

Name:	 UPES UNIVERSITY WITH A PURPOSE
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, Dec' 2019

Name of the Program: BBA Core (MKT)	Semester - V
Subject Name: Business Policy and Strategy	Max. Marks : 100
Subject Code : STGM 3002	Duration : 3 Hrs

SECTION A **(20 * 1 Marks Each = 20 Marks)**

Q1.	<p>1. An effective information system collects, codes, stores, synthesizes, and _____ information in such a manner that it answers important operating and strategic questions.</p> <ol style="list-style-type: none"> a. Prints b. Distributes c. Presents d. Filters <p>2. _____ is adding new, unrelated products or services for present customers.</p> <ol style="list-style-type: none"> a. Concentric diversification b. Horizontal diversification c. Conglomerate diversification d. Product development <p>3. Two reasons for mergers and acquisitions are</p> <ol style="list-style-type: none"> a. to increase managerial staff and to minimize economies of scale. b. to reduce tax obligations and increase managerial staff. c. to create seasonal trends in sales and to make better use of a new sales force. d. to provide improved capacity utilization and to gain new technology. <p>4. Which strategy would be effective when the new products have a counter cyclical sales pattern compared to an organization's present products? Strategic Management</p> <ol style="list-style-type: none"> a. Forward integration b. Retrenchment c. Horizontal diversification d. Market penetration <p>5. Psychographic analysis would be part of</p> <ol style="list-style-type: none"> a. A socio-cultural environment analysis b. A Technological Environment Analysis c. A Resource Analysis 	1X10=10	CO1
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	<p>d. A Capability Analysis</p> <p>6. _____ approach involves delivering parts and materials as needed rather than being stockpiled</p> <p>a. JIT</p> <p>b. MBO</p> <p>c. PERT</p> <p>d. CAD-CAM</p> <p>7. Competitive advantage based on the creation of opportunities using internal resources is characterized by which approach/view?</p> <p>a) The positioning approach</p> <p>b) The outside-in approach</p> <p>c) The resource-based view</p> <p>d) The knowledge-management approach</p> <p>8. Diversification into many unrelated areas is an example of:</p> <p>a) Risk management</p> <p>b) Good management</p> <p>c) Uncertainty reduction</p> <p>d) Sustainability</p> <p>9. Which of the following outcomes is NOT an advantage of a completely vertically integrated business?</p> <p>a) Potentially greater control is achieved</p> <p>b) Potentially greater quality is achieved</p> <p>c) Lowering of risk is achieved</p> <p>d) Lower price of supplies is achieved</p> <p>10. Which of the following might be sources of synergy between two business units?</p> <p>a) They have similar customers and use the same distribution channels</p> <p>b) The profits from one can be used to finance the other when its gets into trouble</p> <p>c) They both have a website</p> <p>d) They are both located in the same town</p>		
Q2.	<p>Examine the veracity (True and False) of the statement (1X10=10)</p> <p>1. Service is said to be intangible because the quality of the service experience is measured in the perception of the customer.</p> <p>2. In value chain analysis, general management is considered part of a firm's infrastructure.</p> <p>3. Intangible resources are keys to competitive advantage</p>	1X10=10	CO1

	<p>4. An important advantage of first movers or “pioneers” in a market is that they may establish brand recognition that may later serve as an important switching cost.</p> <p>5. Rather than focus solely on financial considerations, many firms offer attractive benefits to entice employees to stay. These may include on-site daycare, on-site gyms, and on-site stores.</p> <p>6.A primary benefit of the “balanced scorecard” is that it complements financial indicators with operational measures of customer satisfaction, internal processes, and the organization's innovation and improvement activities.</p> <p>7. Environmental scanning and competitor intelligence provide important inputs for forecasting activities.</p> <p>8. Porter's five forces model helps to determine both the nature of competition in an industry and the industry's profit potential.</p> <p>9. Social responsibility is the idea that organizations are not only accountable to stockholders but also to the community-at-large</p> <p>10.Strategic objectives should be measurable, specific, appropriate, and realistic, but not constrained by time deadlines.</p>		
SECTION B (4* 5 Marks Each -20 Marks)			
Q3	<p>Write short notes on any four with suitable examples (5X4 = 20 Marks)</p> <ol style="list-style-type: none"> 1. Captive Strategy 2. SBU, Network organization 3. Evaluation and Control Model 4. Conglomerate diversification 5. Rights of Investors 		
SECTION-C (2* 10 Marks Each- 20 Marks)			
Q4.	Explain the various strategies to manage rivalry in mature industries.	10	C03
Q5.	As an strategist, explore alternatives from Acquisition mix to takeover another company ? Explain with examples from the industry	10	C03
SECTION-D (40 Marks)			
Please read the following paragraph carefully and answer the following questions			CO 4

It is not quite often that a positive product feature becomes an albatross around the neck of a company. VIP Industries had held sway for over two decades in the organized Indian luggage market on the basis of the durability of its moulded suitcases. Obviously, the customer perceives value-for-money in the long-lasting, reasonably priced. Alfa brand of VIP suitcases which sells 1.5 lakh pieces a month. But this means that having bought one suitcase the customer can do with it for several years. Market research by the company shows that an average Indian family pulls out the suitcase merely for outstation travel a few times a year. Hence, there is no pressing need for continual replacement of the old luggage.

The VIP products are made of virgin polymer as compound to the recycled grade I and II polymers used by the unorganized sector. They are subjected to stringent stress tests for quality control.

VIP has a presence in a wide range of the market segments within a price spectrum of Rs. 295 to Rs. 6,000 a piece. It is here that the competition from the unorganized sector hurts the company most. VIP's economically-priced brand, Alfa is widely imitated and sold at much lower prices. This enables the unorganized sector to typically sell 20 times more than VIP can. The lower price threshold seems to be Rs. 225 which is nearly impossible for VIP to achieve given its cost structure. In the Rs. 1500 plus premium range, VIP has to contend with Samsonite which is a formidable competitor.

The obvious tactic for VIP has been to cut costs. Distribution and logistics is one area where valiant efforts have been made at cost reduction. VIP has four factories located in the heart of India. The average distribution costs come to Rs. 7 to Rs. 8 a piece. Reduction in cost has been attempted through distributed manufacturing by having vendors making the product at different locations, thereby, avoiding transportation of high-volume suitcases across long distances and reducing inventory build-up in the channel.

Severe pressure on sales has resulted in VIP Industries offering discounts and unwittingly entering into a disastrous price war. Promotion of a high visibility product suffered and advertising expenditure has been ruthlessly curtailed from the earlier Rs.11 crore to Rs.2 crore now. Its lead advertising agency is HTA. Action on the promotion front has seen reorganization of the brand portfolio. Incidentally, earlier its successful and popular Kal bhi Aaj bhi campaign served to reinforce its durability theme.

There are several roadblocks that the company has to negotiate. Increase in population, rising propensity of Indians to travel, and the insatiable thirst of customers for state-of-the-art technological products with newer designs and innovation, all at an affordable price are the opportunities and challenges before the company. Introduction of new brands, Mantra and Skybags, product range diversification to include children's bags and ladies' bags, strategic alliance with Europe's leading luggage-maker – Delsey are some of the steps taken by the company.

Yet, caught in its self spun web of past successes, VIP is today faced with an uncertain future.

Q6. Conduct a SWOT Analysis while using TWOS Matric and comment for the future prospect of the company

20

Q7. Should VIP go for strategic change ? If yes suggest type strategic change required

10

Q8. Chalk out strategy to bail out VIP from uncertainty.

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