

Four years ago, Refresh Beverage Corporation embarked on a diversification process, entering the alcoholic beverages sector through the acquisition of two small breweries located in western India. Additionally, the company expanded into the hospitality industry with the purchase of twenty-five hotels, all within the three/four-star category, across the nation. Capitalizing on its diverse portfolio, the company has secured a monopoly on soft drink sales within its hotel establishments, steadily establishing itself as a recognizable brand in the brewery sector.

A key element of the company's strategic plan is to continue acquiring hotels, with a particular focus on the National Capital Region of Delhi, anticipating increased tourism related to the upcoming Commonwealth Games. The company also intends to construct a five-star hotel in Gurugram to leverage recently announced tax incentives by the finance ministry.

However, the company recently faced a challenge when a Public Interest Litigation filed by an NGO accused it of engaging in surrogate advertising for its brewery products, as both soft drinks and brewery items shared similar brand names. This led to widespread protests and demonstrations against Refresh Beverage Corporation, with numerous critical articles published in newspapers. Some of the company's hotel properties experienced demonstrations, and a few incidents of civil unrest, including stone-pelting, occurred in response to the allegations.

- (a) What implicit vision and mission can be deduced from Refresh Beverage Corporation's strategic choices and market positioning?
 - (b) Briefly explain the two corporate strategies concept and the methods adopted by the company.
 - (c) Discuss the factors related to SWOT analyses for the company.
- OR
- (d) Briefly bring out the Strategic Advantage Profile of the company.

Enrollment No.....



Faculty of Management Studies

End Sem Examination Dec-2023

MS5CO14 Strategic Management

Programme: MBA

Branch/Specialisation: Management

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

- Q.1 i. In the context of strategic management, what is the primary purpose of a mission statement? 1
 - (a) To communicate the company's financial goals
 - (b) To outline specific marketing strategies
 - (c) To define the company's core purpose and reason for existence
 - (d) To assess the competitive environment
- ii. Corporate governance procedures are needed to ensure that- 1
 - (a) Stock prices remain high
 - (b) Managers carry out business unit plans
 - (c) Managers adhere to ethical norms
 - (d) None of the above
- iii. In analysis of the external environment enables a firm to identify- 1
 - (a) Strengths and opportunities
 - (b) Strength and weakness
 - (c) Weakness and threats
 - (d) Opportunities and threats
- iv. A "differentiation" strategy aims to- 1
 - (a) Compete based on offering products or services at the lowest prices
 - (b) Offer unique and high-quality products or services
 - (c) Focus exclusively on a niche market
 - (d) Minimize advertising and promotion expenses
- v. In the context of international business, which model is used to assess the attractiveness of a country or market for investment and expansion? 1
 - (a) SWOT analysis
 - (b) Diamond Model
 - (c) PESTEL analysis
 - (d) GE Matrix

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- vi. Core competencies are- **1**
 (a) Generic skills possessed by most companies in the industry
 (b) Unique capabilities that give a firm a competitive advantage
 (c) Limited to technical skills and expertise
 (d) Primarily focused on financial management
- vii. The McKinsey 7S Framework consists of seven interdependent elements. Which of the following is NOT one of these elements? **1**
 (a) Structure (b) Strategy (c) Style (d) Supply Chain
- viii. The GE Matrix, also known as the General Electric/McKinsey Matrix, is used to- **1**
 (a) Assess a company's competitive strengths
 (b) Analyze a firm's external environment
 (c) Evaluate a portfolio of business units based on market attractiveness and business strength
 (d) Calculate financial ratios
- ix. _____ assesses the whole strategic management process. **1**
 (a) Strategic audit (b) Company audit
 (c) Business audit (d) None of these
- x. Which of the following is an internal control mechanism used in the evaluation and control phase of strategic management? **1**
 (a) SWOT analysis (b) Balanced Scorecard
 (c) PESTEL analysis (d) Benchmarking
- Q.2 i. Explain what do you understand by vision and mission and their significance in strategy formulation in any organization. **3**
 ii. Explain the stages involved in the process of strategic management. Narrate with example **5**
- OR iii. Explain the concept of Corporate Social Responsibility (CSR). How do organizations benefit by implementing CSR? **5**
- Q.3 i. After completing the MBA course, you got a placement in an automotive company. Explain, how globalisation influence the auto industry and its operation? **3**
 ii. What are core competencies? How they are build? Explain the factors for building competitive advantage. **5**
- OR iii. What are Michael Porter's Five Industry Forces? How do they affect a company's strategy? **5**

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- Q.4 i. List out various internal environmental analysis techniques and explain any one in brief. **3**
 ii. Explain the concept of a Strategic Advantage Profile (SAP) and its significance in strategic management. **5**
- OR iii. Explain any two briefly using a suitable example- **5**
 (a) VRIO analysis (b) Competitive advantage
 (c) Porter's diamond model (d) Strategic mapping
- Q.5 i. Briefly explain the generic strategic alternatives at business level. **3**
 ii. Briefly discuss any two with suitable examples- **5**
 (a) Strategic alliance
 (b) Business level strategies
 (c) McKensey 7 S framework
- OR iii. Briefly explain any two of the following using suitable examples- **5**
 (a) TOWS matrix (b) BCG matrix
 (c) Gap analysis
- Q.6 Attempt any two:
 i. Discuss the importance of value chain analysis in strategic management. **4**
 ii. What do you understand by strategic budget? What are the components of a good strategic budget? **4**
 iii. What do you understand by strategic audit? Discuss its importance in organizations. **4**
- Q.7 Case Study- **10**
 Refresh Beverage Corporation, a vanguard in the beverages industry, envisions a future where excellence, innovation, and utmost customer satisfaction are paramount. Our unspoken mission is to consistently deliver high-quality soft drinks and brewery products while expanding our footprint in the realm of hospitality. We are committed to preserving financial robustness while addressing challenges with integrity, sustainability, and a relentless focus on stakeholder value.
- Refresh Beverage Corporation is a leading beverage company with a primary focus on producing and distributing soft drinks to an extensive network of 20,000 outlets across India. The company has consistently maintained a robust financial performance, achieving an annual turnover exceeding three billion rupees. Shareholders have enjoyed attractive dividends and bonuses over the years.

Marking Scheme

Strategic Management (T) - MS5CO14 (T)

Q.1	i)	C. To define the company's core purpose and reason for existence		1
	ii)	C. Managers adhere to ethical norms		1
	iii)	D. Opportunities and threats		1
	iv)	B. Offer unique and high-quality products or services		1
	v)	B. Diamond Model		1
	vi)	B. Unique capabilities that give a firm a competitive advantage		1
	vii)	D. Supply Chain		1
	viii)	C. Evaluate a portfolio of business units based on market attractiveness and business strength		1
	ix)	A. Strategic audit		1
	x)	B. Balanced Scorecard		1
Q.2	i.	• Vision	1.5 Marks	
		• Mission	1.5 Marks	3
	ii.	• Meaning process	1 Mark	1
		• Diagram/ Flow chart	1 Mark	1
		• Brief process	1 Mark	3
OR	iii.	• Corporate concept	1 Mark	1
		• How it helps/ benefits to the organisation	2 Marks	2
		• Few examples	2 Mark	2
Q.3	i.	Explain Globalisation benefits	1 Mark	1
		Impact of globalisation on strategic management	2 Marks	2
	ii.	• What is core competency, how it is built	2 Marks	2
		• Explain the factors	3 Marks	3
OR	iii.	• State the Porters 5 forces	1 Mark	1
		• Use suitable diagram	2 Marks	2
		• Explain each point briefly	2 Marks	2
Q.4	i.	• State the environment analysis techniques	1 Mark	1
		• Explain any one with example	2 Marks	2
	ii.	• Explain the concept	2 Marks	2
		• Explain the significance	3 Marks	3

OR	iii.	• Explain the concept	2 Marks	2
		• Explain the significance	3 Marks	3
Q.5	i.	• List out the Grand Strategies	(0.5 Mark*2)	1
		• chart/ hierarchy showing	(1.5 Marks*2)	3
	ii.	• Explain the concept	2 Marks	2
		• Diagram	1 Marks	1
		• Explain the significance	2 Marks	2
OR	iii.	• Explain the concept	2 Marks	2
		• Diagram	1 Mark	1
		• Explain the significance	2 Marks	2
Q.6	i.	• Explain the meaning	1.5 Marks	3
		• importance of value chain analysis	1.5 Marks	
	ii.	• Explain the concept, why needed	2 Marks	2
		• Components	3 Marks	3
	iii.	• Explain the meaning and the application	2 Marks	2
		• Importance	3 Marks	3
Q.7	Case Study			
		• Stating the vision	(As per explanation)	1
		• Stating the mission	(As per explanation)	1
		• Diversification, doing it	2 Marks	2
		• Vertical doing it	2 Marks	2
		• SWOT	(0.5 Mark*8)	4
		• Strategic Advantage Profile	2 Marks	2
		• Make the profile about 4 points	(0.5 Marks*4)	2
