



STRATHMORE INSTITUTE OF MANAGEMENT AND TECHNOLOGY
DIPLOMA ENTREPRENEURSHIP AND BUSINESS CREATION
END OF SEMESTER EXAMINATION
DE 1305: STRATEGIES FOR SCALING A BUSINESS

DATE: 11th December 2020

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 (COMPULSORY)

- a) An innovative firm using product development as an internal growth strategy has approached you for consultation. Advise the founders on key factors for effective product development. **(9Marks)**
- b) Using examples, explain five measures of managing implications of growth **(5Marks)**

Happy event is a startup dealing in planning events for both corporate and individual customers the company is known for planning events that creates lasting memories to their customers

- c) Describe Five steps that the company can take to create loyal customer. **(10Marks)**
- d) Illustrate three ways a business can grow by creating products differentiation strategies. **(6 Marks)**

Question Two.

- a) Explain internal and external growth strategies used by entrepreneurs to scale. **(9 marks)**
- b) Explain three advantages and disadvantages of growing by mergers or acquisition.

(6Marks)

Question Three

Maya, a graduate from school of hospitality has started baking cakes and cookies at home, through advertising on her social media pages and referrals, her business is getting known and has a large number of happy customers with orders coming on dairy basis. Her major challenge is handling customer requests and deliveries. She has approached you for advice on how to scale the business.

- a) Explain to her five ways she can grow her business and keep customers delighted.

(10marks)

- b) Describe five reasons for business failures. **(5Marks)**

Question Four.

- a) Describe four ways small business can apply intensive growth strategies like market penetration to scale. **(7marks)**.

- b) Explain four benefits of growing by going global. **(8Marks)**

Question Five.

A fintech company operating in Kenya intends to grow and be a market leader. Explain to the founders five sources of competitive advantage. **(10Marks)**

- a) Outline five factors to consider when creating a competitive advantage **(5Marks)**