

Roll No.

Total No. of Pages : 03

Total No. of Questions : 15

**MBA (2014 to 2017) (Sem.-4)**  
**STRATEGIC MANAGEMENT**  
Subject Code : MBA-401  
Paper ID : [A2524]

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTION TO CANDIDATES :**

1. SECTION-A contains SIX questions carrying FIVE marks each and students has to attempt any FOUR questions.
2. SECTIONS-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt ANY ONE question from each Subsection.
3. SECTION-C is COMPULSORY and consist of ONE Case Study carrying EIGHT marks.

**SECTION-A**

1. List different stakeholders a company has to satisfy.
2. Identify the five forces that underlie the five forces model of competition.
3. What are the differences between tangible and intangible resources? Which category of resources is more valuable to the firm?
4. What is balance scorecard methodology and how is it better than other internal appraisal techniques?
5. Define strategy and business-level strategy. What it is the difference between these two concepts?
6. Outline the five forces model for industry level analysis. How can a company make an industry environment attractive?

**SECTION-B**

**UNIT-I**

7. Discuss in detail the strategic management process. What is difference between mission and vision statement? Which comes first? Support your answer.

8. What is the difference between country level and company level environmental analysis? Discuss briefly various tools of analysis at both levels. .

#### UNIT-II

9. What is internal appraisal? What are different methodologies of performing internal appraisal?
10. What are financial and non financial methods of internal appraisal? Differentiate and support which one is better?

#### UNIT-III

11. What are the five categories of businesses based on level of diversification strategy under the category of expansion based corporate level strategies?
12. Write short notes on following
  - a. Hofer product market evaluation
  - b. GE nine cell matrix

#### UNIT-IV

13. Outline the process of strategy control. What is corporate governance and how is it used to monitor and control managers' decisions?
14. What is strategy implementation and strategy control? Discuss the importance of these two stages in strategic management process.

#### SECTION-C

#### 15. Case Study :

Heartsong LLC is a designer and manufacturer of replacement heart valves based in Peoria, Illinois. While a relatively small company in the medical devices field, it has established a worldwide reputation as the provider of choice high-quality, leading-edge artificial heart valves. Most of its products are sold to large regional hospital systems and research hospitals. Specialty heart centers are another emerging, but fast-growing, market for its valves. While Heartsong would like to grow quickly, its growth is constrained by the need to finance larger production runs and then carry this additional inventory. For products like those of Heartsong, vendors typically do not collect payment until the unit is

actually used in surgery. Moreover, heart valves are usually required on short notice which means that they must be either onsite, or inventoried at a nearby location. If nearby, then transport of the unit to a hospital or heart center occurs within a matter of hours, and sometimes minutes. For this reason, accelerated growth would require Heartsong to both finance increased production of its heart valves, along with carrying increased levels of inventory that are in fact sitting on their customers' shelves. In fact, inventory-carrying cost is its single largest cost outside of research and development. While profitable growth is necessary if Heartsong is to continue extending its competitive advantage through increasingly greater investments in basic heart valve R&D, it is not clear that the company can internally support all these increased financial commitments (R&D, manufacturing, and inventory). Doc Watson, the CEO of Heartsong, is considering an outside contractor, EdFex, to handle the inventorying, warehousing, and delivery of its valves. EdFex has secure, high-tech warehouses in most major population centers around the country, and can ensure delivery of a product to these markets from its warehouses in less than one hour.

***Questions :***

- a) What value-chain activities appear to underlie Heartsong's competitive advantage?
- b) Why might an outsourcing arrangement with EdFex be attractive to Heartsong?
- c) What are the implications of an EdFex outsourcing arrangement for the capabilities underlying Heartsong's competitive advantage?