



**STRATHMORE BUSINESS SCHOOL
BACHELOR OF COMMERCE
END OF SEMESTER EXAMINATION
ENT 4202: BUSINESS MODEL CREATION AND EVALUATION**

Date: Friday, 28th July 2023

Time: 2 Hours

INSTRUCTIONS:

Answer question one (compulsory: 20 marks) and any other 2 questions (20 Marks each)

Question One

Real Associates is a research Institute that offers research and knowledge-based consultancy services in a wide range of areas. Assume that the management team of Real Associates has decided to establish a site which will be used as a channel for disseminating reports on logistics management to a global paying corporate customers.

- a) Discuss two revenue models that could be implemented for such a site. **(10 marks)**

- b) As the research manager for Real Associates what justification can you present to the board on the need to keep re-inventing the business model on a regular basis? **(10 Marks)**

Question Two

- a) The foundation for any company that wants to be “built to last” is to have a business model that actually supports that objective. Explain the steps a company can take to build a good business model. **(12 marks)**

- b) Business model design is a task designated for the top and middle level managers in an organization. Explain four reasons why this is the case whereas ownership of the business model cuts across all levels of the organization **(8 marks)**

Question Three

- a) The business model is meant to facilitate businesses to innovate in the face of a dynamic market, customer, competitor and environmental fluctuations. Explain five factors that makes innovation difficult in many organizations. **(10 marks)**
- b) The e- commerce business model is one of the most widely used models by businesses today. Explain five factors that have made this possible. **(10 marks)**

Question Four

Business model innovation calls for a clear understanding of the various tools used in developing a good model. In reference to the business model canvas explain the meaning of the following concepts.

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| i. Revenue streams | (5 Marks) |
| ii. Business Channels | (5 Marks) |
| iii. Value proposition | (5 Marks) |
| iv. Key Resources | (5 Marks) |

Question Five

- a) You are part of a consultancy group that has been appointed to conduct a baseline survey and advice a fast growing hotel brand on whether to adapt a franchising model for its international growth strategy. Advice the management on how they can go about implementing this model in order to succeed. **(10 marks)**
- b) Business models go through modifications in order to align with the current realities of the market place. However businesses fail to be agile enough to accommodate new dynamics hence limiting their growth and competitive advantage. As a manager in charge of strategy enumerate how you can overcome this challenge. **(10 marks)**