

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA(TM) – SEMESTER – 08 -- EXAMINATION – SUMMER - 2017**

**Subject Code: 4280101****Date: 12/05/2017****Subject Name: STRATEGIC MANAGEMENT****Time: 10.30 am to 01.30 pm****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** (a) Explain in detail Hambrick and Fredrickson model of strategic management. **07**  
 (b) What are the various issues in strategic decision-making **07**
- Q.2** (a) Explain the followings: **07**  
 1. Stretch  
 2. Leverage  
 3. Fit  
 (b) What is business objective? List down the characteristics of objective. **07**
- OR**
- (b) List down the various business environment also explain Characteristics of environment **07**
- Q.3** (a) What are the methods and techniques for organisational appraisal? **07**  
 (b) What are the four strategic alternatives available in business? Explain each in detail. **07**
- OR**
- Q.3** (a) Explain the four types of internationalisation strategies with suitable example. **07**  
 (b) What is meaning of strategic Alliance. Explain the various types of strategic alliances. **07**
- Q.4** (a) What is E-business? Explain E-business patterns. **07**  
 (b) Explain the generic business strategies with respect to automobile industry. **07**
- OR**
- Q.4** (a) Explain Balance Score Card with suitable example. **07**  
 (b) Suppose there is an NGO that works in the tribal areas for spreading health awareness against indiscriminate use of tobacco and alcohol. Propose an effective system of strategic evaluation and control that could be used by such an NGO. **07**
- Q.5** (a) After 60 years of pedaling hospitality through its chain of luxury hotels, the famous Oberoi name is about to be transferred into a consumer products brand. East India Hotels has drawn up plans to become a multi-product, multi-divisional empire through a series of diversification moves. **14**

The expansion will see the high profile hotel group venture into unfamiliar terrain-food processing, edible oils, tissue paper and health care. These will be in addition to the existing software division.

The first move will see the launch of a variety of processed foods every meal from breakfast to dinner as well as chocolates, spices and mineral water. The plan is to target only the up market segment by feeding on as well as nourishing the brand's reputation. Edible oil, for instance, will be positioned as a product of specialty cooking. The Oberoi brand name is also extended to international quality tissue paper. The Oberoi, after the experience of

managing the catering business division of a major hospital in Saudi Arabia, now plan to set up a 250 bed, Rs 40 crore hospital in Delhi with US or Australian collaboration. The Oberoi software division has already started selling its hotel management packages in the domestic market and planning to enter the international market using an international tie-up.

**Question**

- 1) Has East India Hotels capitalized on its strengths in its growth plan? If so, how?
- 2) What are the internal and external weakness the company has attempted to overcome in its growth plan and how?

**OR**

- Q.5 (a)** DD is the India's premier public service broadcaster with more than 1,000 transmitters covering 90% of the country's population across an estimated 70 million homes. It has more than 20,000 employees managing its metro and regional channels. Recent years have seen growing competition from many private channels numbering more than 65, and the cable and satellite operators (C & S). The C & S network reaches nearly 30 million homes and is growing at a very fast rate. DD's business model is based on selling half-hour slots of commercial time to the programme producers and charging them a minimum guarantee. For instance, the present tariff for the first 20 episodes of a programme is Rs. 30 lakhs plus the cost of production of the programme. In exchange the producers get 780 seconds of commercial time that he can sell to advertisers and can generate revenue. Break-even point for producers, at the present rates, thus is Rs. 75,000 for a 10 second advertising spot. Beyond 20 episodes, the minimum guarantee is Rs. 65 lakhs for which the producer has to charge Rs. 1,15,000 for a 10 second spot in order to break-even. It is at this point the advertisers face a problem – the competitive rates for a 10 second spot is Rs. 50,000. Producers are possessive about buying commercial time on DD. As a result the DD's projected growth of revenue is only 6-10% as against 50-60% for the private sector channels. Software suppliers, advertisers and audiences are deserting DD owing to its unrealistic pricing policy. DD has three options before it. First, it should privatize, second, it should remain purely public service broadcaster and third, a middle path. The challenge seems to be to exploit DD's immense potential and emerge as a formidable player in the mass media.

Do the SWOT analysis of DD and analyze all three alternatives

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