

UGANDA MARTYRS UNIVERSITY

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**BACHELOR OF BUSINESS ADMINISTRATION YEAR THREE  
SPECIAL/SUPPLEMENTARY EXAMINATION**

**BAM III, NKOZI DAY, LUBAGA DAY AND EVENING, MASAKA, NGETTA AND  
MBALE CAMPUSES**

**BUSINESS POLICY**

**TUESDAY 27<sup>th</sup> September 2022**

1. Read the instructions on the cover of the answer book and the question paper.
2. The total number of questions in this paper is **SIX**. Attempt **FOUR** questions:

**QUESTION ONE IS COMPULSORY (25 marks)**  
**ATTEMPT ANY OTHER THREE questions (25 marks each)**

3. The number in brackets after each question, or part of a question, shows the marks allotted and candidates should apportion the time spent on each part accordingly.
4. Silent, non-programmable calculators may be used in this examination. Whether you use it or not, you must show your calculations.
5. **No books, papers or any other aids except writing materials may be used in this examination.**
6. Time allowed: **THREE HOURS.**

Time

## **Question One**

### **CASE STUDY**

Kalamya completed a degree in Business studies however failed to secure a job and decided to become self-employed instead. He set up a general merchandise retail shop in Nkozi near Masaka City under the name KAMA enterprises. The shop deals in sale of plastic products, soap, stationary, food items and hardware products. He employs 5 workers and pays them on average shs 250,000 @ per month.

In order to diversify the products he introduced a section dealing in sale of snacks on the veranda of the shop. He employs a graduate of food science and technology as an operations manager with two other workers who are supervised closely, appraised and given clear instructions. He sponsors a snack preparation show on one of the local TV stations as well as distributing flyers to reach out all customers. Most of the customers are University students and residents of the area.

The shop documents all business transactions in the books of accounts which are audited monthly. By the end of two years sales rose to shs 200,000,000, expenses shs 40,000,000, cost of sales 80,000,000. The business obtained a loan form of Shs 100,000,000 to supplement the capital at an interest rate of 13% to be paid in four years in five equal installments.

He employs a sister who also makes payments and receives cash sales money. All the daily cash received is kept in a lockable safe, in the afternoon, it is banked. He deals in quality products, exhibits good customer care. He insured the business, employs 3 security guards to tighten security during day and night.

The business is expanding fast. This has enabled Kalamya to construct a big residential house, purchased two vehicles to help in distribution of some products as well as meeting other family needs and helping some relatives. He is highly respected by the community.

### **Required:**

- a) Using SWOT, analyze the issues therein (10 marks)
- b) Explain the strategies the business could use to win competition (5marks)
- c) Advise Kalamya on the strategies in minimizing costs in the business (5marks)
- d) Advice on What procedures Kalamya can follow to ensure her business continues (5 marks)

## **Question Two**

Discuss the factors Shaping Company's Strategy (25 marks)

## **Question Three**

Write short note on the followings (25marks)

Strategic Management, Management, Competitive advantage, Corporate environment, Business environment, Mandate, Strategy formulation, Strategy Implementation

## **Question Four**

Differentiate between business policy & strategic management (25marks)

(NB give at least 10 points)

## **Question Five**

Discuss any 15 key benefits of Strategic Management (15marks) and (10 limitations of strategic management) known to you (10marks)

**Question Six**

- (a) What is Business Policy? (5 marks)
- (b) Differentiate between Goals & Objectives (5marks)
- (c) Using business firm of your choice, discuss how Porter's five force model can be use in analyzing any organization (15marks)

Discuss any 15 key benefits of Strategic Management (**15marks**) and (10 limitations of strategic management) known to you (**10marks**)

**Question Six**

- (a) What is Business Policy? (**5 marks**)
- (b) Differentiate between Goals & Objectives (**5marks**)
- (c) Using business firm of your choice, discuss how Porter's five force model can be use in analyzing any organization (**15marks**)





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