June 2023.

	Ksh
Office furniture	60,000
Creditors	40,000
Stock as at 30/06/2023	30,000
Cash at hand	60,000
Debtors	90,000
Average share holders equity	4,000,000
Cash at bank	210,000
Bank overdraft	60,000
Company fixed cost	150,000
Vehicles	1,200,000
Net income for the year ended 30/06/2023	480,000
Selling price per 50 kg fertilizer bag	3,000
Variable cost	45
Company's fixed cost	150,000

Required

Calculate

- i) Working capital (2 Marks)
 - ii) Return on Assets (2 Marks)
 - iii) Return on equity (2 Marks)
 - iv) Breakeven point (2 Marks)
-
- b) Examines any six types of business expenses which are incurred before it starts to operate (6 Marks)
 - c) The growth of a business organization is a function of its performance in regard to profit growth which is dependent on pricing strategies. Discuss any six types of pricing. (6 Marks)