

INDIAN MARITIME UNIVERSITY
(A CENTRAL UNIVERSITY, GOVT. OF INDIA)

SEMESTER- III, SCHOOL OF MARITIME MANAGEMENT- JUNE 2014 EXAMS

STRATEGIC MANAGEMENT (T 1304)

(AY 2009-10 to 2012-13 batches only)

Time:- 3 Hrs
Date: 26.06.2014

Max Marks : 75

SECTION - A

(10 X1 = 10 Marks)

Answer all the Questions. All Questions carry equal marks

1. Core competencies indicate
 - a) Functional goals
 - b) Organizational capabilities which are not very critical.
 - c) Organizational capabilities which are critical to company's competitive advantage
 - d) Individual goals

2. Industry analysis is done
 - a) For vertical integration
 - b) To understand structural characteristics of an industry in order to explain and predict competition and profitability
 - c) As routine procedure
 - d) As a part of outsourcing strategy

3. Restructuring involves
 - a) Divesting some businesses and acquiring others so as to put a new face on the company's business line up
 - b) Divesting some businesses so as to put a new face on the company's business line up
 - c) Acquiring new businesses to put a new face on the company's business line up.
 - d) Related diversification

4. Economics of scale indicate
 - a) When new products are introduced to existing market
 - b) Reduction in unit cost which accompany expansion in a firm's output capacity
 - c) Producing varieties of products
 - d) When market reaches maturity stage

5. Backward integration indicate
 - a) Producing obsolete products
 - b) Pull type production
 - c) Extension of firm's activities upstream into activities previously undertaken by suppliers
 - d) Extension of firm's activities previously undertaken by buyers

6. Strategic business unit
 - a) Is part of the company with different strategy
 - b) Is part of the company with same strategy
 - c) Division within a company which is a sufficiently distinct business to be treated separately for the purpose of strategic planning
 - d) Another division of the firm with different mission

7. -----refers to the manner in which top executives of a company manage its Business units, divisions and functions
- a) Management by objective b) Management by walking around
c) Internal governance d) Restructuring strategy
8. Product differentiation
- a) Helps in achieving economics of scope b) Helps in achieving economics of scale
c) Is an approach in vertical integration
d) Cause one firm's product or service to be perceived as different from that of competing firm.
9. A -----business definition focuses on the characteristics of the products sold and market served
- a) product oriented b) customer oriented c) strategic oriented d) management oriented
10. Organisational culture includes all of the following *except*
- a) stock price b) values c) norms d) socialization

SECTION - B

(5 X5 = 25 Marks)

Answer any FIVE questions not exceeding 200 words. All questions carry equal marks

11. What is meant by value chain analysis?
12. What is business policy? Explain its chief features.
13. Identify the influence of substitute products on a product' demand?
14. What are the advantage and disadvantage of joint ventures?
15. What is the role of financial ratios in analyzing a firm's strength and weakness?
16. What are the reasons for any failure if it occurs, in strategic management?
17. Discuss the steps involved in the strategic planning process?

SECTION - C

(4 X10 = 40 Marks)

Answer question no.18 (compulsory) and Answer any THREE questions of remaining five questions. All questions carry equal marks. Answer should not exceeding 500 words.

18. Analyze the following situation

Workers and management at Whirlpool Appliance's plant at Michigan have set an example of how to achieve productivity gains, which has benefited not only the company and its stockholders, but also Whirlpool customers and the workers themselves.

Things were not rosy at the plant. Productivity and quality were not good. Neither was labour – management relations. Workers hid defective parts so management wouldn't find them and when a machine broke down, workers would simply sit down until sooner or later someone came to fix it. All that changed in the late 1980s.

Faced with possibility that the plant would be shut down management and labour worked together to find a way to keep the plant open. The way was to increase productivity –producing more without using more resources. Interestingly the improvement in productivity didn't come by spending money on fancy machines. Rather it was accomplished by placing more emphasis on quality. That was a shift from the old way, which emphasized volume often at the expense of quality. To motivate workers, the company agreed to gain sharing, a plan that rewarded workers by increasing their pay for productivity increases.

The company overhauled the manufacturing process and taught its workers how to improve quality. As quality improved productivity went up because more of the output was good and costs went down because of fewer defective parts that have to be scrapped or reworked.

Costs of inventory also decreased because fewer spare parts were needed to replace defective output, both at the factory and for the warranty repairs. And workers were able to see connection between their efforts to improve quality and productivity and their pay.

Not only was Whirlpool able to use the productivity gains to increase worker's pay it was also able to hold the lid on price increases and to funnel some of the savings into research which added to cost savings and quality improvement.

Questions

1. Who has been benefited from the productivity gains?
 2. What were the two key things that whirlpool management did to achieve productivity gains?
-
19. Analyze Michael Porter's five forces model with reference to a soft drink industry.
 20. What is the purpose of balanced score card? What factors are considered?
 21. Indicate and explain the procedures in strategy formulation and strategy implementation
 22. What is competitive advantage? How it helps in growth of a firm?
 23. What factors must be considered in selecting a global strategy ?
