

EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE & MANAGEMENT
POSTGRADUATE STUDIES UNIT

First Year Second Semester Examination in Master of Business Administration – 2018/19
(July 2010)

Proper/Repeat

MBA 1083 Strategic Planning and Management

Answer all Questions

Duration: 03 hours

Q1) Read the following case and answer the questions given below.

The Managing Director of Big Ltd. called an internal meeting of senior managers to discuss issues involved in acquiring Small Ltd., for about Rs. 350 crores. He started the meeting with following observations: "After acquiring Small Ltd., we will become the second largest consumer goods company in India with sales over Rs.4500 crores. We will have more money for marketing initiatives, product launches and aggressive price-cuts. The key reason behind buying Small is to create shareholder value over and above that of the sum of the two companies. Recent years have been tough for both the companies with strong competition. The merged company hopes to gain greater market share and achieve greater efficiency.'

Different issues were discussed between the managers. Pertinent point that were raised were as follows:

Head Production: Although, I am involved little, till now, in discussion regarding the acquisition, I have closely studied various production facilities available to both the companies. I feel production facilities of both the companies need to be synergized. There is also a need to close down production facilities of two locations out of seven locations of Small. The costs of production of these locations are very high and also, they are located in eastern India, whereas our major sale is in south and west.

Head Marketing: We need to analyze it further. The market of the products is in a mature phase with low growth rate. Small Ltd., has little presence in some regions and is not a major competitor for us. Further, there is a marginal gap between the existing third position and second position. We can easily achieve second position if we are able to fully utilize our capacities.

Required:

- I. What are the different options available for this company in a low growth product industry
(05 Marks)
- II. If you are appointed as a consultant, advise the Big Ltd. how to proceed before arriving at a decision to acquire any company.
(05 Marks)
- III. Conduct SWOT analysis from the facts given in the case and a stakeholder mapping.
(05 Marks)

(Total 15 Marks)

- Q2)**
- (a) The strategic management process encompasses three phases which together involve a number of systematic steps. Explain this with a **Strategic Management Model** which is familiar to you.
(07 Marks)
 - (b) Explain briefly on the rationale behind considering the **four factors** by organizations in setting strategic direction.
(07 Marks)
 - (c) What are the factors that should be included in the **Mission Statement**?
(06 Marks)
 - (d) What are the eight administrative tasks that have to be carried out by managers at the strategy implementation stage?
(05 Marks)

(Total 25 Marks)

- Q3)** (a) How could an organization **evaluate** the success of strategies implemented in a **5 step evaluation model** in a systematic way brief on the process of it?
(07 Marks)
- (b) What is a “**value chain analysis**” of an organization and state the importance of it?
(07 Marks)
- (c) Differentiate **BCG Matrix** from **GE Matrix**.
(06 Marks)
(Total 20 Marks)
- Q4)** (a) How can an organization earn above-average profit by the contribution of **Cost leadership strategy** and **differentiation strategy**? Describe with examples.
(07 Marks)
- (b) What are the **three strategies** that are available at the **corporate level** for an organization and describe each of them?
(06 Marks)
- (c) What are the main reasons for which the organization goes for “**Outsourcing**”?
(07 Marks)
(Total 20 Marks)
- Q5)** (a) What are the **five forces** that are identified by Micheal Porter and state what barriers can existing organizations put forward in order?
(07 Marks)
- (b) What are the differences between **general environment** and **industry environment** and why are these differences important?
(07 Marks)
- (c) What do you understand by the term “**Strategic group analysis**” and briefly explain the application of it in the identification of competitors.
(06 Marks)
(Total 20 Marks)