

Internal Assessment Test – I

Sub:	Strategic Management						Code:	18MBA2 5	
Date:	09/05/2019	Duration	90 : mins	Max Marks:	50	Sem	II	Branch	MBA Sec A&B

		Marks	OBE	
			CO	RBT
Part A - Answer Any Two Full Questions (15*02=30 Marks)				
1 (a)	What is meant by Outsourcing?	[02]	CO1	L1
(b)	Explain Mergers and Acquisitions with suitable examples	[05]	CO1	L4
(c)	Describe SWOT Analysis . How is it different from PESTL Analysis.	[08]	CO1	L1
2 (a)	Define Differentiation.	[02]	CO1	L1
(b)	Explain how Key Success Factors can help implement Strategies.	[05]	CO1	L4
(c)	Describe the Importance of Core Competence and Factors of Production in the Process of Internationalization with Examples	[08]	CO2	L1
3 (a)	“ <i>The process of strategy formulation begins with situation analysis</i> ”. What do you mean by Situation Analysis here?	[02]	CO1	L1
(b)	Ananya started a new business. She wants to indentify the best practices in the industry and apply them to her business.			
(i)	Identify which concept of Strategic Management can she apply here and give a short meaning of that concept?	[01]	CO2	L1
(ii)	Examine the steps involved in that concept	[04]	CO3	L3
(c)	Micheal E Porter strongly believes that a business firm must identify its primary and supportive activities that add value to its final product and then analyze these activities to reduce costs or increase differentiation. This concept is popularly known as “Value-Chain Analysis”.			
(i)	Illustrate with a neat diagram the concept of Value Chain Analysis	[02]	CO1	L3
(ii)	Discuss the different Primary activities and Support activities	[06]	CO3	L2
Part B - Compulsory (01*20=20 marks)				
4.	In December 2009, Volkswagen AG (VW) of Germany purchased a 19.9% stake in the Japanese manufacturer Suzuki Motor Corporation (Suzuki). They both agreed to share their technologies and distribution network with each other. While VW agreed to provide its hybrid and electric technologies along with access to global markets to Suzuki, Suzuki agreed to provide VW with access to its small-displacement motors and Indian presence. However, both the auto manufacturers failed to reach an agreement on any of their proposed goals. Suzuki served notice of breach of contract to VW in October 2011 stating that VW had not given it access to the hybrid technology which it had promised. Similarly, VW accused Suzuki of violating the agreement by procuring diesel engines from Fiat. Further fuelled by the cultural differences and failed joint business proposals, the partners, on November 18, 2011, terminated the framework agreement and Suzuki demanded that			

VW return its 19.9% shareholding in the company. VW's refusal to do so led to Suzuki filing for international arbitration.

- a) Examine the partnership and understand the reasons for the breakup, and discuss ways in which the situation could have been salvaged.
- b) Discuss the challenges that lie ahead for the companies and possible remedial actions.

[10] CO3 L1
[10] CO3 L2

Course Outcomes		PO1	PO2	PO3	PO4	PO5
CO1:	Develop an ability to assess the impact of the environment on marketing function.	1a,2a,3a	3c (i)	1b,2b	1c	
CO2:	To formulate marketing strategies that incorporate psychological and sociological factors which influence buying.	3b (i)			2c	
CO3:	Explain how companies identify attractive market segments, differentiate and position their products for maximum competitive advantage in the market place.		3b (ii) 3c (ii)	4 a 4b		
CO4:	Build marketing strategies based on product, price, place and promotion objectives.					
CO5:	Synthesize ideas into a viable marketing plan.					

Cognitive level	KEYWORDS
L1	List, define, tell, describe, identify, show, label, collect, examine, tabulate, quote, name, who, when, where, etc.
L2	Summarize, describe, interpret, contrast, predict, associate, distinguish, estimate, differentiate, discuss, extend
L3	Apply, demonstrate, calculate, complete, illustrate, show, solve, examine, modify, relate, change, classify, experiment, discover.
L4	Analyze, separate, order, explain, connect, classify, arrange, divide, compare, select, explain, infer.
L5	Assess, decide, rank, grade, test, measure, recommend, convince, select, judge, explain, discriminate, support, conclude, compare, summarize.

PO1 – Theoretical Knowledge; PO2 – Effective Communication Skills; PO3 – Leadership Qualities; PO4 – Sustained Research Orientation; PO5 – Self-Sustaining Entrepreneurship

**Scheme Of Evaluation
Internal Assessment Test 2 – December.2018**

Sub:

Strategic Management

Code: 18MBA25

Date: 09-05-2019 Duration: 90mins Max Marks: 50 **Sem:** II

Branch: MBA

Note: Part A - Answer Any Two Full Questions (15*02=30 Marks)

Part B - Compulsory (01*20=20 marks)

Part	Question #	Description	Marks Distribution		Max Marks	
A	1	a	Meaning of Outsourcing		15M	
			2M	2M		
		b	Explanation of Mergers and Acquisitions Examples			
			4M	5M		
	c	SWOT Analysis Difference with PESTL Ana;ysis		6M	8M	
			2M			
	2	a	Definition of Differentiation		2M	15M
			2M			
		b	Key Success Factors Implementation of Startegies		4M	
			1M			
	c	Core Competence Factors of Production Internationalisation		3M	8M	
			3M			
		2M				
3	a)	Meaning of the term 'Situation Analysis'		2 M	15 M	
	b)	(i) Identification of the relevant concept – Benchmarking		1 M		
		(ii) Steps involved in setting benchmarks		4 M		
				5 M		
c)	(i) Diagram		2 M	8 M		
	(ii) Explanation on various primary and supportive activities		6 M			
B	4	a)	Reasons for breakup of partnership and ways to solve		10 M	
		b)	Challenges and possible remedies		10 M	

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Department of Management Studies and Research Centre

Answer key

2st Internal Assessment Test (IAT) – II semester MBA (2018-20 Batch)

Subject: Strategic Management
2019

Sub Code: 18MBA25

Date: 09-05-

Time: 10.00-11.30 am

Duration: 90 mins

Part A - Answer Any Two Full Questions (15*02=30 Marks)

1a. **Outsourcing** is also the practice of handing over control of public services to private enterprises. **Outsourcing** includes both foreign and domestic contracting, and sometimes includes offshoring (relocating a business function to a distant country) or nearshoring (transferring a business process to a nearby country)

1b. **Merger:** In a [merger](#), the boards of directors for two companies approve the combination and seek shareholders' approval. After the merger, the acquired company ceases to exist and becomes part of the acquiring company. For example, in 2007 a merger deal occurred between Digital Computers and Compaq whereby Compaq absorbed Digital Computers.

Acquisition: In a simple acquisition, the acquiring company obtains the majority stake in the acquired firm, which does not change its name or legal structure. An example of this transaction is Manulife Financial Corporation's 2004 acquisition of John Hancock Financial Services, where both companies preserved their names and organizational structures.

1c. Directly comparing SWOT vs PEST is probably the wrong thing to do. They are both planning methods that give tremendous insights for you to successfully execute projects.

The disadvantage of PESTLE analysis is it doesn't consider the internal factors of your organization. It deeply analyzed the external factors that might affect your project or organization. So if you plan your projects based only on the PEST analysis you will not have a chance to match your strengths to a current need.

SWOT analysis considers both the internal and external factors. It captures the external factors in the opportunities and threats section. However, when creating a SWOT diagram a deep analysis of external

factors are not performed. At least not as extensively as a PEST analysis. So you might miss out on external factors that can benefit your project.

So a better approach would be to perform an extensive PEST analysis and use that finding in the opportunities and threats section in the SWOT analysis.

2a. It's an approach that a business takes to develop a unique product or service that customers will find better than or in another way distinctive from products or services offered by competitors. **Differentiation strategy** is a way for a business to distinguish itself from the competition

2b There are four basic types of *Critical Success Factors* CSF's

They are:

1. **Industry Critical Success Factors (CSF's)** resulting from specific industry characteristics;
2. **Strategy Critical Success Factors (CSF's)** resulting from the chosen competitive strategy of the business;
3. **Environmental Critical Success Factors (CSF's)** resulting from economic or technological changes; and
4. **Temporal Critical Success Factors (CSF's)** resulting from internal organizational needs and changes.

2c A firm that has operations in more than one country is known as a multinational corporation (MNC). The largest MNCs are major players within the international arena. Walmart's annual worldwide sales, for example, are larger than the dollar value of the entire economies of Austria, Norway, and Saudi Arabia. Although Walmart tends to be viewed as an American retailer, the firm earns more than one-quarter of its revenues outside the United States. Walmart owns significant numbers of stores in Mexico (1,730 as of mid-2011), Central America (549), Brazil (479), Japan (414), the United Kingdom (385), Canada (325), Chile (279), and Argentina (63). Walmart also participates in joint ventures in China (328 stores) and India (5). ¹Even more modestly sized MNCs are still very powerful. If Kia were a country, its current sales level of approximately \$21 billion would place it in the top 100 among the more than 180 nations in the world.

Multinationals such as Kia and Walmart must choose an international strategy to guide their efforts in various countries. There are three main international strategies available: (1) multidomestic, (2) global, and (3) transnational (Each strategy involves a different approach to trying to build efficiency across nations and trying to be responsiveness to variation in customer preferences and market conditions across nations.

3.a. A systematic collection and evaluation of past and present economical, political, social, and technological data, aimed at (1) identification of internal and external forces that may influence the organization's performance and choice of strategies, and (2) assessment of the organization's current and future strengths, weaknesses, opportunities, and threats.

3b.

(i) Ananya is in a lookout for best practices in her industry which she thinks to apply them to her business. In strategic management, this idea of identifying best practices in industry and considering them as a model for best performance is called 'Benchmarking'.

(ii) Steps involved in benchmarking:

Step 1: Planning

- Determine the broad business process and tasks to benchmark.
- Identify the resources required for the study.
- Confirm the key activity performance measures or indicators.
- Document the existing process for conducting the activity.
- Identify appropriate reference models as a starting point for your assessment.

Step 2: Analysis

- Collect information to identify the scope for improvement.
- Compare the existing process with that of appropriate reference models to identify differences and innovations.
- Agree on expected targets for improvement.

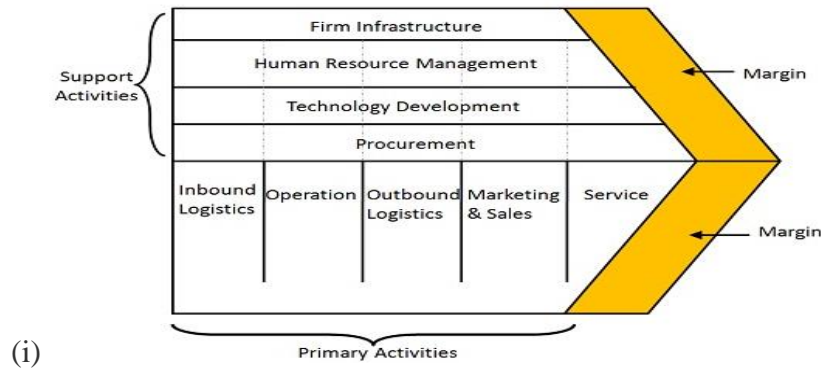
Step 3: Action

- Communicate the results of the study to key stakeholders.
- Develop an improvement plan to implement changes.
- Implement the improvement plan, monitoring progress and reviewing as necessary.

Step 4: Review

- Review performance when the changes have been implemented; identify and rectify bottlenecks.
- Communicate the results of the implemented changes.
- Schedule future benchmarking activities to continue the improvement process.

3.c.



Michael Porter classified the entire value chain into **nine** activities which are interrelated to one another. **Primary activities** include the activities that are performed to satisfy external demand, **Secondary activities** are those which are performed to satisfy internal requirements. This process of dividing the whole business in to sub functions will give firms to add value in each functions we do. *Ex: Imagine the job of conducting a big family celebration such as Wedding.*

Primary Activities: Functions directly concerned with the conversion of input into output and distribution

- **Inbound logistics** are the receiving, storing and distributing of raw materials used in the production process.
- **Operations** is the stage at which the raw materials are turned into the final product.
- **Outbound logistics** are the distribution of the final product to consumers.
- **Marketing and sales** involve advertising, promotions, sales-force organization, distribution channels, pricing and managing the final product to ensure it is targeted to the appropriate consumer groups.
- **Service** refers to the activities needed to maintain the product's performance after it has been produced, including installation, training, maintenance, repair, warranty and after-sale services.

Support Activities: Activities that support primary activities.

- **Procurement** is how the raw materials for the product are obtained.
- **Technology development** can be used in the research and development stage, in how new products are developed and designed, and in process automation.
- **Human resource management** includes the activities involved in hiring and retaining the proper employees to help design, build and market the product.
- **Firm infrastructure** refers to an organization's structure and its management, planning, accounting, finance and quality-control mechanisms.

Part B - Compulsory (01*20=20 marks)

4.a.

Reasons:

Lack of trust
Lack of resources
Cultural differences

Proposed Solutions:

Better understanding
Knowledge sharing than market performance
Strong MoUs

4b.

Challenges:

Moving ahead with anti-trust
Building a mutually beneficial alliance
Upholding trust and honesty
Knowing when to reassess the alliance

Remedies:

Developing firm-level capability
Share The Right Information
Negotiate A Deal That Includes Risk And Benefit Analysis
Come To A Realistic Agreement On The Time To Market And Corporate Expectations
Mutual, Flexible Commitment On What's Appropriate To Change, Measure And Share Within Each Partner's Culture