



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2023/2024 ACADEMIC YEAR
FOURTH YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS
BACHELOR OF SCIENCE IN HUMAN RESOURCE
MANAGEMENT**

COURSE CODE: BHR 4107-1

COURSE TITLE: TURNAROUND STRATEGIES

DATE: 13/12/2023

TIME: 0830-1030 HRS

INSTRUCTIONS TO CANDIDATES

Answer Question **ONE** and any other **TWO** questions

Question ONE

a) Describe the following and give examples on each.

- i. Forward Integration. **(3marks)**
- ii. Backward Integration. **(3marks)**
- iii. Market Penetration. **(3marks)**
- iv. Product Development. **(3marks)**
- v. Liquidation. **(3marks)**

b) Internal growth is within the organization or with the help of its internal resources. Internal growth can take place either by (i) Intensification or (ii) Diversification of business. Discuss the difference between the two with examples. **(5 marks)**

Question Two

Growth with the help of external resources or Organizations is called external growth. External growth strategies can be broadly divided into three groups below. Discuss, giving examples.

- a) Mergers and Acquisition. **(5 marks)**
- b) Amalgamations. **(5 marks)**
- c) Joint Ventures **(5 marks)**

Question Three

What is the difference between Concentric and Conglomerate diversification? When can these strategies be adopted by an Organization. Give examples in your discussion **(15 marks)**

Question Four

Various external and internal developments create problems to the prospects of business firms. In declining industries, companies face such risks and falling demand, emergence of more attractive substitutes, adverse government policies and changing customer needs and preferences. In addition to external developments, there are company specific problems such as inefficient management and wrong strategies that lead to a company failure. In such circumstances the industries,

markets and companies face the danger of decline in sales and profit and thereby intend to substantially reduce the scope of its activity. For this purpose, the problem areas are identified and the causes of the problems are diagnosed. Then, steps are taken to solve the problems that result in different types of retrenchment strategies. Discuss the three retrenchment Strategies. **(15 marks)**

Question Five

- a) What are the advantages of Merger? **(8 marks)**
- b) In what situations does a business need a turnaround Strategy? **(7 marks)**

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