



**Strathmore**  
UNIVERSITY

**STRATHMORE BUSINESS SCHOOL**

**MASTER OF BUSINESS MANAGEMENT IN HEALTHCARE MANAGEMENT**

**END OF MODULE EXAMINATION**

**HCM 8201 DECISION ANALYSIS FOR HEALTHCARE MANAGERS**

**Date:** Thursday, 27th July 2023

**Time:** 3 Hours

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**Instructions: SECTION A (COMPULSORY. ANSWER BOTH QUESTIONS)**

Answer the following questions on decision making under uncertainty:

**Question 1 (20 Marks)**

I am attending class at SBS but plan to catch a flight from JKIA this evening after the module is over. I must decide whether to take an Uber on Mombasa Road for KES500 or take Uber on the new expressway for KES 500 plus toll fees of KES250. If I take an Uber on Mombasa Road, I may get stuck in the infamous Mombasa Road traffic and miss my flight. I will then have to buy a new air ticket. According to NTSA and Google Data, traffic on Mombasa Road up to Athi River is intense every other afternoon (one afternoon in two)

- a. Present the above problem in a decisional matrix, and after showing your workings, advise whether I should go by Uber on Mombasa Road or take Uber via the Expressway? **(15 marks)**
- b. the above description omits a number of aspects that might be relevant to my decision making. Which might these be? **(5 marks)**

**Question 2 (20 Marks)**

For the following two tables/decision problems, which act(s) should be chosen according to the following decision rules: (a) The maximin rule, (b) The Maximax, (c) The minimax regret, and (d) The optimism-pessimism rule (for  $\alpha > 0.25$ )

	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>	<b>Scenario 4</b>
<b>Alternative a1</b>	5	45	0	0
<b>Alternative a2</b>	5	35	35	15
<b>Alternative a3</b>	15	15	15	15
<b>Alternative a4</b>	5	35	15	5

**SECTION B (ANSWER ANY THREE OF THE FOLLOWING FOUR QUESTIONS)**

**Question 3 (15 Marks)**

Please answer the following questions:

- a. Provide concise yet comprehensive notes on the following domains within which we make decisions: certainty, risk and uncertainty **(9 marks)**
- b. A key step in decision-making is the generation of alternatives. How would you go about evaluating these alternatives? **(6 marks)**

**Question 4 (15 Marks)**

Differentiate between the classical, administrative, and political models of decision-making.

**Question 5 (15 Marks)**

Please answer the following questions on decision-making:

- a) What are the pros and cons of (a) individual and (b) group decision making?
- b) How can you manage group decision-making to make it more effective?

**Question 6 (15 Marks)**

With appropriate examples please describe three ways to make a shortlist from a performance matrix

**SECTION C (ANSWER ANY ONE OF THE FOLLOWING QUESTIONS ON NEGOTIATION)**

**Question 7 (15 Marks)**

Negotiations can be difficult due to barriers that parties may place in the way. Explain Four barriers to negotiations and their possible solutions.

**Question 8 (15 Marks)**

Answer the following:

- a. When engaging in any negotiation it is important to plan for the best alternatives to a negotiated agreement. Why is this important? **(10 Marks)**
- b. Distinguish between a positive and negative negotiation range **(5 Marks)**

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