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FACULTY OF ADMINISTRATION AND MANAGEMENT SCIENCES  
DEPARTMENT OF ACCOUNTING

2018/2019 HARMATTAN SEMESTER EXAMINATION

Course Title/Code: Business Policy & Strategy II / ACC 413

Instruction: Attempt Question ONE and TWO with ANY OTHER TWO

Time Allowed: 2 ¼ hours.

Question One

Case Study: JOJO NIGERIA PLC

Jojo Nigeria Plc. is one of the leading producers of *ENUGBE* a popular drug for curing "cough-cough". The company orders most of its materials from an international supplier and this made its product ranked among the top five pharmaceutical firms in the Industry. In the past five years, the company turnover had risen from N3 billion to N10 billion after adjusting for inflation compared to a close competitor whose turnover ranges between N1.5 billion and N3 billion in the same period. The Management of Jojo Nigeria Plc. is however optimistic that if the firm's turnover maintains its current pace the firm will soon be able to acquire other firms producing similar products in the market. →

Two years preceding the above analysis, the Management of Jojo Nigeria Plc. noticed a sharp decline in its turnover as customers seems to be more interested in the Product of Jawonlaya Nigeria Limited, a low cost producer of drug curing "cough-cough" in the pharmaceutical industry. However, before this decline, Jojo Nigeria Plc. had ceased to get its raw materials from the foreign supplier. In addition, the plant and equipment operational in Jojo Plc. is highly obsolete and Management seems to pay little attention to its replacement. Furthermore, the key personnel of Jojo Plc. had crossed to Jawonlaya who is offering a better remuneration and also investing in the training and development of its employees. These developments had led to a huge compromise in the production of *ENUGBE* by Jojo Plc. pet

Since the exit of Jojo's key personnel, the major distributors of Jojo Plc's products had since reduced their order of *ENUGBE* due to complaints of customers on poor packaging, poor storage and some other factory defects noticed in the product. In addition, Jojo Nigeria Plc. had also ceased to attend to the customers' complaints directed to its official email address and the hotlines of the company had been taken for granted due to the dismissal of the personnel handling this processes.

In order to forestall losing more of its market share and also resuscitate its customers' loyalty, the Management of Jojo Nigeria Plc. has decided to consult a business strategist to look into the problems confronting the company and make specific recommendations on the way forward.

Required:

As the Business Consultant of Jojo Nigeria Plc. analyse the problem of Jojo Nigeria Plc. using the Porter's value chain model and make specific recommendations on how Jojo Nigeria Plc. can forestall the problem its currently experiencing.

Question Two ✓

- (a) Activities concerned with receiving and handling purchased materials and components are referred to as ..... in the Porter's value chain model
- (b) An assessment of the value that is created or lost by an entity can be made by using .....
- (c) The appropriate strategy for penetrating a new market with a new product as argued by Ansoff (1957) is .....



(d) The practice of giving out an organisation function or process to an external party is referred to as .....

(e) The process of comparing an entity's performance against the performance of a similar but advanced entity is commonly known as .....

(f) Mendelow suggests that stakeholders with a very low interest but strong power should be .....

(g) ..... are individuals, group of individuals or organisation that have interest in what an entity does or is trying to achieve

(h) ..... are industries that have only just started to develop, and are likely to become much bigger and much significant in the future

(i) The bargaining power of customers is said to be ..... if the number of customers available to purchase an entity's product is low

(j) The submission that an entity should use the organisation structure that is best suited to its size, complexity and strategies is based on .....

### ✓ Question Three

(a) The implementation of strategy is often based on the types of relationship and structure existing in an organisation. Discuss the various types of structures that can be adopted by an organisation.

(b) Discuss the contingency theory of organisation structure

### Question Four

The Porter's five forces model provides a framework for analysing the strength of industry competition. Identify the factors discussed in this model and discuss each factor in details.

### ✓ Question Five

(a) A business entity can be classified as (i) Leader (ii) Challenger (iii) Follower and (iv) Nicher. Briefly discuss each of the above classifications

(b) **Coca-Cola, Limca, Bigi Apple, La Casera, Mirinda and Origin (non-alcoholic)** are the major carbonated soft drinks available in the South-western part of Nigeria. Classify each of these products in accordance with (i) above and justify your answer choice in not more than two paragraphs.

### Question Six

Discuss the following concepts

(a) Benchmarking

(b) Concentric diversification

(c) Core competence

(d) Threshold resources

(e) Unique resources