

1. (a) A proper environmental scanning is essential in strategic planning process. Explain the use of PEST model in external environmental scanning. (8 marks)
- (b) Formulation of strategies should meet stakeholders' expectations as much as possible. With aid of an appropriate diagram, explain the steps you would take to analyse and identify a stakeholder's expectations. (12 marks)
2. (a) Strategic decisions in organisations possess certain characteristics. Describe **five** distinct characteristics of such decisions. (10 marks)
- (b) Explain the challenges that a strategic planner may encounter in formulating organization's strategies. (10 marks)
3. (a) Purchasing and supply chain strategies are supposed to support corporate strategies of an organization. Explain **six** ways in which the purchasing and supply chain strategies may support a firm's competitive strategy. (12 marks)
- (b) A manufacturing firm operating in a competitive market intends to adopt a supplier development strategy for its supply of materials. Explain **four** ways in which a firm may develop its suppliers. (8 marks)
4. (a) A multinational firm operating with its headquarters in Nairobi intends to adopt a hybrid structure for its purchasing and supply chain activities. Highlight **five** purchasing activities likely to be centralized in such a structure. (10 marks)
- (b) Many purchasing and supply chain tasks are increasingly being performed in cross-functional based structures. Explain **five** advantages of such structures. (10 marks)
5. (a) Information and Communication Technology (ICT) is increasingly being adopted in supply chain management operations. Explain **five** aspects of the supply chain where ICT could be effectively applied. (10 marks)
- (b) Explain **five** ways in which an organization may achieve a lean supply chain structure. (10 marks)
6. (a) Explain **five** factors that may influence the formulation of purchasing and supply chain policies in an organization. (10 marks)
- (b) Explain **five** circumstances under which an organization would subcontract part of its operations. (10 marks)
7. (a) Explain **five** benefits that may accrue to an organization from conducting regular benchmarking activity in its purchasing and supply operations. (10 marks)
- (b) Explain the role of the budgeting control techniques in the management of supply chain activities in an organization. (10 marks)