

# MBAC 2005/MBLF 3001

M.B.A. DEGREE EXAMINATION, JUNE 2015.

Second Semester

General / Marketing / Finance / IB / HRM / RM /  
Tourism

## STRATEGIC MANAGEMENT

(2012 – 2013 batch onwards)

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Define strategic management. Explain its characteristics.
2. What is mission? Explain key elements in developing a mission statement.
3. Discuss components of a company's external environment.
4. Differentiate horizontal integration and vertical integration.
5. What are generic competitive strategies? Explain.
6. Explain the significance of research and development in strategic management.

7. Discuss any four issues in strategy implementation.
8. Describe any two techniques of strategic evaluation and control.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Discuss the important steps involved in strategic management process.
10. Much of the business environment today is dynamic in nature. What does it mean for organizational management and how can the latter go about scanning the environment?
11. Elaborately explain the porter's five force model.
12. Discuss any four growth strategies of an organization to increase their profits.
13. Briefly explain criteria for evaluating strategic alternatives.
14. Write short notes on the following:
- (a) SWOT analysis.
  - (b) Collaborative partnership.
  - (c) Restructuring and turnaround.
  - (d) Value chain analysis.

15. What are functional strategies? Explain them in detail.
16. Discuss the steps involved in process of strategic control.

PART C — (1 × 20 = 20 marks)

(Compulsory)

17. Case Study:

Chemicals Ltd., a quoted chemical company, has until recently achieved a steady increase in profitability over a number of years. It faces stern competition and the directors are concerned about the dissatisfaction expressed by major shareholders regarding performance over the last two years. During this period, it has consistently increased dividends, but its share price has not grown at the same rate as it did previously. Khemco Ltd., a direct competitor, is similarly experiencing a reduction in profitability. Its shareholders are diverse, with the majority being financial institutions. Khemco Ltd. has been criticised for under-investment and has achieved no product development over the last-two years. Following a concerted media campaign, Khemco Ltd. is facing prosecution for discharging untreated pollutants into a river. Chemicals Ltd. is seriously considering making a bid to acquire

Chemco Ltd. The directors of Chemicals Ltd., however, are divided as to whether Khemco Ltd. should be closed down or permitted to continue production post-acquisition, if a bid is made. In either situation significant staff redundancies would follow:

Required:

State the strategic factors which Chemicals Ltd. would need to consider before making a bid to acquire Khernco Ltd.

- (i) Discuss the social and ethical implications for the managers and staff of both the companies, if the acquisition goes ahead;
- (ii) Discuss the environmental issues which would face the directors of Chemicals Ltd. if it proceeds with the acquisition of Khemco Ltd.