

## King's College London

This paper is part of an assessment of the College counting toward the award of a degree. It is governed by the College Regulations under the authority of the Academic Board.

**Degree Programmes**    MSc

**Module Code**                    7CCSMPMT  
**Module Title**                   Principles of Management

**Assessment**                    Group Coursework

**Submission Deadline**    Monday 11<sup>th</sup> March 2019

- This assignment is a group assignment so please work in groups of several people. I will not assign you to groups - please create them yourself. You can use the class room lectures to find group members.
- KEATS will require you all to submit. Please, make sure that the group members of the same group submit exactly the same document and please have the names and student number of all involved on the cover page.
- There will be one mark for each group which will be applied to each group member.
- Prepare a report with your answers and submit it no later than above-set deadline. Submissions are ideally typed and not hand-written. Furthermore, the names of the contributors of specific parts of the questions should be written down too!
- This assignment constitutes 30% of your total mark.

### **IMPORTANT INFORMATION**

Plagiarism is passing off someone else's work as your own, and the penalties for plagiarising by the College can be severe. Uploading work to KEATS is regarded by the Department as a statement by the student concerned, confirming that the work has not been plagiarised.

## **Question 1 - Strategic Decision Making**

**You are the Founder and CEO of a startup.**

### **Part A**

As a group, brainstorm some exciting startup ideas. Decide for one and - without having done any further formal analysis as per below methods - write down what the idea / product / service is and justify why you think it is a good idea to proceed.

***[10 marks]***

### **Part B**

Apply the four strategic methods of i) SWOT, ii) Porter's 5-Force Analysis, iii) Porter's Generic Strategies, and iv) the Lean Canvas to your startup company.

***[20 marks]***

### **Part C**

Prepare a detailed report summarising the findings of these strategic methods. The report should contain tradeoff decisions and a clear strategic roadmap on what ought to be done in the coming months.

***[20 marks]***

## Question 2 - Quantitative Tools

You are now the CFO of a company. (Note that any mathematical calculations need to be detailed.)

### Part A

Two managers come up to you and pitch their product roadmap plans. They only present financials, as summarised in below table. You can only approve one. Which will you approve, and why? Note that you can choose any discount rate, but you need to justify the choice.

	Investment	Year 1	Year 2	Year 3	Year 4
Manager #1	£1m	£0.8m	£1.2m	£1.8m	
Manager #2	£0.5m	£0.5m	£0.8m	£1.2m	£0.4m

**[10 marks]**

### Part B

You have awarded a contract to a 3<sup>rd</sup> party of £100k to develop 10 mechanical parts of a larger product of yours. At the time of planning, the development of a single part takes roughly 10 day at £1k per day. At inspection day #70, it turns out that only 6 parts were developed instead of 7; and the actual development cost was £1.1k per day.

For that inspection day, calculate the budgeted cost of the work scheduled (BCWS), the budgeted cost of work performed (BCWP) and the actual cost of the work performed (ACWP); as well as the schedule variation (Sv) and cost variation (Cv).

**[20 marks]**

**Part C**

The below figures appear in your company's operating report for the year ending the calendar year 31 December 2018:

	<b>2017</b>	<b>2018</b>
	<i>£000</i>	<i>£000</i>
Sales	40 600	55 700
Cost of Sales	35 500	40 200
Other Income	110	0
Selling Expenses	5 600	7 400
Admin Expenses	1 100	2 200
R&D Expenses	1 400	1 000
Other Expenses	3 000	3 100
Tax	0	735

Create a Profit and Loss Account for the above company, for 2017 and for 2018.

Analyse the profitability of the company: Is it profitable? How profitable is it? Compare the profitability in 2017 and in 2018.

Analyse the reasons for the change in profitability from 2017 to 2018, and prepare a report for the CEO to action on the insights.

***[20 marks]***