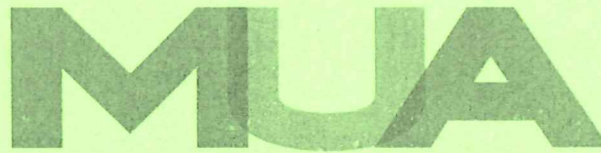


The  
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**UNDERGRADUATE UNIVERSITY EXAMINATIONS**

**SCHOOL OF MANAGEMENT AND LEADERSHIP**

**DEGREE OF BACHELOR OF ARTS IN DEVELOPMENT STUDIES**

**BDS 100 : FOUNDATION OF DEVELOPMENT: CONCEPTS AND CRITICAL ISSUES**

**DATE: 7<sup>TH</sup> DECEMBER 2016**

**DURATION: 2 HOURS**

**MAXIMUM MARKS: 70**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

**QUESTION ONE**

Read the Case Study below carefully and answer the questions that follow:

**BROOK DAIRY COMPANIES**

Since its founding as a regional dairy company in 1891, Brook dairy Companies grew to be a \$12.5 billion diversified producer of a variety of products – ranging from grocery products to chemicals – by 1985. A succession of CEOs had propelled the company through a series of acquisitions to diversify the company's activities. As a diversified company, previous leaders ran Brook dairy as a decentralized operation and made no attempt to coordinate activities among the businesses. When James Mwangi became CEO in 1979, he decided on an aggressive strategy of corporate marketing and attempted to create synergy among the business units. This proved to be an extremely difficult task and the company ran into financial problems. A leveraged buyout firm, Mount Kenya Dairys acquired Brook dairys and sold it piece by piece. Diversification proved not to be a value creating strategy for Brook dairys largely because the management was never able to exploit potential synergies between divisions.

**Required;**

- a) Explain five factors that contributed to development in Brook dairy Company  
(5marks)
- b) Describe five likely elements that led to financial problems (5 marks)
- c) Suggest methods of exploiting potential synergies between divisions  
(5marks)
- d) Explain five conditions in which a company requires to narrow down its operations  
(5marks)
- e) Discuss five ways on how governance and democratization can be used to exploit potential synergies  
(5marks)

**QUESTION TWO**

- a) Todaro identified three objectives of development. Discuss these objectives.  
(9 Marks)
- b) Prof. Michael Todaro is accredited in defining the meaning of development.  
Explain this definition. (6 Marks)

**QUESTION THREE**

- a) Identify seven (7) characteristics of under-development in the Least Developed Countries? (7 Marks)
- b) The study of history of management is important to development. Give three reasons. (3 Marks)
- c) The Neo-colonial dependency model of development has affected development in the Least Developed Countries (LDCs). Give five reasons why. (5 Marks)

**QUESTION FOUR**

Economic development in Kenya has been hinged on certain pillars. Discuss at least five (5) pillars. (15 marks)

**QUESTION FIVE**

Sustainable development has three key pillars. Discuss these pillars. (15 marks)

**QUESTION SIX**

- a) International trade has great importance for any country's growth and development. Define International trade. (3 Marks)
- b) International trade has advantages to a country like Kenya. Discuss six advantages of international trade. (12 Marks)

