

Sub: **Strategic Management**

Code: **20MBA25**

Date: **12-06-2021**

Duration: 90 mins

Max Marks: 50

Sem: I

Branch: MBA


OBE

Marks CO RBT

Part A -Answer Any Two Full Questions (20*02=40 Marks)			
1(a)	Define strategic management. Strategic Management is an art and science of designing, implementing and verifying the cross functional decisions so that organization can achieve its objectives	[03]	CO1 L1
(b)	Explain Porter's Dominant economic features / traits. <div style="background-color: #f0e68c; padding: 10px; border: 1px solid #ccc;"> <p style="text-align: center;">Porter's Dominant Economic Traits</p> <ul style="list-style-type: none"> ➤ Market size and growth rate ➤ Scope of competitive rivalry ➤ Number of rivals ➤ Buyer needs and requirements ➤ Production capacity ➤ Pace of technological change ➤ Vertical integration ➤ Product innovation ➤ Degree of product differentiation ➤ Economies of scale ➤ Learning and experience curve effects </div>	[07]	CO2 L2
(c)	Explain the characteristics of strategic management. <ul style="list-style-type: none"> • Strategic issues demands top managements decisions. • Strategic Management involves distribution of finance and other resources. • Organizational strategies may lead to the firms' long term prosperity. • Strategic Management takes care of future growth of the company • Strategic Decisions impacts multi-business of the firm • Strategic decisions requires consideration of firms external environment • Strategic Management is a Continuous Process 	[10]	CO1 L2
2(a)	Define indirect competition. Competition among companies that sell different types of goods that target the same customer group and satisfy the same needs.	[03]	CO2 L1
(b)	Explain strategic management process. Step 1: Development of Strategic Vision. Step 2: Setting Objectives. Step 3: Designing strategy. Step 4: Implementing and Executing strategy. Step 5: Initiating corrective adjustments.	[07]	CO1 L2

<p>(c)</p>	<p>Discuss the components of competitive environment analysis. Competitive environment of an organization consists of the conditions existing in both micro and macro environment.</p> <p>Macro environment Analysis:</p> <ul style="list-style-type: none"> • High inflation, • Increasing interest rates, • Technological advancements can result in many setbacks for the organization. • Low interest rates, • New investment opportunities, • Favorable government policies can create new opportunities for business organizations. <p>Microenvironment Analysis</p> <ul style="list-style-type: none"> • Measuring organizations capabilities and constraints. • Stock of capital, • Human and technology resources, • Operational capacities reveal the existing gap. • Audit the organizations capabilities, performance level and weak zones by adopting ‘Balance Score Card.’ <p>The key components considered for internal environment analysis are :</p> <ul style="list-style-type: none"> ▪ Distinctive Competencies (Strengths – Toyota: JIT, QC, Lean Production etc) ▪ Resources (Tangible & Intangible), ▪ Capabilities (Policy, System, Process, R&D investment etc). ▪ Strategies (Unique advantage, Leadership position). <table border="1" data-bbox="167 1108 1061 1769"> <thead> <tr> <th>Political / Legal</th> <th>Economic</th> <th>Technological</th> <th>Sociocultural</th> </tr> </thead> <tbody> <tr> <td>Tax laws</td> <td>Money supply</td> <td>R & D</td> <td>Life expectancies</td> </tr> <tr> <td>Trade Regulations</td> <td>Monetary policies</td> <td>Automation</td> <td>Life style, innovation, careers etc</td> </tr> <tr> <td>Labour laws</td> <td>Stage of economic development</td> <td>Robotics</td> <td></td> </tr> <tr> <td>Environment protection Laws</td> <td>Unemployment Rate</td> <td>Rate of new product introduction</td> <td></td> </tr> </tbody> </table>	Political / Legal	Economic	Technological	Sociocultural	Tax laws	Money supply	R & D	Life expectancies	Trade Regulations	Monetary policies	Automation	Life style, innovation, careers etc	Labour laws	Stage of economic development	Robotics		Environment protection Laws	Unemployment Rate	Rate of new product introduction		<p>[10]</p>	<p>CO2</p>	<p>L2</p>
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<p>3(a)</p>	<p>Define business model.</p> <ul style="list-style-type: none"> • Business Model is a framework or a structure on which the business is built. • It explains what business to do and how to generate the money after recovering the cost of production. • Business model links ideas, vision and technology to generate a sustainable economic outcome. • Revenues and profits are the end results of the business model. 	<p>[03]</p>	<p>CO1</p>	<p>L1</p>																				

(b)	<p>Explain the importance of strategic management.</p> <ul style="list-style-type: none"> • Prevention of the problem: Team members are encouraged to plan forecast and monitor the strategies for achieving the competitive edge. • Flipkart and e-kart. • Team based strategic decisions are taken based on the best available alternatives. Strategy formulation demands employee involvement: • Ex: Once in a month the Flipkart CEO accompanies the delivery employee to the door step of the customer. • Individual and Team based role clarity is achieved. • Change Management is easy: employees are part of a strategy decision making body. 	[07]	CO1	L2
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(c)	<p>Describe the Porter's Five Forces Analysis.</p> <div style="text-align: center; border: 1px solid black; padding: 5px; background-color: yellow; margin-bottom: 10px;"> <h3>Porter's Five Forces Analysis</h3> </div>  <p>The diagram illustrates Porter's Five Forces Analysis. At the center is a pink box labeled 'Rivalry Among Existing Competitors'. Surrounding it are four other boxes, each representing a force that influences the central rivalry:</p> <ul style="list-style-type: none"> Threat of New Entry (Green box, top): Economies of scale, Proprietary product differences, Brand identity, Switching costs, Capital requirements, Access to distribution, Absolute cost advantages, Government policy, Expected retaliation. Threat of Substitutes (Purple box, bottom): Relative price performance of substitutes, Switching costs, Buyer propensity to substitute. Bargaining Power of Suppliers (Yellow box, left): Differentiation of inputs, Switching costs, Presence of substitute inputs, Supplier concentration, Importance of volume to supplier, Cost relative to total purchases, Impact of inputs on cost or differentiation, Threat of forward integration. Bargaining Power of Customers (Blue box, right): Buyer concentration, Buyer volume, Buyer switching costs, Buyer information, Ability to integrate backward, Substitute products, Price / total purchases, Product differences, Brand identity, Impact of quality / performance, Buyer profits. 	[10]	CO2	L2
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Part B - Compulsory (01*10=10marks)

4	<p>A renowned education institute already has strong foothold in Bengaluru. They thought of position themselves as best institution at national level. Develop key success factors to make institute renowned at national level.</p> <ol style="list-style-type: none"> 1. Know your industry, know your market(s), know your competition. <ul style="list-style-type: none"> • Industry, • Trend, • Opportunities. 2. Know your customer – be your customer 3. Understand Macro and Microeconomic Conditions 4. Build your organization around your “Key Success Factors” 	[10]	CO2	L6
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Course Outcomes		PO 1	PO 2	PO 3	PO 4	PO 5
CO1	Students should get clear idea about the concept of Strategic Management, its relevance, Characteristics, process nature and purpose.	3	0	0	0	0
CO2	Student to acquire an understanding of how firms successfully institutionalize a strategy and create an organizational structure for domestic and overseas operations and gain competitive advantage.	0	3	0	0	0
CO3	To give the students an insight on strategy at different levels of an organization to gain competitive advantage.	0	0	3	2	1
CO4	To help students understand the strategic drive in multinational firms and their decisions in different markets.	2				
CO5	To enable the students to gain knowledge of strategy implementation and the control measures for effective decision-making.			3		

Cognitive level	KEYWORDS
L1	list, define, tell, describe, recite, recall, identify, show, label, tabulate, quote, name, who, when, where, etc.
L2	describe, explain, paraphrase, restate, associate, contrast, summarize, differentiate interpret, discuss
L3	calculate, predict, apply, solve, illustrate, use, demonstrate, determine, model, experiment, show, examine, modify
L4	classify, outline, break down, categorize, analyze, diagram, illustrate, infer, select
L5	grade, test, measure, defend, recommend, convince, select, judge, support, conclude, argue, justify, compare, summarize, evaluate
L6	design, formulate, build, invent, create, compose, generate, derive, modify, develop, integrate

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

CCI

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