



Code: 14E00401

MBA IV Semester Regular & Supplementary Examinations May 2018

STRATEGIC MANAGEMENT

(For students admitted in 2014, 2015 & 2016 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

Answer the following: (05 X 10 = 50 Marks)

- 1 What are the pitfalls in strategic planning that management in an organization should watch out for or avoid? Identify any five pitfalls.
- OR**
- 2 Compare and contrast vision statements with mission statements.
- 3 Explain how the Internet is changing businesses around the world.
- OR**
- 4 According to Michael Porter, what are the five competitive forces that create vital opportunities and threats for organizations? Which force do you feel is most important in the computer industry today? Why?
- 5 Define and give an example, where available of three integrative strategies.
- OR**
- 6 List some guidelines for when related diversification would be a particularly good strategy to pursue.
- 7 What are the five differences between strategy formulation and strategy implementation?
- OR**
- 8 Compare and contrast restructuring and reengineering.
- 9 Discuss some contingency plans commonly established by firms.
- OR**
- 10 Discuss at least five potential advantages to initiating, continuing, and/or expanding international operations.

SECTION – B

(Compulsory Question)

01 X 10 = 10 Marks

11 Case study:

Margaret Quinn, the president of Eastern Electric Corporation, one of the largest electric utilities operating in the eastern United States, had long been convinced that effective planning in the company was essential to success. For more than 10 years, she had tried to get a company-planning program installed without seeing much result. Over this time, she had consecutively appointed three vice presidents in charge of planning and, although each had seemed to work hard at the job, she noticed that individual department heads kept going their own ways. They made decisions on problems as they came up and they prided themselves on doing an effective job of "fighting fires."

Contd. in page 2



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However, the company seemed to be drifting, and individual decisions of department heads did not always jibe with each other. The executive in charge of regulatory matters was always pressing state commissions to allow higher electric rates without having very much luck, since the commissions felt that costs, although rising, were not justified. The head of public relations was constantly appealing to the public to understand the problems of electric utilities, but electric users in the various communities felt that the utility was making enough money and that the company should solve its problems without raising rates. The vice president in charge of operations, pressed by many communities to expand electric lines to put all lines underground to get rid of unsightly poles and lines and to give customers better service, felt that costs were secondary to keeping customers off his back.

When a consultant called in at the request of Ms. Quinn looked over the situation, he found that the company really was not planning very well. The vice president of planning and his staff were working hard making studies and forecasts and submitting them to the president. There they stopped, since all the department heads looked on them as impractical paperwork that had no importance for their day-to-day operations.

Questions:

- (a) If you were the consultant, what steps would you suggest to get the company to plan effectively?
- (b) How would you suggest to the president that your recommendations be put into effect?
