

**UGANDA MARTYRS UNIVERSITY, NKOZI/LUBAGA
CAMPUS**

**FACULTY OF BUSINESS ADMINISTRATION AND
MANAGEMENT**

DEPARTMENT OF MICROFINANCE

BAMF III SEMESTER TWO 2018/19

COURSE UNIT: STRATEGIC MANAGEMENT FOR MFIs

DATE: 2ND MAY 2019

Time allowed: 3 Hours

Instructions to Candidates:

Read the following before answering the examination questions.

- 1) Do not write anything on this question paper.
- 2) Write neatly and show all workings clearly.
- 3) Start every question on a new page
- 4) Clearly state the question number & sections attempted
- 5) Answer any **four** questions, all questions carry equal marks

Question One

Management's role in any MFI includes harnessing the human resources, financial resources, processes, controls, information technology system, and strategic planning to produce results – financial services delivered to poor people and a return to enhance institutional sustainability. With due regard to the rest of the factors, human resource management is arguably the key role of management. Effective and efficient work teams will ensure the smooth functioning of the MFI's operations.

Required:

- a) Discuss the qualities and principles MIF managers should have. (10 Marks)
- b) Explain the factors that managers should consider for effective human resource management. (10 Marks)
- c) Identify and explain any five MIS attributes that should be assessed by Management. (5 Marks)

Question Two

Building on the opportunities and threats generated from the internal and external analysis, the planning team can proceed to develop a strategy, that is "what is it that must be done" to meet the challenge. In strategy formulation, we are trying to address the issues and challenges facing our MFI to make the organization more successful, and create "sustainable" competitive advantages.

- a) Identify the THREE key issues to consider when formulating an MIF's strategy towards the competition. (06 Marks)
- b) Explain the factors to consider when choosing the best strategy. (10 Marks)
- c) Using your expertise in MFI in Uganda, develop competitive strategies for a typical MFI (Retail Bank). (09 Marks)

Question Three

Once you have decided on the most appropriate strategies and you have had them documented in the strategic plan, you need to take certain actions to implement them. A good plan, poorly implemented, is almost as bad as no plan at all.

- a) Explain the guidelines and or activities which will help a manager to ensure that the plan is implemented. (10 Marks)
- b) Identify and explain any FOUR contents of an Action Plan. (04 Marks)
- c) Explain the circumstances under which an MFI should modify a strategic plan. (11 marks)

Question Four

- a) Identify any THREE instances when Strategic Planning should be done. (06 Marks)
- b) Explain the benefits of Strategic Planning to an IMF. (11 Marks)
- c) What are the characteristics of successful Strategic Planning? (08 Marks)

Question Five

Gap analysis is a business resource assessment tool enabling a company to compare its actual performance with its desired performance.

- a) Describe the steps in conducting a Gap analysis. (08 Marks)

- b) Identify the sound practices that help MFIs to become more effective, efficient and register enhanced performance. (12 Marks)
- c) Illustrate the Gap Analysis. (05 Marks)

Question Six

PEST analysis is a technique used to identify, assess and evaluate external factors affecting the performance of an organization. PEST is an acronym for Political, Economic, Social (or sociological) and Technological factors.

- a) Giving at least THREE examples in each case, describe the external factors affecting the performance of an organization. (12 Marks)
- b) Write short Notes on the following;
 - Competitor Analysis
 - Market Analysis
 - Stake Holder Analysis
 - Competitor Analysis(13 Marks)

END