



# MACHAKOS UNIVERSITY

University Examinations for 2020/2021 Academic Year

SCHOOL OF HOSPITALITY AND TOURISM MANAGEMENT

DEPARTMENT OF HOSPITALITY MANAGEMENT

FOURTH YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF SCIENCE (HOSPITALITY AND TOURISM MANAGEMENT)

SHT 405: STRATEGIC MANAGEMENT

DATE: 9/8/2021

TIME: 8.30-10.30 AM

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## INSTRUCTIONS:

*This paper consists of TWO sections A and B*

*ANSWER ALL QUESTIONS IN SECTION A AND ANY TWO IN SECTION B*

*SECTION A: COMPULSORY - (30 MARKS)*

*SECTION A: ANSWER ALL THE QUESTION*

### QUESTION ONE (30 MARKS)

The Chief Executive Officer of the Hotel for which you are employed as the Chief Operating Officer has just attended a workshop in which he learnt that the desire of every hospitality business is to register growth that can impact positively on its revenue and profit. He has asked you to prepare a report that will enable the board develop an appreciation of the various growth strategize and circumstances that may suit the choice of each option. Prepare a memo to the Board outlining the situation that warrant the adoption of the following external and internal growth strategies.

- a) Market Penetration and Concentration (5 marks)
- b) Market Development (5 marks)
- c) Product Development (5 marks)
- d) Concentric Diversification (5 marks)
- e) Conglomerate diversification (5 marks)
- f) Forward Integration (5 marks)

## **SECTION B: ANSWER ANY TWO QUESTIONS (40 MARKS)**

### **QUESTION TWO (20 MARKS)**

You have been appointed the new Business Development Director for a chain of Hotels that would like to expand its operations to Zanzibar. The board has requested you to draw out a plan that shall analyse the business situation in the target region so that a strategic form may be initiated for a possible launch by the beginning of 2021. With reference to this undertaking develop a detailed report mapping out the factors that you shall consider in evaluating competitiveness in this industry within Zanzibar and the larger Tanzania.

### **QUESTION THREE (20 MARKS)**

A fast growing chain of hotels operating three units in Kenya and two in Tanzania is in the process of evaluating its business as a foundation for building up further growth strategies. The MD for this organisation has asked you to provide pertinent advice that can help the company's Strategic Management consultants to understand the company's present internal business scenario. You are therefore required to write a report addressing this need under the guidance below:

- a) An outline of the key elements that define the internal organization of a hotel business (4 marks)
- b) The major factor that a hotel chain may have stressed in its corporate mission statement (2 marks)
- c) Possible items that could make up the SWOT framework for this hotel chain (14 marks)

### **QUESTION FOUR (20 MARKS)**

Explain the application of the PESTEL framework to the Kenyan Tourism industry

### **QUESTION FIVE (20 MARKS)**

- a) Examine any SIX challenges Hospitality and Tourism managers are presented with in the use of resources in the establishment (12 marks)
- b) Describe FOUR existing core competences on the basis of how they are Evaluated in a Company. (8 marks)