

**Code: 14E00401**

MBA IV Semester Regular & Supplementary Examinations May 2018

**STRATEGIC MANAGEMENT**

(For students admitted in 2014, 2015 & 2016 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

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**SECTION – A**

Answer the following: (05 X 10 = 50 Marks)

- 1 What are the pitfalls in strategic planning that management in an organization should watch out for or avoid? Identify any five pitfalls.  
**OR**
- 2 Compare and contrast vision statements with mission statements.
- 3 Explain how the Internet is changing businesses around the world.  
**OR**
- 4 According to Michael Porter, what are the five competitive forces that create vital opportunities and threats for organizations? Which force do you feel is most important in the computer industry today? Why?
- 5 Define and give an example, where available of three integrative strategies.  
**OR**
- 6 List some guidelines for when related diversification would be a particularly good strategy to pursue.
- 7 What are the five differences between strategy formulation and strategy implementation?  
**OR**
- 8 Compare and contrast restructuring and reengineering.
- 9 Discuss some contingency plans commonly established by firms.  
**OR**
- 10 Discuss at least five potential advantages to initiating, continuing, and/or expanding international operations.

**SECTION – B**

(Compulsory Question)

01 X 10 = 10 Marks

11 **Case study:**

Margaret Quinn, the president of Eastern Electric Corporation, one of the largest electric utilities operating in the eastern United States, had long been convinced that effective planning in the company was essential to success. For more than 10 years, she had tried to get a company-planning program installed without seeing much result. Over this time, she had consecutively appointed three vice presidents in charge of planning and, although each had seemed to work hard at the job, she noticed that individual department heads kept going their own ways. They made decisions on problems as they came up and they prided themselves on doing an effective job of “fighting fires.”

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However, the company seemed to be drifting, and individual decisions of department heads did not always jibe with each other. The executive in charge of regulatory matters was always pressing state commissions to allow higher electric rates without having very much luck, since the commissions felt that costs, although rising, were not justified. The head of public relations was constantly appealing to the public to understand the problems of electric utilities, but electric users in the various communities felt that the utility was making enough money and that the company should solve its problems without raising rates. The vice president in charge of operations, pressed by many communities to expand electric lines to put all lines underground to get rid of unsightly poles and lines and to give customers better service, felt that costs were secondary to keeping customers off his back.

When a consultant called in at the request of Ms. Quinn looked over the situation, he found that the company really was not planning very well. The vice president of planning and his staff were working hard making studies and forecasts and submitting them to the president. There they stopped, since all the department heads looked on them as impractical paperwork that had no importance for their day-to-day operations.

**Questions:**

- (a) If you were the consultant, what steps would you suggest to get the company to plan effectively?
- (b) How would you suggest to the president that your recommendations be put into effect?

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**SECTION – A**

Answer the following: (05 X 10 = 50 Marks)

- 1 Explain how the strategic management process can be applied to an organization.  
**OR**
- 2 How to craft and develop a strategy for competitive advantage in business world?
- 3 How SWOT analysis is carried out by an organization in business environment?  
**OR**
- 4 Write about Porter's five forces model and how it is applicable as a strategic management tool in an organization.
- 5 Explain the information needed for proper formulation of strategy at corporate, business and functional levels.  
**OR**
- 6 Elaborate the four generic strategies that strategic business units use.
- 7 Critically evaluate the tailoring strategy to fit specific industry and company situations.  
**OR**
- 8 Explain the importance of resource allocation as a vital part of strategy.
- 9 What are the salient techniques of strategic evaluation and control?  
**OR**
- 10 Compare the strategy and corporate evaluation and feedback in the Indian and international context.

**SECTION – B**

(Compulsory Question)

01 X 10 = 10 Marks

11 **Case study:**

**Airtel will take over Telenor India's spectrum, licenses and operations, including its employees and a customer base of 44 million**

With 7 circles of Andhra Pradesh, Bihar, Maharashtra, Gujarat, Uttar Pradesh (East and West) and Assam with employees of approx 800, a famous Norwegian Telecom operator Telenor would be bought by Bharati Airtel. Less than a month after Vodafone confirmed it was in talks with idea cellular for a possible merger in India which could create the country's largest mobile operator, Indian based Airtel has come up with this sparkling news.

This deal will help India's largest telecom services provider to widen its lead over Mukesh Ambani-led Reliance Jio, which has already notched up 100 million users. Were Vodafone and idea to successfully conclude a merger, the combined entity would have almost 400 million users.

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“Bharti Airtel has entered into a definitive agreement with Telenor South Asia Investments Pvt. Ltd. to acquire Telenor India”, Bharti said in a statement. “It will also enable Airtel to further bolster its strong spectrum footprint in these seven circles, with the addition of 43.4 MHz spectrum in the 1800 MHz band” it said.

Through the companies didn't disclose the deal size, a Deutsche Bank Market Research report pegged the value of the transaction at about ~~\$~~ 300 million or more than ₹2,000 crore. Bharti Airtel shares gained 1.4% on the BSE to close at ₹366.05 on 23<sup>rd</sup> Feb 2017.

**Questions:**

- (a) If you were a 'strategic manager' of Reliance Jio, how could you take this takeover policy of Airtel?
- (b) Analyze the role of 'corporate strategist' in formulation of the takeover deal of Airtel over Telenor.
- (c) Contrast the confirmed Vodafone and idea cellular possible merging with the outcome (affects) of Airtel takeover of Telenor.

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**SECTION – A**

Answer the following: (05 X 10 = 50 Marks)

- 1 What are the factors that shape a company's strategy? Explain
- OR**
- 2 How to develop and implement a strategic vision by an organization in this globally competitive world?
- 3 Explain Michael Porter's five forces model for analyzing industries and competitors along with three generic strategies.
- OR**
- 4 Elaborate the process of strategy formulation through SWOT analysis and TOWS matrix. Explain with suitable example.
- 5 Explain the information needed for proper formulation of strategy at corporate, business and functional levels.
- OR**
- 6 What are some ways to implement a retrenchment strategy without creating a lot of resentment and conflict with labor unions?
- 7 What do you mean by strategy formulation and explain the process of implementation and control in business marketing?
- OR**
- 8 Broadly explain the planning systems for strategy implementation.
- 9 Critically evaluate the role of corporate strategist in business world.
- OR**
- 10 Compare the strategy and corporate evaluation and feedback in the Indian and international context.

**SECTION – B**

(Compulsory Question)

01 X 10 = 10 Marks

- 11 **Case study:**  
**CII partnership summit 2017 in Visakhapatnam**

A range of global, regional and domestic factors have created new challenges and opportunities to global trade and growth. Recovery of advanced economies continue to be modest. Growth prospects of emerging economics too remain weak; the slowdown in China and lower commodity prices are affecting economic and trade growth. The 1991 LPG policy which has its foundational importance has boosted up our economy as a whole. With over 23 years of active engagement and collaboration of India with the rest of the world, the partnership summit from the very onset provides a platform to stimulate the discussions among all stakeholders, the political and institutional circles on the best strategies and policies to help countries overcome the obstacles to improve competitiveness.

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Moreover, rise of regional and global value chains (RVCs/GVCs), regional and mega regional trade blocks, multilateral banks and unmatched popularity and widespread acceptance of the UN sustainable development goals (SDGs) are providing new opportunities.

Against this backdrop, the confederation of Indian industry (CII) in partnership with the department of industrial policy and promotion, ministry of commerce and industry and state government of Andhra Pradesh is organized the 23<sup>rd</sup> edition of the partnership summit from 27-28 January 2017 in Visakhapatnam, Andhra Pradesh.

This summit aims to build ideologies based on shared dreams that bind societies together in this knowledge driven world. The summit has established itself as an ideal ground for business networking and sharing of societal concerns where corporate seeks a collective view beyond bottom lines.

The partnership summit has regularly featured heads of states and governments, ministers, senior bureaucrats, academicians and thought leaders from all over the world leading to various MOUs and flow of investment and thus adding to the growth of economy of a nation.

**Questions:**

- (a) Critically comment partnership summits as a mere advertising platform for various companies laid by the government rather than investments.
- (b) If you were a managing director of a company, how could you strategically plan on getting investments and MOUs using the CII partnership summit as a platform?
- (c) Analyze the concept of partnership for growth and development for India in international business in 21<sup>st</sup> century.

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**SECTION – A**

Answer the following: (05 X 10 = 50 Marks)

- 1 How vision is different from mission statement?  
**OR**
- 2 Discuss the importance of scanning technological environment.
- 3 Compare and contrast BCG matrix and GE nine cell matrix.  
**OR**
- 4 The TOWS matrix is an effective tool for situational analysis. Explain.
- 5 What do you mean by strategic fit? Explain its relevance in diversification.  
**OR**
- 6 Discuss how vertical integration can create value by enabling a firm to exploit its valuable, rare and costly to imitate resources and capabilities.
- 7 Explain why resource allocation should always be based on strategic priorities.  
**OR**
- 8 Illustrate a policy, an objective and an operating strategy in your personal career strategy.
- 9 What are the key considerations in monitoring deviation from performance standard?  
**OR**
- 10 What are the qualitative and quantitative criteria available for evaluating organizational strategy?

**SECTION – B**

(Compulsory Question)

01 X 10 = 10 Marks

11 **Case study:**

According to Coach's website, the company has built a distinctive style and prestigious image over the past 40 years to develop a reputation as "America's preeminent designer, producer and marketer of fine accessories and gifts for women and men including handbags, business cases, luggage and travel accessories, wallets, outerwear, eyewear, gloves, scarves and fine jewelry". Coach employs a multi-channel distribution strategy to reach its customers including company owned stores, boutiques in the stores of prominent specialty retailers both within the United States and abroad and the company operates an online store. Consumers who purchase Coach products are generally willing to pay the premium price due to the superior quality of Coach's product as well as the perceived prestige of owning a Coach product. Coach stresses these features in their advertising campaigns and regularly allows movies and television shows to favorably feature Coach products in appropriate scenes. Over the last five years, Coach has partnered with automobile manufacturers such as Lexus to produce automobiles with Coach interiors. In an effort to expand its international reach, Coach intends to increase its international distribution and is expanding into Japan through Coach Japan, Inc. a joint venture with a local company that will allow Coach to control international distribution and to maintain a consistent branch strategy domestically and abroad.

**Questions:**

- (a) Discuss how vertical integration can create value by enabling a firm to exploit its valuable, rare and costly-to-imitate resources and capabilities.
- (b) Identify the sources of cost advantage.
- (c) Discuss different types of strategic alliances with their strategic implications.

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