

Code: 14E00401

**R14**

MBA IV Semester Regular Examinations June/July 2016

**STRATEGIC MANAGEMENT**

(For students admitted in 2014 only)

Time: 3 hours

Max. Marks: 60

**PART - A**

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

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- 1 Discuss the importance of mission statement for an organization.
- OR**
- 2 Companies which undertake environmental scanning regularly will be more successful than the companies which don't. Do you agree? Explain.
- 3 Porter's five forces model is an effective tool for attaining competitive advantage. Justify this statement.
- OR**
- 4 How will you apply BCG matrix to a large diversified company?
- 5 Distinguish between the following pairs of strategies:  
 (a) Horizontal and vertical integration.  
 (b) Conglomerate and concentric diversification.
- OR**
- 6 A fit between structure and strategy is important for corporate success. Justify this statement.
- 7 How do functional strategies differ from corporate and business strategies?
- OR**
- 8 How do policies aid strategy implementation? Illustrate your answer.
- 9 Distinguish strategic control from operating control. Give an example for each.
- OR**
- 10 Why are budgets, schedules and key success factors essential to operation control & evaluation?

**PART - B**

(Compulsory question, 01 X 10 = 10 Marks)

- 11 Case study:  
 DreamWorks SKG is the movie company formed by the trio of Stephen Spielberg, Jeffrey Katzenberg and David Geffen. From early on, the company decided to protect itself from the risk of a big budget movie failing at the box office. Established movie companies typically had a number of movies in various stages of production. Failure of one movie could be offset by succeeding releases. Also, old movies could be reissued in DVDs to provide a steady revenue stream. Since DreamWorks did not have a "library" of old movies nor a stream of movies under production, every big budget movie was a make or break event for the young company. The company decided to partner with other studios for such movies. By partnering, DreamWorks was able to reduce its exposure to the ups and downs of the movie business. Movies produced by DreamWorks under such alliances include The Gladiator, War of the Worlds, and Munich. Interestingly, this phenomenon is not limited to DreamWorks. The box office smash Titanic that cost more than \$200 million was co-produced by 20<sup>th</sup> century fox and paramount.  
 Discuss how strategic alliances lead to competitive advantage.