

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER (3) – EXAMINATION – SUMMER 2018**Subject Code: 830001****Date: 30/04/2018****Subject Name: Strategic Management****Time: 02:30 PM To 05:30 PM****Total Marks: 70****Instructions:**

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

Q. No.	Question Text and Option	6
Q.1 (a)	1. Strategic controls allow corporate-level managers to	
	A. evaluate business-level performance on objective criteria.	
	B. concentrate on day-to-day corporate operations.	
	C. assess performance of employees and managers in each business unit.	
	D. examine the fit between what the firm might do and what it can do.	
	2. A primary objective of corporate governance is to	
	A. determine and control the strategic direction of an organization, so that the top executives are focused on maximizing corporate profits.	
	B. ensure that the interests of top-level managers are aligned with the interests of shareholders.	
	C. lobby legislators to pass laws that are aligned with the organization's interests.	
	D. resolve conflicts among corporate employees.	
	3. Firms participate in strategic alliances for all the following reasons except to	
	A. enter markets more quickly.	
	B. acquire technology.	
	C. create values they could not develop acting independently.	
	D. retain tight control over intangible core competencies.	
	4. All of the following are international corporate-level strategies except the _____ strategy.	
	A. multidomestic	
	B. universal	
	C. global	
	D. transnational	

5. Conglomerates follow the _____ diversification strategy

- A. unrelated B. related constrained
C. related linked D. global

6. Multipoint competition occurs when

- A. firms have multiple retail outlets.
- B. firms have multiple products in their primary industry.
- C. diversified firms compete against each other in several markets.
- D. firms have diversified portfolios of companies.

Q.1 (b) Define : a. Leveraged Buyouts b.Strategic Management Process
c. Resources d. Strategic Group **04**

Q.1 (c) Describe the differences between tangible and intangible resources; Distinctive Competencies and Core Competencies. **04**

Q.2 (a) Explain the four criteria to determine which of a firm's capabilities are core competencies with relevant examples. **07**

(b) What are stakeholders? How do the three primary stakeholder groups influence organizations? **07**

OR

(b) For a firm of your choice, explain how value chain analysis is used to identify and evaluate resources and capabilities. **07**

Q.3 (a) Discuss the specific risks associated with using each of the business level strategies. **07**

(b) Describe and differentiate with suitable examples the three international corporate-level strategies. What factors lead to their development.

OR

Q.3 (a) What are the main reasons firms choose to diversify their operations? **07**
What motives might encourage managers to over diversify their firm?

(b) Why are merger and acquisition strategies popular in many firms competing on the global economy? Are the reasons same in the case of India? **07**

Q.4 (a) Describe what strategic leaders can do to establish and emphasize ethical practices. Describe organizational controls and discuss their use and importance. **07**

(b) Define the three major dimensions of organizational structure: specialization, centralization, and formalization. Explain with examples how these dimensions vary in organizations implementing the cost-leadership and/or differentiation strategies. **07**

OR

Q.4 (a) Define organizational culture and discuss the ways in which a firm's culture can be changed. What is strategic leadership and how important are top-level managers as an organizational resource? **07**

(b) What is a strategic network? What is a strategic center firm? How is a strategic center used in business-level, corporate-level, and international cooperative strategies?

Q.5

Compliance, Inc., (CI) conducts clinical human and animal trials for the pharmaceutical and biotechnology industries. Revenues are split evenly between early and late drug development services. While the bulk of its business is conducted in Europe and the U.S. (10 and 17 subsidiaries, respectively), CI also has subsidiaries in Africa, Latin America, Asia, and Australia. Historically CI operated under a multidomestic strategy, owing to the fact that the clinical testing industry was geographically fragmented to meet the diverse needs of the many strong local pharmaceutical companies and distinct regulatory environments. CI's organizational structure truly reflected the autonomous character of each country's businesses. Many of the country managers have been with CI for over a decade, and have a great deal of discretion over the activities of their home-market businesses. However, globalization of the regulatory environment (both global and local standards), globalization of the biotechnology firms (increasing the geographic scope of their operations), and tremendous consolidation in the pharmaceutical industry (reducing the number of pharmaceutical industry participants to only a handful of major global companies) caused CI to question its multidomestic strategy. Consequently, the firm has begun its transition to a transnational strategy.

- a. What type of organizational structure was likely to have been in place under CI's multidomestic strategy? What type of organizational structure will likely be needed for its transnational strategy?
- b. What obstacles is CI likely to encounter as it attempts to change its structure to support the transnational strategy?

OR**Q.5**

Norning International (NI) states that both its past successes and future growth strategies are based on an evolving network of wholly owned businesses and joint ventures around its core competency in glass making. Through their alliances and owned divisions they compete in four global business sectors: Specialty Glass and Materials (including materials for HDTV and LCD displays), Consumer Housewares (including microwavable dishware), Laboratory Sciences Products and Services (test tubes, testing equipment, and drug trials testing), and Communications (fiber optics and related technologies). Per the company's annual report, "binding all four sectors together is the glue of a commitment to leading edge glass making technologies, shared resources, and dedication to total quality." Each sector is composed of divisions, subsidiaries and alliances. However, the central role played by alliances is demonstrated by the fact that the combined revenue of its 30-some alliances is more than double that of NI on its own. Most of the alliances provide NI with access to particular geographic markets, industries, or channels, although an increasing number of alliances involve both market access and technological development.

- a. Why would a company like NI place such emphasis on alliances as a growth vehicle? What risks arise from a strategy based on such a "network of alliances"?
- b. NI appears to be managing a large number of alliances. What criteria should it use to exit particular alliances?

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