

M.B.A. (Semester—IV) Examination
STRATEGIC MANAGEMENT
Paper—MBA/401

Time : Three Hours]

[Maximum Marks : 70

N.B. :— (1) Attempt ALL questions.

(2) Figures to the right indicate marks.

SECTION—A

1. (a) Describe the process of strategic management. With the help of a neat chart, explain in detail different elements in the strategic management process. 14

OR

- (b) What do you mean by strategy ? Explain the different levels at which strategy operates. How is integration of strategies operating at different levels done ? Discuss. 14

SECTION—B

2. (a) What is internal corporate analysis ? Why is it important for a firm to study and understand its internal corporate analysis ? 7

- (b) Suppose you are working as a strategic manager in leading FMCG company. Your company management asked you to do competitors analysis. Is it really necessary to collect and interpret data and information about competitors ? If yes, what practices should you use to gather the competitor intelligence and why ? Justify your answer. 7

OR

- (c) Explain the concept of environmental analysis. Also discuss the internal and external components of environment. 7

- (d) Choose an organization with which you are familiar and discuss a few of its strengths and weaknesses as you perceive them. How would you begin to deal with the most significant weakness that you see ? Justify your answer. 7

3. (a) What do you understand by strategy implementation ? Enumerate the characteristics of strategy implementation. 7

- (b) The Patriarch of a family business group in India passes away and his two sons take over the strategic responsibilities. The group is known to adopt a conservative style with tight management and financial controls, coupled with personalised organizational systems, such as information and appraisal. The sons now wish to adopt expansion strategies to take advantage of environmental opportunities. You are called in as a strategic management consultant to suggest a plan to help the group companies in developing and implementing appropriate strategy. What would you suggest in this regard ? 7

OR

- (c) Why has strategy evaluation and control become so important in business today ? 7

- (d) Suppose there is an NGO that works in the tribal areas for spreading health awareness against indiscriminate use of tobacco and alcohol. Propose an effective system of strategic evaluation and control that could be used by such an NGO. 7

SECTION—C

4. (a) What do you mean by portfolio analysis in strategic management ? Explain the significance of portfolio analysis. 7
- (b) Describe the construction of BCG matrix and discuss its utility in strategic management. 7

OR

- (c) What do you mean by the term financial analysis ? Explain the significance of financial analysis in strategic management. 7
- (d) Define product life cycle and state its significance in strategic management. 7

SECTION—D

5. In 1948, Mahindra Group came into being. Keshub Mahindra is the Chairman of the group and Anand G. Mahindra was the Managing Director at the time. The first diversification came in 1953 when Otis Elevator (India) was formed. In 1956, the shares of the Mahindra Group were listed on the Bombay Stock Exchange. The decade of 1953-63 saw diversification mainly through collaborations and joint ventures with foreign companies. The group entered varnishes, and resins, machine tools, sintered products, alloy and special steel and finally tractors in 1963. Tractors remains core business in Mahindra Group. In 1965 came a major thrust into the automobile industry with the commencement of production of light commercial vehicles. The first international foray in the form of exports of utility vehicle and spare parts started in 1969. A major diversification occurred in 1986 with the group entering in IT sector. In 1991, Mahindra Group diversified in the financial services. A reorganisation carried out in 1994 to create six strategic business units like automotive, farm equipment, infrastructure, trade and financial services, information technology and systems. The next five years, till the dawn of 2000, were marked by several related and unrelated diversification moves into realty and infrastructure, passenger cars, holiday resorts, consultancy and education. By 2001, there was need to have financial reengineering for the group. In the post 2001 period, the group has been focusing on internationalisation through mergers and acquisitions and joint ventures. It has been operating in several markets around the world in Europe, Africa, South America, South Asia and Middle East. Its joint venture with Renault of France and International Truck and Engine corporation of the U.S. proved to be successful. Going by the popularity of its vehicles like Scorpio, it may well look forward to success. The Mahindra Group today is a 60-year old, widely diversified, US\$4 billion group with 58 subsidiaries, 4 joint ventures and 9 associate companies. Its businesses span a wide range of sectors, industries and markets, including trade and financial services, automotive technology, information technology, infrastructure development, tractors and utility vehicles and farm equipment are its core businesses.
- (a) Considering the above case, identify the key issues involved in the case and also state the significance of diversification. 7
- (b) Why Mahindra Group have adopted diversification strategies ? Also enumerate the risk factors associated with diversification strategy. 7