

**Avinashilingam Institute for Home Science and Higher Education for Women
Coimbatore – 641 043**

Master's Degree Examination – November 2017

III-Semester

**Class : II PG
Major : Business Administration /
M.B.A. – IT Organisation Administration**

**Max. Marks: 60
Time: 3 hours**

16MBAC17/ 16MBMC17

STRATEGIC MANAGEMENT AND BUSINESS POLICY

PART A

[10x1/2 =5 MARKS]

CHOOSE THE CORRECT ANSWER:

1. Developing a vision and mission, identifying an organization's external opportunities and threats, and determining internal strengths and weaknesses are all _____ activities.
(a) Strategy-formulation (b) Strategy-implementation
(c) Long-range planning (d) Short-range planning
2. The means by which long-term objectives will be achieved are
(a) Mission statements (b) Strategies.
(c) Vision statements. (d) Long-term goals.
3. According to the five factors model, an attractive industry would have all of the following characteristics EXCEPT:
(a) Low barriers to entry. (b) Suppliers with low bargaining power.
(c) A moderate degree of rivalry among competitors. (d) Few good product substitutes.
4. Internal analysis enables a firm to determine what the firm
(a) Can do. (b) Should do. (c) Will do. (d) Might do.
5. The first option that should be considered for firms in Quadrant II of the Grand Strategy Matrix is the _____ strategy.
(a) Integration (b) Intensive (c) defensive (d) Diversification
6. The pie slices within the circles of a _____ reveal the percent of corporate profits contributed by each division.
(a) QSPM (b) BCG Matrix (c) SPACE Matrix (d) Grand Strategy Matrix
7. A company's ability to meet its short-term financial obligations is measured by which of the categories?
(a) Liquidity ratios (b) Profitability ratios (c) Activity ratios (d) Leverage ratios
8. Strategic management is mainly the responsibility of
(a) Lower management (b) Middle management (c) Top management
(d) All of the above
9. The main purpose of corporate governance is
(a) To separate ownership and management control of organisations.
(b) To maximise shareholder value.
(c) To separate ownership and management control of organisations and to make organisations more visibly accountable to a wider range of stakeholders.
(d) To ensure that regulatory frameworks are adhered to.
10. Stakeholders are the individuals or groups who
(a) Depend on the organisation to fulfil their own goals and on whom the organisation depend.
(b) Are shareholders in key competitors?
(c) Dominate the strategy development process in an organisation.
(d) Determine operational issues.

Part B

[5x4=20 Marks]

Answer ALL the questions

Answer should not exceed 200 words or one page

11. (a) What is strategic intent? Explain its purposes.
(Or)
(b) What are the components of mission statement?
12. (a) Why must managers be aware of a firm's external environment?
(Or)
(b) Explain the steps involved in value chain analysis.
13. (a) What is grand strategy? Explain few grand strategies.
(Or)
(b) Discuss briefly about business level strategy.
14. (a) Write a note on 'Financial planning processes.'
(Or)
(b) Explain about strategic resource planning.
15. (a) Describe the 4 P's of corporate governance.
(Or)
(b) What is business ethics? Explain its importance.

Part C

[5x7=35 Marks]

Answer ALL the questions

Answer should not exceed 600 words or three pages

Question No.20 is compulsory

16. (a) Draw a chart showing strategic management process and explain.
(Or)
(b) Explain the factors affecting objectives setting.
17. (a) Explain about Porter's Five Forces Model.
(Or)
(b) Discuss in detail the building blocks of competitive advantage.
18. (a) Describe about BCG Matrix.
(Or)
(b) What are functional level strategies? Explain in detail.
19. (a) Explain the mechanics of corporate governance.
(Or)
(b) State the process of effective strategic control.

20. Case Study:

On March 14,2000,Stephen King ,the horror writer ,published his new book, Riding the Bullet on the internet before it appeared in print .Within 24 hrs.,around 40000 people had downloaded the book-even though most of them needed to download the software in order to read the book. The unexpected demand crashed servers. According to Jack Romanos, President of Simon and Schuster, "I don't think anybody could have anticipated how many people were out there who are willing to accept the written word in a paperless format." To many, this announced the coming of the electronic novel. Environmentalists applauded that e-books would soon replace paper books and newspapers, thus reducing pollution coming from paper mills and landfills. The King book was easy to download and took less time than a trip to the book store. Critics argued that the King book used the Internet because at 66 pages, it was too short to be a standard printed novel. It was also free, so there was nothing to discourage natural curiosity. Some people in the industry remarked that 75% of those who downloaded the book did not read it.

Questions:

- (a) What are the pros and cons of electronic publishing?
(b) Should newspaper and book publishers convert to electronic publishing over paper?
(c) Would you prefer this textbook and others in an electronic format?
(d) How would publishers distribute books and text books?
