

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 3 – EXAMINATION – SUMMER 2019

Subject Code: 2830001

Date: 02/05/2019

Subject Name: Strategic Management

Time: 02:30 PM To 05:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 (a)

Objective Questions

6

1. All of the following are assumptions of the resource-based model EXCEPT

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| A. Each firm is a unique collection of resources and capabilities. | B. The industry's structural characteristics have little impact on a firm's performance over time. |
| C. Capabilities are highly mobile across firms. | D. Differences in resources and capabilities are the basis of competitive advantage. |

A company that succeeds in differentiating its product offering from those of its rivals can usually

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| A. Avoid having to compete on the basis of simply a low price | B. Charge a price premium for its product (because buyers see its differentiating features as worth something extra) |
| C. Increase unit sales (because of the attraction of its differentiating product attributes) | D. Gain buyer loyalty to its brand (because some, maybe many, of its customers will have a strong preference for the company's differentiating features) |

The chief disadvantage of being a first mover is the

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| A. high degree of risk | B. high level of competition in the new marketplace. |
| C. inability to earn above-average returns unless the production process is very efficient. | D. difficulty of obtaining new customers. |

Capabilities that other firms cannot develop easily are classified as

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| A. costly to imitate. | B. rare. |
| C. valuable. | D. Non-substitutable |

Compared to tangible resources, intangible resources are

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| A. of less strategic value to the firm. | B. not the focus of strategic analysis |
| C. a more potent source of competitive advantage | D. more likely to be reflected on the firm's balance sheet |

6. An analysis of the economic segment of the external environment would include all of the following EXCEPT

	A. interest rates	B. international trade	
	C. the strength of the U.S. dollar	D. the move toward a contingent workforce	
Q.1	(b)	Short / Definition Questions	04
		1. Vertical Integration	
		2. PEST Analysis	
		3. Strong Vs. Weak culture	
		4. Network structure	
Q.1	(c)	Distinguish Strategic control from Operations control	04
Q.2	(a)	Differentiate between Vision, Mission and Purpose with suitable examples	07
	(b)	Company A targets to achieve above-average returns. As a manager, which model will you recommend and why?	07

OR

	(b)	Explain Porter's 5 force model taking an example of any industry of your choice	07
Q.3	(a)	How functional structures can be used to implement business level strategies?	07
	(b)	There are four possible types of change: Adaptation, evolution, reconstruction and Revolution. Each type of changes require different leadership styles. Explain each one of them in brief.	07

OR

Q.3	(a)	What are the effects of CEO succession & top management team composition on strategy?	07
	(b)	What is organization culture? Explain by taking an example of organization culture of any company (Eg.: IBM)	07
Q.4	(a)	What is "Corporate Governance"? Briefly describe the internal and external governance mechanisms used in modern corporations?	07
	(b)	"Balance Scorecard is an effective tool of organizational control" Discuss	07

OR

Q.4	(a)	How can corporate governance foster ethical strategic decisions and behaviors on the part of managers as agents? Explain	07
	(b)	"No successful company can grow without fulfilling its corporate social responsibility" Discuss giving examples of Indian companies of your choice	07

Q.5	Case Study	14
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Norning International (NI) states that both its past successes and future growth strategies are based on an evolving network of wholly owned businesses and joint ventures around its core competency in glass making. Through their alliances and owned divisions they compete in four global business sectors: Specialty

Glass and Materials (including materials for HDTV and LCD displays), Consumer Housewares (including microwavable dishware), Laboratory Sciences Products and Services (test tubes, testing equipment, and drug trials testing), and Communications (fiber optics and related technologies). As per the company's annual report, "binding all four sectors together is the glue of a commitment to leading edge glass making technologies, shared resources, and dedication to total quality." Each sector is composed of divisions, subsidiaries and alliances. However, the central role played by alliances is demonstrated by the fact that the combined revenue of its 30-some alliances is more than double that of NI on its own. Most of the alliances provide NI with access to particular geographic markets, industries, or channels, although an increasing number of alliances involve both market access and technological development.

A. Why would a company like NI place such emphasis on alliances as a growth vehicle?

B. NI appears to be managing a large number of alliances. What criteria should it use to exit particular alliances?

OR

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| Q.5 | (a) | Experts believe that firms go for diversification for three important reasons which are (1) Value Creating (2) Value Neutral (3) Value Reducing. Discuss these 3 types of reasons for diversification. | 7 |
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| Q5 | (b) | Firms choose from among five business level strategies to establish and defend their desired strategic position against competitors: cost leadership, differentiation, focused cost leadership, focused differentiation and integrated cost leadership. Discuss business level strategies with relevant examples | 7 |
