

Code: BA3T1

**II MBA - I Semester - Regular / Supplementary Examinations
DECEMBER 2016**

STRATEGIC MANAGEMENT

Duration: 3hours

Max. Marks: 70

SECTION-A

1. Answer any FIVE of the following: 5 x 2 = 10 M

- a) Process of strategic management.
- b) Need for a vision statement.
- c) Tools of strategic analysis.
- d) What is GEC model?
- e) What is core competency?
- f) Who is a strategic Leader?
- g) Role of values in strategy implementation.
- h) Strategic survivelance.

SECTION – B

Answer the following: 5 x 10 = 50 M

2. a) Discuss about the factors that shape a company's strategy.

OR

b) What is strategic management process model? Explain components of the model with examples.

3. a) Define strategy formulation. Explain the importance of strategy framework for competitive advantage of a firm.

OR

b) Discuss about Porter's Five Force Model.

4. a) Explain the entry and exit barriers to Indian market. State the current scenario of entry and exit barriers.

OR

b) Discuss about various types of strategies. Which strategy is more appropriate for expanding to foreign markets? Why?

5. a) Critically evaluate the role of strategic Leadership in determining strategic directions to a firm.

OR

b) What kind of strategies to be formulated for competing in global markets and internet economy?

6. a) Examine the role of a strategist in establishing strategic Controls.

OR

b) How is the performance of a strategy evaluated? State the problems encountered in measuring performance.

SECTION – C

7. Case Study

1 x 10 = 10 M

ASIAN PAINTS INDIA LIMITED (APIL)

APIL is the leader in the entire industry, comprising both organized as well as unorganized players, with a market share of 19 per cent. The company is confident of the fact that of its share of industry sales is twice as much as that of its nearest competitor, Goodlass Nerolac. APIL also drafts the others in size, its net sales nearly twice that of Goodlass Nerolac, well over twice that of third-placed

Berger Paints and nearly four times that of fourth placed Jenson and Nicholson.,

It is only wary of the expanding unorganized sector which seems to be eating up the share of firms in the organized sector. Nevertheless, given the multiplicity of shades it is capable of, APIL, reckons it can look forward to a compound growth in its market share.

Even though the company has no experience in the production and technology aspects of ceramic tiles manufacture, it has opted for ceramics because the marketing will involve utilization of its existing distribution network for paints. The rationale is that since paints and ceramics are both building materials, APIL's existing customer base which can serve as a ready made market will be treated for its ceramic products. "With our extensive distribution network and stocking points, we can reach even the remote markets. So marketing ceramics is not likely to be a problem". Says Choksey. The plan is to penetrate the market as quickly as possible, and grab a substantial chunk of industry sales. The company will initially start with ceramic tiles, but there is no plan to restrict itself to a specific market segment.

The new project is scheduled for completion by the end of 1996, and it will in all probability, be located in Gujarat. This is because any location in that state will have the advantage of proximity to the raw material supplying areas in Gujarat and Rajasthan. APIL is currently negotiating with foreign collaborators for the technology, which will have to be imported. The technology will also have to be adopted to Indian conditions.

The company is intent on a continuous modernization and up gradation of its technology and its assets, so as to keep in tune with the changing requirements of the marketplace. In addition, it is also

working on plans to increase production capacity over the next few years. Besides the activity on the domestic front, APIL is increasing its overseas presence as well. One of the few Indian companies with overseas subsidiaries in the South-Pacific Region, APIL is now setting up a new subsidiary in Australia. It's existing ventures abroad too have reported healthy results Asian Paints (South Pacific) has registered a 12 per cent growth. Asian Paints (Tonga) grew at a rate of five per cent, Asian Paints (Solomon Islands) at over 10 per cent and Asian Paints (Nepal) at over 18 per cent.

When asked about the threats facing the company, Choksey chuckles and says he prefers to call them challenges. "We need to meet the demands of this growing organization of our workforce, our technology and our assets. A major point to be tackled is to be able to meet the growing demand for our product and to create a greater awareness for our newer products", he says. Over the first few months of the current financial year, sales volume has been growing at a rate of 14 per cent, well above the industry average. With the recession firmly behind it and government levies no longer inflating its prices, the paint industry seems to be on an uptrend. But the APIL management has its work cut out for it; it will not merely have to gear up to meet the burgeoning demand but will also have to work hard at retaining and then increasing its market share.

Questions:

- i. How Asian Paints converted threats into challenges?
- ii. Evaluate the new strategies of Asian Paints India Limited particularly its proposed foray into ceramics.