

Total No. of Pages : 03

Total No. of Questions : 09

MBA (Executive) (Sem.-4)

DEVELOPING COMPETITIVE ADVANTAGE

Subject Code : MBX-401

Paper ID : [74445]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A contains TEN questions carrying TWO marks each and students has to attempt any EIGHT questions carrying TWO marks each.**
2. **SECTIONS-B consists of SEVEN questions each carrying SEVEN marks each and student has to attempt any FIVE questions.**
3. **SECTION-C is consisting of ONE Case Study carrying NINE marks.**

SECTION-A

Q1. Write briefly on :

- a) SWOT analysis
- b) SBU
- c) Bench marking
- d) Synergy
- e) Core competency
- f) Horizontal diversification
- g) Cost leadership
- h) Cash Flows
- i) Six sigma
- j) TQM

SECTION-B

- Q2. Discuss the difference between vision mission and purpose of an organization defining these concepts.
- Q3. How does strategy affect structure? How various organization structure become hindrance in strategic implementation?
- Q4. Discuss industry appraisal indicators while giving the overview of external environment appraisal.
- Q5. Illustrate Porters five forces model using an industry example.
- Q6. Explain the usage of resource allocation as a strategic tool.
- Q7. What are different types of diversification strategies available to top management?
- Q8. Write a detailed note on strategic evaluation and control.

SECTION-C

Q9. Case study :

The Volte 4G feature phone launch by Reliance Jio Infocomm will place the incumbents like Bharti Airtel, Vodafone, and Idea Cellular at a great disadvantage in the fresh competition which has emerged in the telecom market. Unlike the free voice and cheap data package which Jio last year launched for smartphone users where incumbents could compete with similar tariff packages, in the feature phone segment they would be faced with handicaps making it difficult for them to come up with devices or tariffs similar to Jio's. Jio has a fully-4G Volte network and therefore can provide unlimited voice calls on its feature phones for free. This is not the case with incumbents, who largely have GSM network which cannot support unlimited (free) voice calls and also suffers from data capability. While it is true that incumbents also have spectrum in the 4G bands and are slowly making their networks Volte, their disadvantage is not having sufficient spectrum in sub 1GHz band like 800 Mhz. Bulk of their 4G spectrum is in 1800 Mhz, 2300 Mhz and 900 Mhz.

For a higher Volte coverage with unlimited voice capability sub 1GHz spectrum is needed. Higher bands require more number of sites and therefore higher investments. While Bharti, Vodafone and Idea have spectrum in 900 Mhz, which is a low frequency band but of their total spectrum portfolio it comprises only 50%. Because of this constraint even if incumbents come up with any handset the way Jio has come to address the feature phone segment which has around 500 million users, their largely GSM network would prevent them from providing unlimited voice calls, which Jio is providing. If they do so their network would get choked making quality of service very poor. Similarly, lack of lower frequency 4G spectrum would not be of help even if they slowly make their entire network 4G.

The sharp drop in telecom tariffs in the past two years has wreaked havoc on the financial health of Indian telecom firms. The surviving telcos are in dire straits. Idea Cellular Ltd reported pre-tax losses of Rs. 2,817 crore in the June quarter, compared to a profit of Rs. 600 crore in the June 2016 quarter, ahead of Reliance Jio's launch. Its debt has reached unsustainable levels of 19 times annualised Q1 Ebitda. And although things will get better after the merger with Vodafone India, and the resulting cost synergies, unless substantial equity is brought in, leverage of the merged entity will be at damaging levels.

Both companies have lagged far behind Reliance Jio and Bharti Airtel Ltd with respect to investments in their network.

Question :

Ques. Discuss the impact of merger of Vodafone idea in light of above conditions.