

**PD – 620**

**III Semester M.B.A. (Day)/V Semester M.B.A. (Evening) Degree Examination,  
January/February 2007**

**(Updated Scheme)**

**MANAGEMENT**

**Paper : 3.1 : Strategic Management**

Time : 3 Hours

Max. Marks : 75

**SECTION – A**

Answer **any six**.

**(6×2=12)**

1. a) Define strategy.
- b) Define vision.
- c) What is a Poison Pill ?
- d) Name some entry barriers.
- e) What are bureaucratic costs ?
- f) What are exit strategies ?
- g) What is horizontal differentiations ?
- h) What is 'ETOP' ?
- i) What is Strategic Audit ?

**SECTION – B**

Answer **any four**.

**(4×5=20)**

2. How are strategy and structure related ? Discuss with examples.
3. Write the vision and mission of any company with which you are familiar and explain its significance.
4. Why do acquisitions fail ?
5. Explain the concept of value chain and illustrate how value is created.
6. Why are companies going global ? Give reasons.
7. 'Culture reduces bureaucratic costs'. Discuss.

**P.T.O.**

## SECTION - C

Answer **any three** of the following.

(3×10=30)

8. What are corporate level strategies ? Explain with examples.
9. Strategy structure and control system should be effectively integrated to achieve competitive advantages. Discuss.
10. 'Cut throat competition is reducing profits of Mobile/Telecom Industry'. Explain the statement with reference to the strategies adopted by the players in the Industry.
11. Discuss Michael Porter's five-forces model with suitable examples.
12. Discuss some of the important strategies adopted by not-for-profit organisations to raise additional funds to run the organisation.

## SECTION - D

13. Analyse the case and answer the questions. (Compulsory)

(1×13=13)

**Case Study - Liz Claiborne**

Designer Liz Claiborne founded her company in 1976 with the help of three partners. By 1990 her company had over \$2 billion in sales yearly and its stock had become a Wall Street favorite. The secret of the company's success was based on Liz Claiborne's decision to focus on the rapidly growing professional women's clothing segment of the market. By 1976 women were entering the work force in rapidly increasing numbers, but relatively few companies were producing clothes for this segment - and they were very high-priced firms like Ellen Tracy, Donna Karan and Ann Klein. Liz Claiborne decided to find out what kinds of clothing professional women wanted; then she used her considerable talents to create a design team to focus on providing attractively designed clothing for professional women at reasonable prices. In doing so, she tapped an unmet customer need and the result was dramatic as sales boomed.

To protect its image, Liz Claiborne sold her clothing through established retailers, like Macy's, Bloomingdale's, and Dillard's. Retailers were required to buy at least \$50,000 worth of her collection, and the company controlled the way its suits and dresses were sold in each store – for example, the way clothes were hung and displayed. This attention to detail was part of her strategy of focusing on the upscale professional clothing niche. To promote its growth, the company then started to find new outlets for its clothes and opened a chain of Liz Claiborne boutiques and factory outlet stores. The Liz Claiborne team also used its design skills to produce a line of men's sportswear clothing and to develop new products like perfume, shoes, and accessories. By 1988 the Liz Claiborne name had become famous.

However, by 1990 that the company's growth had slowed. The company was in trouble. Competitors, recognizing the niche pioneered by Liz Claiborne had begun to offer their own lines of professional women's clothing. Expensive designers like Ann Klein and Donna Karan had new lines of cheaper clothing, priced to compete directly with Liz Claiborne. In addition, low-cost manufacturers had begun to produce clothing lines that undercut her prices, often using Liz Claiborne look-alike designs. This competition from both the top and the bottom end of the market took sales away from the company.

Another problem for Liz Claiborne came from the retail end. Many of the company's best customers, retailers like Macy's, were in deep financial difficulty and were cutting back on purchases to reduce their debt. At the same time, cost-conscious consumers were buying more and more clothing from stores like Casual Corner and JC Penney, and even discount stores like Kmart and Wal-Mart, which do not sell the Liz Claiborne line but the low-priced lines of competitors. As customers switched both to cheaper stores and to cheaper lines, Liz Claiborne's sales suffered.

Given this deteriorating situation, the company moved quickly to change its strategy. Jerry Chazen, who replaced Liz Claiborne as CEO of the company on her retirement, decided to broaden the company's product line and produce low-cost lines of clothing. To do so and at the same time protect the Liz Claiborne brand name, he bought Russ Togs, a clothing maker which produces three brands of women's clothing: Crazy Horse, The Villager and Red Horse. As part of the company's new strategy, each of these clothing makers' lines will be redesigned and targeted at a different price range in the women's clothing market. For example,

Russ Togs, a sportswear line, is to be upgraded and will sell a new line of clothing for 20 to 30 percent less than the Liz Claiborne line. Moreover, this clothing will be sold through discount merchandisers like Wal-Mart and in low-priced department stores like Sears and JC Penney. In this way, the Liz Claiborne company will begin to serve the general women's clothing market, and not just the professional women's clothing niche.

Top management hopes that this new strategy will bolster the company's sagging sales and lead to a new period of growth and expansion. They believe that there is wide scope for the company to take its existing design skills and capabilities and to apply these in new market segments. However, the company will now be going head-to-head with low-cost producers and will have to find new ways to reduce its costs in order to be able to compete. In 1993 its stock fell to \$18, an all-time low, and analysts are uncertain about the company's future in an industry that is well known for the speed at which companies rise and fall.

#### Discussion Questions.

- 1) What factors led to Liz Claibornes' success ?
- 2) What changes has the company recently made in its strategy ? Why ?

**III Semester M.B.A. (Day) V Sem. M.B.A. (Evening) Degree  
Examination, January 2008  
(Semester Updated Scheme)  
BUSINESS ADMINISTRATION  
3.1 : Strategic Management**

Time : 3 Hours

Max. Marks : 75

SECTION – A

(6×2=12)

1. Answer **any six** of the following sub-questions. **Each** sub-question carries **two** marks.
- Define strategy.
  - Distinguish between mission and vision.
  - What is SWOT analysis ?
  - Define competitive advantage.
  - State the components of value chain process.
  - Distinguish between vertical integration and horizontal integration.
  - What are strategic alliances ?
  - What is Turn around strategy ?
  - Define strategic audit.

SECTION – B

(4×5=20)

**Note :** 1) Answer **any four** of the following questions.

2) **Each** question carries **five** marks.

- Explain the nature of strategic management.
- Explain the relevance of environmental scanning for formulating a business strategy.
- What are the uses of a value chain analysis to a strategic ?
- Explain the objectives of mergers and acquisitions.
- What is a change management ? What are its challenges ?
- Explain the impact of technological change on strategy formulation.

P.T.O.

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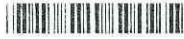
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#### Discussion Questions.

- 1) What factors led to Liz Claibornes' success ?
- 2) What changes has the company recently made in its strategy ? Why ?



IV Semester M.B.A. Degree Examination, June 2009

(2007 Scheme)

MANAGEMENT

Paper – 4.1 : Strategic Management

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **any six** questions. **Each** carries **two** marks.

(6×2=12)

1. a) Write two entry barriers.
- b) What is meant by economies of scope ?
- c) What is corporate governance ?
- d) Define strategy.
- e) What is 'BCG' matrix ?
- f) What is meant by 'product proliferation' ?
- g) What is turn around strategy ?
- h) What is strategic audit ?
- i) What is Icurus paradox ?

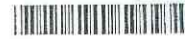
SECTION – B

Answer **any three** questions. **Each** question carries **eight** marks.

(3×8=24)

2. Discuss generic business level strategies with examples.
3. What is meant by acquisition ? Name and discuss the Indian MNC's, who have acquired some foreign large scale companies abroad. Discuss pros and cons of this acquisitions.

P.T.O.



4. What are the components of strategy formulation ? Discuss briefly.
5. Structure and strategy is related. Discuss with examples.
6. What is Micheals five force model ? Why is it used ?
7. What are the important sources of revenue for not-for-profit organisations ? Give examples.

#### SECTION – C

Answer **any two** questions. **Each** question carries **12** marks. (2×12=24)

8. Discuss any model of strategic management process, with a diagram.
9. What are the relationships among differentiation, integration and strategic control systems ? Why are these relationships important ?
10. How might conflict and politics affect the formulation and implementation of generic strategies and corporate level strategies ? Give appropriate examples.

#### SECTION – D

Case study **(Compulsory)** (1×15=15)

11. Read the case and answer the questions :

#### CHRYSLER'S CROSS-FUNCTIONAL PRODUCT TEAMS

After many years of poor performance and mounting losses, Chrysler Corp., the number three U.S. carmaker has been experiencing a turnaround in the 1990s. Its new car models like the Dodge Viper, the cab-forward LH cars, and the low-cost Neon have been attracting many customers back to the company and away from Japanese imports. The company's profits and stock price have surged upward as a result. How has Chrysler achieved this turnaround ? Chrysler's top management attributes its success to its new product team structure, which uses cross-functional product teams.



As with the other U.S. car companies, Chrysler used to have a functional approach to designing and producing its cars. In a functional approach, the responsibility for the design of a new car would be allocated to many different design departments, each of which was responsible for the design of one component, such as the engine or body. Managers further up the hierarchy were responsible for coordinating the activities of the different design departments in order to ensure that the components were compatible with one another. Top managers were also responsible for coordinating the activities of support functions, such as purchasing, marketing, and accounting, with the design process as their contributions were needed. When the design process was finished the new car was then turned over to the manufacturing department, which decided how best to produce it.

Chrysler's functional approach slowed down the product development process and made cross-functional communication difficult and slow. Each function pursued its activities in isolation from other functions, and it was left to top management to provide the integration necessary to coordinate functional activities. As a result, it took Chrysler an average of five years to bring a new car to market, a figure that was well behind the Japanese, who took two to three years. Chrysler's structure was raising its costs, slowing innovation, and making the company less responsive to the needs of its customers. The company's top managers began to search for a new way of organizing its value-creation activities to turn it around. To begin this process, top management looked at the way Japanese companies were organized, and particularly at the way the Honda Motor Co. structured its value-creation activities. Chrysler sent fourteen of its managers to study Honda's system and to report back on its operation.

Honda had pioneered the "Honda Way" concept to organize its activities. It created small teams, comprising members of different functions, and gave them the responsibility and authority to manage a project from its conception phase, through all design activities, to final manufacture and sale. Honda had found that when it used these cross-functional teams, product development time dropped dramatically because functional communication and coordination was much easier in teams. Moreover, design costs were much lower when different functions worked together to solve problems as they emerged because the need to change a design later-for



example, to add a second air bag-could cost millions of dollars. Honda had also found that its policy of decentralizing authority to the team kept the organization flexible, innovative, and able to take advantage of emerging technical opportunities.

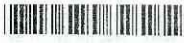
Chrysler decided to imitate Honda's structure and took the opportunity to do so when it chose to build an expensive luxury car called the Viper. To manage the development of this new car, Chrysler created a cross-functional product team consisting of eightyfive people . It established the team in the huge new research and development center that it had built in Auburn Hills, Michigan, and gave it the authority and responsibility to bring the car to market. The outcome was dramatic. Within one year top mangement could see that the team had achieved what would have taken three years under Chrysler's old system. In fact, the team brought the car to market in just thirty-six months at a development cost of \$75 milion-results that compared favorably with those obtained by Japanese companies.

With this succes in hand, Chrysler's top management moved to restructure the whole company according to the product team concept. Top management divided up functional personnel and assigned them to work in product teams charged with developing new cars, such as the cab-forward designs.

The number of levels in Chrysler's hierarchy decreased since authority was decentralized to managers in the product teams, who were responsible for all aspects of new car development. Instead of having to integrate the activities of different functions, top managers could concentrate on allocating resources among projects, deciding future product developments, and challenging the teams to continually improve their efforts. As noted earlier, Chrysler's efforts brought the reward of a dramatic drop in costs and an increase in quality and customer responsiveness. Chrysler's stock price doubled in 1993 as customers rushed to buy its cars.

#### Discussion Questions

1. Why was Chrysler's functional approach to new car development running into problems ?
  2. What are the advantages of Chrysler's new product team structure ?
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**IV Semester M.B.A. (Day) Degree Examination, June/July 2010  
(2007-08 Scheme)**

**4.1 : STRATEGIC MANAGEMENT**

Time : 3 Hours

Max. Marks : 75

**SECTION – A**

Answer **any six**, each carries **2** marks.

**(6×2=12)**

1. a) What is MBO ?
- b) What is strategy ?
- c) What do you mean by innovation ?
- d) Define focus strategy.
- e) What is cost-leadership strategy ?
- f) What is value change analysis ?
- g) Differentiate vision and mission ?
- h) What is service blue printing ?

**SECTION – B**

Answer **any three** questions. **Each** question carries **eight** marks.

**(3×8=24)**

2. Discuss the process of strategic control system.
3. What are the advantages and disadvantages of internal new ventures and acquisitions ?
4. How to implement strategic change ? Describe the steps in change.
5. Culture integrates the structural relationship and increase the productivity. Discuss.
6. Discuss the Five Force Model of strategic management.

P.T.O.



## SECTION – C

Answer **any two** questions, **each** question carries **12** marks. (2×12=24)

7. Scanning and micro and macro environmental factors help the strategy formulation. Discuss.
8. What key structural considerations must be incorporated into strategy implementation? Why does structural change often lag a change in strategy?
9. Explain the difference between implementation controls, strategic surveillance and special alerts. Give examples of each.

## SECTION – D

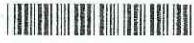
Case study (**Compulsory**) : (1×15=15)

10. Read the case and answer the questions.

**RASNA PRIVATE LIMITED**

Pioma Industries of Ahmedabad introduced non-carbonated soft drink with Rasna brand name during early 1970s. The soft drink was in a concentrate form which consisted of powder and liquid concentrate. Each pack used to contain one pouch of powder and one very small glass bottle filled with liquid concentrate. The users were required to mix the powder in water and sugar, and subsequently, the liquid concentrate. The soft drink was ready to use. Because of this process of preparing soft drink, the firm positioned Rasna as “do-it-yourself”.

Rasna captured the non-carbonated market very quickly because of two reasons. First, Rasna was quite cheap, price to consumers being 50 paise per glass. This price attracted lot of customers, particularly from middle class and lower-middle class families. Second, transportation of Rasna was much easier as compared to alternative non-carbonated soft drinks in the form of squashes and syrups which were packed in fragile glass bottles. Further, these soft drinks were positioned as high-end products.



Rasna introduced soft drink concentrates in a number of flavours like rose, mango, pineapple, lemon, orange, vanilla, cola, etc. When the business of the firm flourished, a company was incorporated in the name of Rasna Private Limited. Subsequently, the company entered the business of confectionery, bakery, ice-cream, and health drink. It also started exporting the products. Rasna also launched aerated fruit drink Oranjolt but it failed because of its short shelf life and the need for keeping it refrigerated 24 hours while most dealers in India switch off their refrigerators during night to save electricity cost.

**Questions :**

1. Discuss the nature of innovation of introducing soft drink concentrate and the competitive advantage it offered.
  2. In what way, should Rasna have gone for innovation in introducing Oranjolt ?
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PG – 008

IV Semester M.B.A. Degree Examination, June 2011

(2007-08 Scheme)

MANAGEMENT

Paper – 4.1 : Strategic Management

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any six** questions. **Each** question carries **two** marks : (6×2=12)

- a) Define Corporate Mission.
- b) What are Joint Ventures ?
- c) Expand, ETOP and SAP.
- d) Define, Benchmarking.
- e) What do you mean by strategic intent ?
- f) Distinguish between Backward and forward integrations.
- g) What are implied policies ?
- h) Define, competitive advantage.
- i) Define Corporate Governance.

SECTION – B

Answer **any three** questions. **Each** question carries **eight** marks. (3×8=24)

2. Discuss the various techniques of environmental analysis.
3. Explain process of strategic implementation.
4. Discuss the various forms of Diversification of Business.
5. Explain the process of evolving corporate mission and objectives.
6. Explain the various portfolio tools used to evaluate the strategic alternatives.
7. Discuss the impact of digitalisation and globalisations on SMEs and non-profit organisations.

P.T.O.



## SECTION – C

Answer **any two** questions. **Each** question carries **12** marks : (2×12=24)

8. Define, Grand strategies and explain their variants.
9. Describe the process of strategy formulation.
10. “Organisations have no ethics of their own, often they reflect the ethics of the people in policy making”. Discuss.

## SECTION – D

11. Read the following case and answer the questions given : (1×15=15)

Chocolate Makers “Hershey’s Inc, USA and ‘Ferrero SpA, Italy are considering a joint bid to buy out’ Cadbury Plc, which could help the British confectioner fend off a hostile take over by Kraft. Foods Inc, USA this move is the strongest sign of a possible rival bid to Kraft’s \$ 16.7 Billion offer which Cadbury rejected and said was “derisory”.

Parallely Ferrero could join financial investors and private equity players considered friendly to cadbury, for a possible alliance. With this proposal, the advantage for cadbury shareholders is that they would continue to hold shares in a high growth confectionery group having UK listing rather than being paid around 50 % equity in a low growth US listed conglomerate having a turn over of \$ 11.7 billion a year.

Ferrero, has an annual sale of \$ 9.3 billion with 18 factories and 21600 employees worldwide. It is also known for its Kinder ‘Chocolates and’ ‘Tic-Tac’ candy.

**Questions :**

- a) Explain ‘intensive’ and ‘integrated growth strategies’ adopted by these conglomerates.
  - b) Explain the five types of competitive advantages pursued by Hershey’s and Ferrero, while formulating their strategic plans.
  - c) Why do companies resort to hostile bidding ? Briefly explain.
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PG – 120

IV Semester M.B.A. Degree Examination, June/July 2012  
(2007-08 Scheme)

MANAGEMENT

Paper – 4.1 : Strategic Management

Time : 3 Hours

Max. Marks : 75

SECTION – A

(6×2=12)

Answer any six. Each carries 2 marks.

1. a) What is Group think ?
- b) What is verticle differentiation ?
- c) What is value chain ?
- d) What is GAP Analysis ?
- e) What is efficiency ?
- f) What is full integration ?
- g) What is Transfer pricing ?
- h) What is strategic intent ?

SECTION – B

(3×8= 24)

Answer any three questions. Each question carries eight marks.

2. How Now-price strategies enhances the competitive advantage ? Give examples.
3. What are Exit strategies ? Explain with examples.
4. Why do companies go global ? What are the entry modes that companies follow to enter into foreign markets ?
5. What are functional level strategies ? How it enhances the competitive advantage ?
6. Matrix structure is a complex and costly structure. Discuss with a Diagram.

P.T.O.



## SECTION – C

(2×12= 24)

Answer any two questions. Each question carries 12 marks.

7. What is a mission statement ? What are its components ? How would the mission statement of Profit and not-for-profit organisation differ ? Give examples.
8. What are corporate level strategies ? Discuss the advantages and disadvantages of each strategy.
9. Power, politics, conflicts, affects the competitive advantage. Explain with examples.

## SECTION – D

(1×15=15)

10. Read the case and answer the questions :

The Case of Cultural Differences

“It was the best of times ; it was the worst of times”.

It was the former because Allen Bank's acquisition of a part of the Bradbury Bank - What the latter termed NEM (Newly Emerging Market) operations-seemed an acquisition scripted in heaven. Both were venerable institutions of British origin. Allen was the largest international bank in developing markets. Its core businesses ? Retail and corporate banking, treasury ops and trade financing. The bank employed over 33,000 people across 740 offices in 55 countries. Bradbury bank was smaller, but only marginally so. It employed 28,000 people and was present in 42 countries. Its core businesses were retail and corporate banking and trade financing. However, its NEM business was focussed exclusively on high-networth individuals and large corporates. So, when Bradbury wished to sell its NEM operations-it wanted to exit NEM because most economies there boasted a low credit rating and it wished to lesson its overall credit risk ; besides, it wished to focus its efforts on the first world-it was only natural that Allen, which wished to expand its presence in developing countries, buy them.



It was the worst of times because the cultures of the two banks were as different as blues-grass and Bhangra-Pop. Allen was a systems-driven bank which boasted of strong internal controls and placed an emphasis on training and performance. Bradbury was a old-world type, inward-looking firm with weak control systems and condoned pedestrian performance. Worse, it did little to spread its customer base and aggressively acquire new business.

It was also the worst of times because the two companies had different organisational structures. Allen favoured the matrix with the head of each division or function reporting directly to the regional head of that division or function, and only informally to the country head. Bradbury preferred a linear reporting relationship with everyone reporting to the country head. Expectedly, Bradbury employees who became part of the rechristened Allen Bradbury Bank (ABB) in relation to the energy giant, although the bank could have learned a thing or two from that company's integration of Asea and Brown Boveri) felt lost. "There is no symbol of authority I can relate to in my workplace," was a commonly heard refrain.

None of these, though, worried Surinder Sawhney, the 53-year old CEO of ABB, as much as the issue of people. Like most CEO's discover during the process of integration, Sawhney was discovering that ABB seemed to have two people for every position. Worse, Allen-employees considered their counterparts from Bradbury, who had been taken on, as baggage. "They're here because that was part of the deal with Bradbury", confided one young manager from ABB (he was from the Allen-side). "By themselves, these people would have never been hired by us". Not surprisingly, the acquisition had also thrown a spanner into Allen's well thought out career-progression plans. Sawhney and his HR head were discovering that they would have to redefine these for a larger group of employees. At the same time, they had to convince old Allen employees that they weren't being short-changed in the process. One senior HR manager had suggested that they get senior executives to make short presentations on why they were essential



to ABB. Sawhney had thought the idea brilliant; his executives had'nt. Nor had the media. Within days horror stories, mostly apocryphal, about people having to re-interview for their jobs were doing the rounds. And all the while, ABB was steadily losing people. Head-hunters and rival banks were making a beeline for some of ABB's renowned human capital. And insecure employees were signing up with lesser companies rather than negotiate an uncertain future at the bank.

In desperation, Sawhney turned to an old friend, Vinay Sen, a HR professional who'd made a career for himself as an independent consultant. That hadn't helped much. True, Sen had shared some interesting thoughts on the issue of synergy. "Apart from valuation, the most hyped phrase in an M & A deal is Synergy," he had said. " People talk of dove-tailing strengths and capabilities, bringing complementary skills and exploiting cross-marketing opportunities. To me, synergy simply means one plus one, is not two, but six, or may be, eight. When a merger merely maintains the existing equilibrium, it does not make for synergy. It is only when there is a geometric leap in the advantages accruing to a merged entity that synergy makes sense". All sound stuff; only, it did little to help Sawhney tackle the problem at hand.

And this, the beleaguered CEO realised, was only the beginning. Convincing the best talent to stay put within the bank was the immediate objective. But there were other long-term ones. Like realising the benefits of the synergy Sen spoke about and ensuring that ABB ended up with a larger share of the market than any of its constituent entities. Sawhney had read all the right books on getting M and As to work for you, but this was real. And it was painful. "Heck", he thought, "we don't even share a common e-mail system".

**Questions :**

- 1) 'Integration is critical to the success of a merger'. Examine the statement keeping the Allen and Bradbury case in mind.
- 2) What should Sawhney do to strengthen both banks and develop a concrete business plan ?
- 3) What are the areas of compatibility and conflict between Bradbury Bank and Allen Bank ?
- 4) What kind of organisational structure should be put in place with a view to ensure smooth translation of rhetoric into action plans ?
- 5) As a consultant, what steps do you recommend to implement the integration ?



PG – 105

IV Semester M.B.A. (Day) Degree Examination, June/July 2013  
(2007-08 Scheme)

Management

Paper – 4.1 : STRATEGIC MANAGEMENT

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer any six, each carries 2 marks.

(6×2=12)

1. Write the meaning of :
  - a) Centralisation and decentralisation
  - b) Power and authority
  - c) Technology and innovation
  - d) LBO's
  - e) TOWS Analysis
  - f) Bureaucratic control
  - g) Flat structure
  - h) Not-for-profit organisation.

SECTION – B

Answer any three questions, each carries eight marks.

(3×8=24)

2. What are the five entry modes of entering foreign markets ? Discuss.
3. "Control systems helps in achieving competitive advantage". Discuss the statement with four types of control system.
4. Macro environmental factors, creates opportunities and threats to the business. Elaborate with examples.
5. What are the strategies adopted by not-for-profit organisations to raise additional funds ?
6. What are the strategies adopted by (a) Barber shops, (b) Real estate, (c) Vegetable, (d) Tender coconut, (e) News paper, (f) Provision store, vendors in fragmented industries ?

P.T.O.



## SECTION - C

Answer **any two** questions, **each** carry 12 marks.

(2×12=24)

7. Strategy, structure and control systems are related to each other and how this relationship, influences the competitive advantage.
8. Why do companies fail ? What role the top management plays in helping company to achieve superior efficiency, quality, innovation and customer responsiveness ?
9. What is strategic management process model ? Explain the components of the model with examples.

## SECTION - D

10. Read the case and answer the questions :

(1×15=15)

**Entry Strategies and Organizational Structures – Australia**

Australia is the smallest continent but the sixth-largest country in the world. It lies between the Indian and Pacific oceans in the Southern hemisphere and has a landmass of almost 3 million square miles (around 85 percent the size of the United States). Referred to as being “down under” because it lies entirely within the Southern Hemisphere, it is a dry, thinly populated land.

The outback is famous for its bright sunshine, enormous numbers of sheep and cattle, and unusual wildlife, such as kangaroos koalas, platypuses and wombats. Over 19 million people live in this former British colony, and 20 million are projected within the next couple of years. Although many British customs are retained, Australians have developed their own unique way of life. One of the world's most developed countries, Australia operates under a democratic form of government somewhat similar to that of Great Britain. Gross domestic product is over \$525 billion, with the largest economic sectors being services (71 percent), trade and manufacturing.

A large financial-service MNC in the United States has been examining the demographic and economic data of Australia. This MNC has concluded that there will be increased demand for financial services in Australia during the next few years. As a result, the company is setting up an operation in the capital, Canberra, which is slightly inland from Sydney and Melbourne the two largest cities.



This financial-services firm began in Chicago and now has offices in seven countries. Many of these foreign operations are closely controlled by the Chicago office. The overseas personnel are charged with carefully following instructions from headquarters and implementing centralized decisions. However, the Australian operation will be run differently. Because the country is so large and the population spread along the coast and to Perth in the west and because of the "free spirit" cultural values of the Aussies, the home office feels compelled to give the manager of Australian operations full control over decision making. This manager will have a small number of senior-level managers brought from the United States, but the rest of the personnel will be hired locally. The office will be given sales and profit goals, but specific implementation of strategy will be left to the manager and his or her key subordinates on site.

The home office believes that in addition to providing direct banking and credit card services, the Australian operation should seek to gain a strong foothold in insurance and investment services. As the country continues to grow economically, this sector of the industry should increase relatively fast. Moreover, few multinational firms are trying to tap this market in Australia, and those that are doing so are from British Commonwealth countries. The CEO believes that the experience of the people being sent to Australia (the U.S. expatriates) will be particularly helpful in developing this market. He recently noted, "We know that the needs of the Australian market are not as sophisticated or complex as those in the United States, but we also know that they are moving in the same direction as we are. So we intend to tap our experience and knowledge and use it to garner a commanding share of this expanding market".

**Questions :**

- 1) What are some current issues facing Australia ? What is the climate for doing business in Australia today ?
- 2) What type of organizational structure arrangement is the MNC going to use in setting up its Australian operation ?
- 3) Can this MNC benefit from any of the new organizational arrangements, such as a joint venture, the Japanese concept of keiretsu or electronic networks ?
- 4) Will this operation be basically centralized or decentralized ?



PG – 782

IV Semester M.B.A. Degree Examination, July/August 2014  
(2007-08 Scheme)

MANAGEMENT

Paper – 4.1 : Strategic Management

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any six** questions. **Each** question carries **2** marks. (6×2=12)
- What is planning equilibrium ?
  - What is corporate philosophy ?
  - What is brand loyalty ?
  - What is the difference between quality and innovation ?
  - What is experience curve ?
  - What is Bureaucratic control ?
  - What is multidivisional structure ?
  - What is vertical differentiation ?

SECTION – B

Answer **any three** of the following questions. **Each** question carries **8** marks. (3×8= 24)

- What are the strategies adopted at functional departments to achieve competitive advantage ? Discuss with value chain.
- Many Indian companies are going global to achieve competitive advantage. Discuss with examples.
- Write vision, mission, philosophy statements for the business school where you are studying ?
- Discuss BCG matrix with a diagram.
- "Tall structures increase Bureaucratic costs". Discuss with examples.

P.T.O.



## SECTION – C

Answer **any two** questions. Each question carries **12** marks.

(2×12=24)

7. What is strategic audit ? Conduct strategic audit of company, which you know, from vision statement to strategy implementation.
8. "Strategies of not-for-profit organisation are different from profit motto organisations". Briefly explain with examples.
9. Strategy, structure, costs are related to each other. Discuss with reference to TALL and FLAT structures.

## SECTION – D

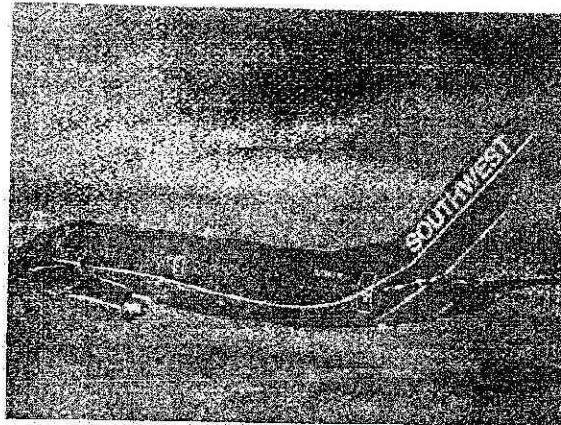
10. Case study (**Compulsory**) :

(1×15=15)

Analyse the case and answer the questions.

**Southwest Airlines: Excellence Through Integrated Cost Management**

According to many, Southwest Airlines is the best airline in the US and one among the best in the world. Analysts and even competitors attribute this to Southwest's low-cost strategy. But, closer analysis reveals that it is integrated cost management or leadership which gives the company its competitive position in the global airlines industry and also is the source of its profitable operations.



Six strategic factors contribute to Southwest's integrated cost management/ leadership. These are : very low ticket prices; limited passenger service (for example, no meals, no baggage transfers); lean and highly productive ground and gate crews; frequent, reliable departures; high aircraft utilization; and short-haul, point to point routes between mid-sized cities and secondary airports. These factors or activities are linked in sort of a value chain to lead to highly effective cost management. This also results in high profitability.



Many have asked the question: How does Southwest make high profits ? The answer is to be found, in addition to other factors, in price risk management or hedging of aviation fuel price. Southwest has concluded hedging agreements till 2009 with hedge price not exceeding \$35 per barrel for at least 25 per cent of its annual fuel requirements. It can also exercise 'option' for about 25 per cent of its fuel needs for \$26 per barrel. In a highly volatile crude oil/fuel oil market, price hedging gives very significant cost advantage to a company.

Due to its successful integrated cost management, Southwest has become highly competitive in the airline industry. Many 'full service' airlines have tried to adopt Southwest's cost strategy, but they have remained unsuccessful, primarily because they have not been able to properly emulate or integrate various cost management actions/functions. Kelly, Southwest's CEO, said: 'I feel very good about our competitive position as long as we continue to improve'. In Southwest Airlines, cost management, competitive action and growth are closely interlinked.

Integration of, and fit among, critical activities is key to sustainable competitive advantage of all companies including Southwest Airlines. Porter puts it like this :

'Strategic fit among many activities is fundamental not only to competitive advantage', but also the sustainability of that advantage. It is harder for a rival to match an array of interlocked activities than merely to imitate a particular...approach.

**Questions :**

- 1) What are the strategies that Southwest Airlines adopted to achieve competitive advantage ?
- 2) Why competitions did not succeed through they followed cost-reduction strategies ?



PG – 1003

IV Semester M.B.A. Degree Examination, June/July 2015  
(2007-08 Scheme)

Paper – 4.1 : STRATEGIC MANAGEMENT

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **any six** questions. **Each** question carries **two** marks.

(6×2=12)

1. a) What is Blue Ocean Strategy ?
- b) What is turnaround strategy ?
- c) What is Business Process Re-engineering ?
- d) List different types of organizational structure.
- e) Mention generic strategies.
- f) What are the indicators of performance of strategy ?
- g) List Porters five forces.
- h) What is Transnational approach ?

SECTION – B

Answer **any three** of the following questions. **Each** question carries **eight** marks.

(3×8=24)

2. Explain the need for environmentally sustainable business practices.
3. Briefly explain the process of strategy execution.
4. Strategic Management is an ongoing process and not a “Start-stop process”.  
Comment.
5. What are the characteristics of effectively worded VISION statement and common shortcomings in Company’s VISION statement ?
6. Explain BCG matrix for resource allocation.

P.T.O.



## SECTION – C

Answer **any two** of the following questions. **Each** question carries **twelve** marks.

(2×12=24)

7. Close up tooth paste used Glycerine instead of calcium Carbonate as whitening agent and differentiated itself from all other tooth pastes. What according to you are the pre-requisites for differentiation strategy ? What are the pitfalls of it.
8. Discuss the various techniques of Environmental Analysis.
9. A transport company with nation-wide operations is now experiencing a difficult time with uneconomic freight rates and severe competition. It has diversified its business setting up textile mills and a wire rod mill in Karnataka. All these units have been hit by severe power cuts imposed in the state. Still the company is considering several expansion strategies since the transport operations are expected to revive in the near future. What should be the appropriate strategy of the company ? Give reasons.

## SECTION – D

(Compulsory)

10. **Case study :**

(15×1=15)

Sweet Drinks Ltd is a drinks company whose core business is manufacturing and selling soft drinks to 80,000 outlets throughout India. The business of the company is good with annual turnover exceeding three billion of rupees. Profits are good and shareholders are often rewarded with lucrative dividends and bonuses. Four years back the company has diversified into the alcoholic drinks industry and has taken-over two small breweries located in western India. The company has also diversified into hotels with purchase of twenty-five hotels of three/four star category across the country. To its advantage the company has been able to obtain a monopoly for the sale of its soft drinks in its hotels and is beginning to establish itself as a brand name in the brewery industry. Part of the strategy of the company is to continue to purchase hotels, particular by targeting National Capital Region of Delhi where tourism is likely to pick up with the



forthcoming commonwealth Games. The company also intends to construct a five star hotel in Gurgoan to take tax advantage announced recently by the finance ministers. Everything was going on well until recently, when a Public Interest Litigation from NGO accused the company of indulging in surrogate advertising of its brewery products. In fact the company has similar brand names for its soft drinks and brewery products. This triggered a lot of protests and demonstrations against the company. Newspapers were flooded with the articles against the company. There are also some demonstrations and some small incidents of stone pelting in a few of its hotels.

Answer the following questions :

- a) Discuss the factors related to SWOT analysis for the company.
- b) Explain how Sweet Drinks Ltd is achieving synergy ?
- c) Explain the nature of diversification adopted by the company.



PG – 950

IV Semester M.B.A. Degree Examination, July 2016  
(2007-08 Scheme)  
**MANAGEMENT**  
4.1 : Strategic Management

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any six** questions. **Each** question carries **2** marks. (6×2=12)
- What is competitive profile matrix ?
  - What is environmental scanning ?
  - What is strategic audit ?
  - Distinguish between take over and merger ?
  - What is the need for integration of strategy and culture ?
  - Define value chain.
  - What do you mean by gap analysis ?
  - What are bureaucratic costs ?

SECTION – B

- Answer **any three** questions. **Each** question carries **8** marks. (3×8=24)
- How four buildings blocks helps in achieving competitive advantage ? Discuss.
  - Discuss the applications and limitations of generic strategies.
  - Under what circumstances can the turnaround strategy prove to be successful ?  
When does divestment prove to be better than turnaround strategy ?
  - Discuss the relations between strategy and structure.
  - Explain the Porters five force model of competition.

SECTION – C

- Answer **any two** questions. **Each** question carries **12** marks. (2×12=24)
- Explain corporate level strategies.
  - Discuss the various components of strategy complementation.
  - Strategies of not-for-profit organisations are different from strategies of profit motto, organisations. Explain with examples.

P.T.O.



## SECTION – D

10. Read the following case and answer the questions given at the end : (1×15=15)

Soft Breads Ltd., a bread manufacturer from south, entered into the business of bread manufacturing in the northern India in the year 1995 by acquiring brand name 'Delicious' from a local baker 'Kuldeep Sodhi' in Chandigarh known for his quality breads. The baker kept on preparing and selling breads, however, now with a different name – 'healthy' in changed package. Soft Breads Ltd. invested heavily in the machinery and equipment. In fact, it invested a sum of rupees thirty-five crores over a period of five years. It got immediate acceptance from the market as Delicious, a household name, was well known for its quality. Gradually, it captured major markets in adjoining cities of Haryana and Punjab. In the year 2005 its total turnover was 10 crores per annum with 50% market share in Chandigarh.

Meantime, 'Healthy' also got some recognition and was able to grow. Some of his loyal customers also shifted back to him realising that the baker has changed the name of the product. Its market share, in 2005 stood at 15% in Chandigarh city. Inspired by the success of 'Delicious' the baker joined with his two rich friends to form a partnership by the name of 'Healthy Foods' in the year 2006. They acquired an automatic modern plant to manufacture breads. The plant was better than that of Soft Breads Ltd. They were able to reduce their costs and started selling breads at one rupee cheaper than the competitions. They also introduced new products such as whole wheat bread, breads enriched with vitamins, bread for kids in chocolate flavour. Within one year their market share grew to 35% in Chandigarh. In the year 2007 their turnover was 12 crores against 20 crores of Soft Breads Ltd. Now they plan to enter into business of cakes and biscuits on a large scale.

- a) Discuss the strategy of Soft Breads Ltd. and the strategy of Healthy Foods.
- b) Perform a SWOT analysis for Soft Breads Ltd.
- c) Do you think that Soft Breads Ltd. has missed something while acquiring the brand name ?
- d) What are the alternatives before the Soft Breads Ltd. ?