

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA - SEMESTER- III EXAMINATION – WINTER 2019****Subject Code: 3539201****Date: 28-11-2019****Subject Name: Strategic Management****Time: 10:30 AM TO 1.30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1 Explain the following terms with examples. (14)**
- 1 Corporate Entrepreneurship
 - 2 TBL Approach
 - 3 Joint Venture
 - 4 Related Diversification
 - 5 Sustainable Competitive Advantage
 - 6 Key Success Factors
 - 7 Vision and Mission
- Q.2 (a) “A firm's unique collection of resources and capabilities are the primary influencers on the selection and use of a strategy”. Explain the statement in the light of resource based model of above average return. (07)**
- Q.2 (b) Give an overview of Business Unit Level Strategies with example. (07)**
- OR**
- Q.2 (b) A start up named “Herbal Limited” in Himachal Pradesh is extracting the ark (liquid) from Tulsi which is considered to be immunity booster. It has covered a larger market in India and wants to explore the possibility of entering the international markets. Suggest the company about the possible ways of entering in to International market. (07)**
- Q.3 (a) Write a note on Balance Score Card. (07)**
- Q.3 (b) Assume that Amazon, the largest online shopping retailer, wants to acquire Indian retail chain lead by Future Group, Big Bazaar. Amazon wants to avoid the common problems associated with acquisition and wants to make it a successful deal. In relation to this, kindly guide Amazon how it can make this an effective deal of acquisition. (07)**
- OR**
- Q.3 (a) Discuss the conflict between shareholders’ perspective and stakeholders’ perspective for CSR. (07)**
- Q.3 (b) Why are strategic alliances formed? Give two examples of strategic alliances that have failed. (07)**
- Q.4 (a) “Structure follows strategy”. Do you agree with the statement? Explain in relation to Chandler’s thesis. (07)**
- Q.4 (b) Write a note on “VUCA” model of change management. (07)**
- OR**
- Q.4 (a) Explain the porter’s five forces for Airlines Industry. (07)**
- Q.4 (b) Discuss the Blue Ocean Strategy framework. (07)**
- Q.5 US retail giant Walmart Inc picked up a 77% stake in India’s largest online retailer Flipkart for \$16 billion. This was country’s largest acquisition and the world’s biggest purchase of an ecommerce company. This acquisition was in line with Government’s FDI policy of allowing 100% FDI under automatic route for marketplace ecommerce model. Walmart is giant in the retail store with multinational presence and acquired many companies in different regions of the world to operate and grab the market share to beat the competition. Flipkart was the startup in the e-com industry for selling online goods by fellows from IIT. Flipkart was funded by many funding giants internationally and it became an example for successful e-com startup. Flipkart also acquired may players such as Myntra, Jabong, Chapak, Let’sbuy, Phone Pe, ebay.in and many more.**

India's online retail market grew at 23 percent in 2017. While India's overall retail market is over \$670 billion in size, online sales is just at \$20 billion. The headroom for growth is immense, with 60 percent growth expected this year. Further, India is the second largest country in terms of population after China. Walmart will be benefited by the rising income of the middle class and changes in the consumer behaviour.

There is a clear need for Flipkart to start having an offline presence. For Walmart too, while a strong online presence in India would be a good start, it will want to start building up an offline retail play. Amazon has already started building this—through partnerships under Project Udaan. From Flipkart's perspective, not having an offline presence and not having sourcing linkages is a handicap. In mobile and fashion etc. Walmart can't help Flipkart. Where Walmart will help is in daily household items. In this, Flipkart will need offline formats to capture the market.

This deal is a win-win for many stakeholders. Flipkart will leverage Walmart's Omni-channel expertise, grocery and supply chain knowledge and financial strength. The company will shed its startup tag and become part of a global giant. It will give major boost to the business of Flipkart in India. The infusion of fresh funds will help Flipkart expand its operation. Further, consumer will benefit from greater innovations and ideas, better products and services. Walmart may also invest in infrastructure like warehouses, technology and delivery solutions that will help in increasing reach, faster delivery of goods and consumer satisfaction.

As Walmart scales in India, the company will continue to partner to create sustained economic growth across agriculture, food, and retail. On the forefront, the company is looking at extensive job creation through development of supply chains, commercial opportunity and direct employment. Furthermore, the retail major plans to support small businesses and 'Make in India,' through direct procurement as well as increased opportunities for exports through global sourcing and e-commerce. Among other initiatives, Walmart will partner with Kirana store owners and members to help modernize their retail practices and adopt digital payment technologies. They will also support farmers and develop supply chains through local sourcing and improved market access.

In present scenario, the Indian market is having an e-com market, offline organized market where D-Mart, Big Bazaar, Reliance etc. are serving and unorganized traditional market which is existing side by side and struggling but still in existence due to its own merits over multinational players. The combined Walmart-Flipkart company will have a whopping 90 per cent share of the e-commerce market in India. There is a real risk of Walmart-Flipkart and Amazon dividing up the Indian e-commerce market between themselves leaving no space for local competition. And that raises fears of loss of business among traders, sellers and retailers since Walmart could bring multiple private labels to India and flood the e-commerce platform with its own products.

Based on the facts, answer the following questions. (07)

Q.5 (a) Which stakeholders are involved in this deal? How their interests are involved and affected? (07)

Q.5 (b) Carry out SWOT analysis for Flipkart.

OR

Q.5 (a) Analyse the pros and cons of this acquisition deal as a whole. (07)

Q.5 (b) Identify the Political, Economic, Social and Technological (PEST) factors affecting the deal. (07)
