

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 3 – EXAMINATION – WINTER 2018**Subject Code:2830001****Date: 03/12/2018****Subject Name: Strategic Management****Time:10:30 AM To 01:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1 (a) MCQ** **6**
- Strategic management is mainly the responsibility of ____
1. A. Lower management B. Middle management
C. Top management D. All of the above
- They have time based utility
2. A. Goals B. Resources
C. both 'A' and 'B' D. None of the above
- Horizontal integration is concerned with ____
3. A. Production B. Quality
C. Product planning D. All of the above
- ETOP stands for ____
4. A. environmental threat B. environmental threat &
& opportunity project opportunity profile
C. environmental treaty D. environmental threat & optimum
& opportunity profile profile
- Benchmarking is ____
5. A. Historical analysis B. Competitive analysis
C. Re-engineering D. All of the above
- BCG in BCG matrix stands for ____
6. A. Boston Calmette B. British Consulting Group
Group
C. Boston Corporate D. Boston Consulting Group
Group
- Q.1 (b)** **04**
- 1) Strategy
 - 2) Takeover
 - 3) Operational Control
 - 4) Core Competency
- Q.1 (c)** **04**
- Describe the six segments of the general environment.
- Q.2 (a)** **07**
- Discuss the four steps of external analysis process in detail. What does the firm intend to follow this process?
- (b)** **07**
- Discuss the concept of outsourcing using value chain analysis? Is it relevant in the current times?
- OR**
- (b)** **07**
- Write a short note on executive compensation. Give suitable examples.

- Q.3 (a) Discuss the concept of Balanced Scorecard **07**
(b) Explain I/ O Model of Above Average Returns with suitable examples **07**
and figure.

OR

- Q.3 (a) What are traditions and emerging motives that cause firms to expand **07**
internationally? Explain in detail.
(b) Differentiate between vision and mission .Giving examples define the **07**
characteristics of a good vision and mission statement.
- Q.4 (a) Explain Porter's Five Force Model by taking an industry or a company of **07**
your choice.
(b) Discuss corporate governance internal mechanisms. **07**

OR

- Q.4 (a) High Performance Culture v/s Adaptive Culture **07**
(b) Explain the Blue Ocean Strategy as a special kind of offensive. **07**

- Q.5 Suresh Gupta was irritated and confused, after the meeting with Dinesh **14**
Sharma. Suresh was the chief of Gujarat Department Stores (GDS), and
Dinesh was regional store manager, in charge of stores of Ahmedabad, Rajkot
and Surat. Three weeks earlier, Suresh has received a letter from Dinesh
explaining that top management had decided on an MBO programme to help
SDS improve its operational efficiency and profitability. The letter mentioned
about linking stores managers' salary hikes, promotions etc to performance.
The accompanying instructions required managers to list the objectives they
achieved which were appropriate for their store and then to await the regional
manager's review visit.

Suresh has done just what he was asked to do. In the meeting with his
departmental managers, Suresh had chosen objectives that they all agreed were
appropriate. All of the objectives represented performance levels that were
improvements over the past year and were reasonably attainable, such as:

Increasing sales by 10%, Reducing Inventory losses by 2%, Improving
Customer Service (i.e. 20% fewer complaints made to head office) and
Reducing cash register shortages to 0.05 % of sales.

Dinesh came late for the MBO review visit and stressed that there was little
time. He quickly scanned the written statement of objectives which Suresh
gave him, then explained that profit improvement was really what the home
office was interested in. Senior management in Mumbai, running the GDS in
over 18 major cities in India, decided that a 10% increase in profit would be a
reasonable objective for Suresh store. This single objective, Dinesh explained,
would facilitate the monitoring of performance by the head office and would
also reduce the amount of information the store would have to submit.

Question

- 1) Does the MBO system at GDS meet the criteria for an effective
programme? Why? Why not
- 2) Evaluate Suresh approach to objective setting.

OR

- Q.5 Rohit Ltd was started 10 years back as company manufacturing auto parts with **14**
an investment of Rupees 5 crores by Rohit Kumar. He took over as its chief
executive and is occupying the same position till date. Rohit an automobile
engineer himself possessed rich experience of working abroad and in
Hindustan Motors Ltd in India. He is dynamic and ready to take risk. He
always emphasized on maintaining high quality standards. Initially, the
products were supplied to automobile service centers all across the country.
The market was small and the company suffered some losses. Eight years after
its inception the company entered into an agreement with Maruti Udyog Ltd to

manufacture and supply specific components for their small car. This agreement was a turning point for the company. Later the company was able to enter agreements with other companies entering India. The company is able to manage a growth rate of over 25% in last five years. Its turnover in the last financial year exceeded 800 crores. The overall market is also witnessing a very high growth rate. Rohit also possessed strong behavioural skills and allowed some autonomy and discretion to the senior managers of the company. A year back in an internal meeting Rohit felt that the company can grow still faster if it enters other markets outside India. Various options were analysed and efforts were made to discuss and negotiate with major manufacturers of the world. Getting some response from two manufacturers in European Union the company opened an office in London. Rohit closely monitored the day-to-day working of this office. He will also visit London every month to have first hand information about its working. However, as the company is growing it is becoming increasingly difficult for him to manage this office. He also wants to expand further. He called a meeting with head of various departments. In the meeting following alternatives were considered for foreign market:

- Continue to manufacture products in India and export them to other countries.
 - Initiate manufacturing activities in other countries.
 - Takeover existing manufacturers of the products.
- a. Write a note on reasons for Rohit Ltd to open office in London?
- b. What should be the strategy of the company in a high growth market? Why?
- c. Make an analysis of various alternatives that are being considered for expanding in foreign markets?

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