

TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT

Office of the Dean

March - April 2018

Full Marks: 60

Time: 3 Hrs.

BIM / Seventh Semester / MGT 208: Business Strategy

Candidates are required to answer all the questions in their own words as far as practicable.

Group "A"

Brief Answer Questions:

[10 × 1 = 10]

1. Differentiate between goals and objectives.
2. State the process involved in strategic management.
3. State the resources that can increase the strategic advantage.
4. How does structure aligns with strategy?
5. Explain briefly about benchmarking.
6. What are the criteria used for strategy evaluation and control?
7. What do you mean by strategic advantage?
8. On what condition bargaining power of customer is high?
9. What is low cost leadership strategy?
10. Define scenario building.

Group "B"

Short Answer Questions:

[6 × 5 = 30]

11. Explain the steps of strategic planning with suitable examples.
12. What do you mean by mission? Differentiate between mission statement and vision.
13. Define value chain analysis. Depict the picture of value chain analysis with its importance.
14. How do Boston Consulting Group Matrix and The General Electric Matrix contribute to strategy formulation?
15. What are the steps needed for strategy implementation? Explain.
16. What is SWOT analysis? How does it help the firm to develop strategies?

Group "C"

Comprehensive Answer Questions:

[4 × 5 = 20]

17. Read the following case carefully and answer the questions given below:

Nepalese financial sector comprising of Banks, Finance Companies and Credit & Saving Cooperatives has been going through challenges since last 6-7 years. It started with the cash crunch felt by general people during the Dashain festival few years back.

However, problems surfaced before that when NB Bank and Lumbini Bank were taken under control by NRB due to the mismanagement of fund by BOD and CEO. A worse scenario was the declaration of bankruptcy of Nepal Development Bank. The effect now a day has come down to finance companies like Samjhana, Peoples Finance, Nepal Share Market, Capital Merchant and Finance Company etc.

NRB which used to apply hard measures to regulate banking sector has been forced to offer last resort lending fund, ease in housing loan, increase in margin for share market and renewal in old loans taken by business sector.

Financial sector has been intensely competitive in recent years for deposit collection offering attractive package like zero balance, free ATM and ABBS, utilities payment facilities, internet/mobile banking operation and even gift hampers for new account opening. Banks have already added Deposit Marketing department recruiting young MBAs and BBAs graduates who are asked to go for aggressive marketing. Citizen bank has recently come out with the tapping of students deposit offering cash incentive, certificate of partnership, internship and future job placement. Its idea is to tap the respective parents deposit through students.

On the other hand, operation cost of the banks has increased due to sophisticated banking service, use of technology and loadshedding. Situation is worsening due to the lower gap of spread margin.

NRB in order to hide its regulating efficiency is suggesting for merger in financial sector and Governor of NRB humbly says that depositors should see the financial health of banks and financial companies before deciding to open accounts. Questions is raised in such situation doubting the regulating efficiency of the NRB; how a simple and straight forward public could judge the indicators of the bank when the entire NRB mechanism with the nation's most well paid human resource fail to anticipate and manage the financial issues and problem?

Questions:

- a. Write about the internal and external environmental factor of Banking and Finance sector based on this case.
- b. Explain in brief about the competitive environment faced by the banks.
- c. In your personal judgment, what should be the appropriate strategies to be formulated by Nepalese bank?
- d. Express your comment regarding the role NRB to tackle the situation? What should be its plan of action?

