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of these locations are very high and also, they are located in eastern India, whereas our major sales are in south and west.'

Head Marketing. We need to analyze it further. The market of the products is in mature phase with low growth rate. Small Ltd. has little presence in some regions and is not a major competitor for us. Further, there is marginal gap between our existing third position and second position. We can easily achieve second position if we are able to fully utilize our capacities.

Read the above case and answer the following:

- (a) In a low growth product what are the different options available to a company. 3
- (b) If you were appointed as a consultant, advise the Big Ltd. how to proceed before arriving at decision to acquire any company. 3
- (c) Conduct SWOT analysis from the facts given in the case. 4

Total No. of Questions: 7

Total No. of Printed Pages:4

Enrollment No.....



Faculty of Management Studies
End Sem (Even) Examination May-2022
MS3EG07 Business Strategy

Programme: BBA

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.

- Q.1 i.is a concise statement of why the organization exists. 1
(a) Mission (b) Vision (c) Objective (d) None of these
- ii. What are the means by which long term objectives will be achieved? 1
(a) Strategies (b) Policies (c) Strengths (d) Opportunities
- iii. Strategies followed by companies in various strategic groups will be: 1
(a) Similar (b) Different
(c) Both (a) and (b) mixed (d) None of these
- iv. An approach used by organizations to conduct special surveys and studies to deal with specific environmental issues from time to time is known as- 1
(a) Systematic Approach (b) Processed-form Approach
(c) Ad hoc Approach (d) None of these
- v. If firm's capabilities are valuable, rare and difficult to imitate but not organised then according to VRIO model the firm will have- 1
(a) Competitive disadvantage
(b) Temporary competitive advantage
(c) Competitive equality
(d) Unused competitive advantage
- vi. The first step involved in environmental analysis is- 1
(a) Scanning (b) Analysing (c) Identifying (d) Forecasting

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- vii. When a firm takes growth through the development of new areas that are different from current businesses, the strategy is known as **1**
 (a) Diversification (b) Forward integration
 (c) Backward integration (d) Horizontal integration
- viii. When the business units placed in the question mark cell are able to gain a high relative market share, it can secure its position in the cell. **1**
 (a) Stars (b) Cash cow
 (c) Dogs (d) None of these
- ix. Controls need to be _____ rather than _____. **1**
 (a) Action oriented; information oriented
 (b) Cultural; political
 (c) Qualitative; quantitative
 (d) Measurable; timely
- x. Strategy evaluation activities should be performed- **1**
 (a) On a periodic basis.
 (b) At the onset of a problem
 (c) On a continuous basis
 (d) Upon completion of major projects
- Q.2 i. Elucidate the steps involved in the strategic management process. **4**
 ii. Give a brief description of: **4**
 (a) Vision Statement (b) Mission Statement.
- OR iii. Elaborate the various levels of strategy with suitable diagram. **4**
- Q.3 i. Explain any three characteristics of external environment. **3**
 ii. Describe five forces of competition model. **5**
- OR iii. What competitive changes occur during industry evolution? **5**
 Elaborate them.
- Q.4 i. What do you mean by internal strengths & weaknesses of an organization? Explain them with examples. **3**
 ii. Briefly enunciate the elements of industry environment. **5**
- OR iii. Elucidate VRIO framework with a diagram. **5**

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- Q.5 i. Briefly explain vertical integration and horizontal integration strategies. **2**
 ii. Discuss bankruptcy and liquidation. **2**
 iii. Interpret the BCG Matrix with respect to any one business / industry. **4**
- OR iv. Elucidate environmental threat & opportunity profile. **4**
- Q.6 i. What are the two problems involved in motivation to evaluate the strategy? Give a brief description. **2**
 ii. Define strategic evaluation and control. **2**
 iii. Discuss the steps in the process of strategic evaluation. **4**
- OR iv. Explain the types of strategic controls. **4**
- Q.7 Case Study
 The Managing Director of Big Ltd. called an internal meeting of senior managers to discuss issues involved in acquiring Small Ltd. for about Rs. 350 crores. He started the meeting with following observations:
 ‘After acquiring Small, we will become the second largest consumer goods company in India with sales of over Rs. 4500 crores. We will have more money for marketing initiatives, product launches and aggressive price-cuts. The key reason behind buying Small is to create shareholder value over and above that of the sum of the two companies. Recent years have been tough for both the companies with strong competition. The merged company hopes to gain a greater market share and achieve greater efficiency.’
 Different issues were discussed between the managers. Pertinent points that were raised were as follows:
 Head Production. ‘Although, I am involved little, till now, in the discussion regarding the acquisition, I have closely studied various production facilities available to both the companies. I feel production facilities of both the companies need to be synergized. There is also need to close down production facilities of two locations out of seven locations of Small. The costs of production

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Marking Scheme
MS3EG07 Business Strategy

Marking Scheme							
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Q.1	i.is a concise statement of why the organization exists.	1	OR	ii.	Five forces of competition model	5
	(a) Mission		1 mark for each		(1 mark * 5)		
	ii.	What are the means by which long term objectives will be achieved?	1	iii.	Competitive changes occur during industry evolution	5	
	(a) Strategies		1 mark for each point	(1 mark * 5)			
	iii.	Strategies followed by companies in various strategic groups will be:	1	Q.4	i.	Meaning of internal strengths	3
	(b) Different		Meaning of weaknesses		1 mark		
	iv.	An approach used by organizations to conduct special surveys and studies to deal with specific environmental issues from time to time is known as-	1		Examples	1 mark	
	(c) Ad hoc Approach		ii.	Five elements of industry environment	5		
	v.	If firm’s capabilities are valuable, rare and difficult to imitate but not organised then according to VRIO model the firm will have-	1		1 mark for each	(1 mark * 5)	
	(d) Unused competitive advantage		OR	iii.	VRIO framework	5	
Q.2	vi.	The first step involved in environmental analysis is-	1		Four steps 1 mark for each (1 mark * 4)	4 marks	
	(c) Identifying			Diagram	1 mark		
	vii.	When a firm takes growth through the development of new areas that are different from current businesses, the strategy is known as	1	Q.5	i.	Vertical integration	2
	(a) Diversification		Horizontal integration		1 mark		
	viii.	When the business units placed in the question mark cell are able to gain a high relative market share, it can secure its position in the cell.	1		Bankruptcy	2	
	(a) Stars			Liquidation	1 mark		
	ix.	Controls need to be _____ rather than _____.	1	iii.	BCG Matrix with respect to any on business / industry	4	
	(a) Action oriented; information oriented			1 mark for each point	(1 mark * 4)		
	x.	Strategy evaluation activities should be performed-	1	OR	iv.	Environmental threat	4
	(c) On a continuous basis			Opportunity profile	2 marks		
OR	i.	Steps involved in the strategic management process	4	Q.6	i.	Two problems involved in motivation to evaluate the strategy	2
	1 mark for each	(1 mark *4)			1 mark for each	(1 mark * 2)	
	ii.	Give a brief description of:	4		ii.	Definition of strategic evaluation	2
	(a) Vision Statement	2 marks			Control	1 mark	
Q.3		(b) Mission Statement.	2 marks	iii.	Steps in the process of strategic evaluation	4	
	iii.	Various levels of strategy	4		Four steps 1 mark for each	(1 mark * 4)	
	Three levels 1 mark for each (1 mark *3)	3 marks	OR	iv.	Explain the types of strategic controls	4	
	Diagram	1 mark		Four types 1 mark for each	(1 mark * 4)		
Q.4				Q.7	Case Study		
					(a) Different options available to a company	3	
					As per the explanation		
					(b) To proceed before arriving at decision to acquire any company	3	
Q.5					As per the explanation		
					(c) SWOT analysis	4	
					(d) As per the explanation		