



STRATHMORE INSTITUTE
DIPLOMA IN ENTREPRENEURSHIP
END OF SEMESTER EXAMINATION
DE 1305: STRATEGIES FOR SCALING UP BUSINESS

DATE: 19th December 2019

Time: 2 hours

Instructions

1. This examination consists of **FIVE** questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.
3. Do not write on the question paper.

QUESTION ONE

Jane took a course in Baking before joining university. Her passion for baking grew as she kept receiving orders from referrals. After graduating, she continued with her cake baking business full time. Her cake baking orders have grown to average 15 orders per week. Currently, she is overwhelmed with deliveries as well as maintaining her social media pages. Her new taste of lemon and oat cakes are very popular among the health conscious population. Her cakes are also appealing to those who like moderate sugars. She is even considering using honey cakes, eggless and gluten free cakes. She however requires advice on possible growth strategies for her business.

- a) Illustrate five steps critical in growing a business like the above mentioned. (10 marks)
- b) Explain to her five marketing mix strategies appropriate for the early stage of business development. (10marks)
- c) Discuss five possible ways in which the business can use partnerships to scale(10marks)

QUESTION TWO

- a) Explain how small businesses can apply intensive growth strategies to scale their businesses. (7 marks)
- b) Describe four marketing strategies used to accelerate product market growth (8Marks)

QUESTION THREE

- a) Explain three market penetration strategies which can be employed by small businesses to grow the market share. (7 marks)
- b) Describe four sources of competitive advantage.(8 marks)

QUESTION FOUR

- a) Describe ways in which small businesses can market their products and services using a minimal budget. (10 marks)
- b) Explain unique marketing challenges experienced by small businesses. (5 marks)

QUESTION FIVE

The key to achieving a long term advantage is to focus on the areas that the competition finds it impossible or difficult to copy.

- a) Using examples, show how small businesses can create and sustain competitive advantage. (9 marks)
- b) Explain how a firm can create differential advantage using the product and create value to the customer. (6 marks)