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UNIVERSITY OF PETROLEUMAND ENERGY STUDIES

End Semester Examination, December 2018

Program: BBA General, 2016 Subject (Course): Business Policy and Strategy Course Code : BBCG 107 No. of page/s:

Semester – Fifth Max. Marks: 100 Duration: 3 Hrs

Note: Attempt all questions from Section-A, any Four questions from Section-B, Two questions from Section-C and all questions from Section-D.

<u>Section-A</u> (Attempt all questions-all questions carry two mark each)

<u>Choose the right option/fill in the gap with right option</u> CO1

- 1. Formal Management Education was set in motion in India in late fifties with setting up of (Indian Institute of Management Ahmadabad/ Delhi University)
- 2. Indicate Names of Two of the Famous writer who wrote Books on Strategic Management.
- 3. Vision of a Company is (Road Map for Future/ Chalk out Strategic Planning)
- 4. Planning predicts what the future should look like(True/False)
- 5. Who propagated the concept of Core Competency (C.K.Prahlad/ Philip Kotler)
- 6. Corporate Mergers and Takeovers are part of (Growth Strategy/Operational Strategy)
- 7. Any Decision related to Retrenchment Strategy is the domain of (Board of Directors/ General Managers of a Company)
- 8. In BCG Model the SBUs are categorized in to four segments namely Stars, Cash Cows, Question Marks and the Fourth Category is (Dogs/Bears)
- 9. In Product Life Cycle of a Product the First Stage is Introduction indicate other Stages in the Product Life Cycle of a Product after Introduction of the Product in Market.
- 10. Procedures, Rules, Objectives, Tactics, are the subject matter of the study of (Business Policy/Managerial Economics)

<u>Section-B</u> (Attempt any Four Questions –all questions carry Five Marks each)

Write short Notes on any of the Four out of six mentioned below:

1. Explain the term "Strategic Decision Making", How it differs from Routine Decision Making?

CO2

- 2. What do you know about Vertical Diversification of Business? Give one example of a company of your choice who diversified its Business through Vertical Diversification. **CO1**
- 3. Explain Multi National Corporation with one example of an Indian Company who can be termed as Indian Multi National Corporation. CO3
- 4. What do you know about Corporate Appraisal? What are its Components? CO2
- 5. What Role the Board of Directors of A Company play in Management of A Company in India?
- 6. Explain three important Factors of Strategy and how these are related to each other? CO1

Section-C

(Attempt any Two question - the questions carry fifteen Marks each)

- Why it is necessary to teach the subject Business Policy and Strategy to the students of Professional Courses like You and what the benefits from the study of this subject are when the students passed out from University/Institutes/College Campuses.
- 2. What do you know about Diversified Business Company also explain the special features and advantages of being a Diversified Business Company? Support your answer with suitable example. **CO2**
- 3. What is Functional Strategy and who are responsible for it? AS a Manager of a Company what factors you shall take into consideration while creating marketing strategy for selling Television sets during Festival session.
 CO4

Section-D

<u>Read the short case mentioned hereunder and answer the questions mentioned at the end of the</u> <u>Case-Thirty Marks in total.</u>

Short case study

Nirma Limited was incorporated in 1980 at Ahmadabad to undertake the business of detergents and soaps along with other fast moving consumer goods. Prior to the incorporation of Nirma Limited, its promoters were in the business of Detergents since 1969. Over a period of a time Nirma Limited became the market leader in terms of volume of sales in Detergents. In 1989 the Company also entered the toilet soap market and soon occupied the second position as the total market position was 38 percent Nirma and 31 percent Hindustan Lever Limited in Detergent, Toilet soap –Nirma 15 percent and Hindustan Lever 65 percent. Nirma started its business of detergent with the concept of value for money which revolved around manufacturing the products at least possible costs and the cost containment to be used as competitive tool at all levels of the value chain and similar strategy was also adopted for other products. The Company entered in Detergent market in 1969 when the market was dominated by Hindustan Lever with its surf brand detergent which was introduced in Indian market in 1957 which was high quality but expensive product on account of which vast majority of population were not using detergent but were using laundry soap fat based in cake form for washing clothes. Nirma perceived this as an opportunity to manufacture low price detergent to target the customer who considered Surf as costly detergent. To keep low price of detergent Nirma adopted semi manual process with low investment resulting in to substantial savings of interest cost and depreciation charges, hired unskilled workers in unorganized sector as a measure savings from wages and other associated cost. Secondly,

instead of going for costly asthetic paper packaging the company chooses polythene packaging resulting savings in packaging cost. Nirma concentrated selling its detergent in nearby local areas and focused in western India and after sometime entered into south India. For advertisement Radio was preferred and photo of a teenage girl from the family and also lesser educated were employed as sales force with no high salary and bonus. Nirma never disturbed the customer of big brands like surf and areal but created its own set of customers especially from semi urban areas. After that started penetrating in urban and metropolitan cities market and same strategy was adopted for toilet soap with only difference that for advertisement Television and print media was use and one known female actress from Bollywod was chosen for advertisement as a model with introduction by targeting lower middle and middle class customers. At present Nirma have Nirma Bath Soap, Nirma Beauty Soap, Nirma Lime fresh, Nirma Premium and Nirma Shikakai but the facts remain that the Nirma always gave preference to its Detergent and seldom use the word detergent instead branded its detergent as Nirma washing Powder. Now Nirma Advance has been launched for which Hritik Roshan has been chosen as add boy for Television advertisement and here also instead of detergent it is being propagated as Nirma Advance. Nirma has also started manufacturing linear alkyl benzene and soda ash and N-paraffin raw material for LAB which is used in manufacturing detergent and other items.

Read the case carefully and answer:

1: What are critical success factors of Nirma'
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CO4

- 2: What Strategies were adopted by Nirma for entering in to detergent manufacturing and marketing?
- CO3 3: How Nirma created its own customers and what strategy was adopted for the same? 4: As a student of strategic management what suggestion would you like to give Nirma? CO4

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<u>Section-A</u> (Attempt all questions-all questions carry two mark each)

<u>Choose the right option/fill in the gap with right option</u> CO1

- 11. The purpose of doing Business is to earn Profit and to get value of investment appreciated. (True/Falls)
- 12. Indicate Names of Two Indian Writers who have written Books on the subject Business Policy and Strategy/ Strategic Management.
- 13. Vision of a Company is (Road Map for Future/Chalk out Strategic Planning)
- 14. Planning is Thinking before Doing(True/False)
- 15. The word Strategy is derived from -----word Strategia (Greek/Latin)
- 16. Forward Integration of Business Activities is part of (Growth Strategy/Operational Strategy)
- 17. Any Decision related to Retrenchment Strategy is the domain of (Board of Directors/ General Managers of a Company)
- 18. Strategic Business Units are those Business Units of a Company which are (Result Oriented in Nature/Loss Making Units requiring special attention)
- 19. In Product Life Cycle of a Product the First Stage is Introduction indicate other Stages in the Product Life Cycle of a Product after Introduction of the Product in Market.
- 20. Economies of Scale results in to (Cost cutting measure/ enhancing selling of the product with high volume)

<u>Section-B</u> (Attempt any Four Questions –all questions carry Five Marks each)

Write short Notes on any of the Four out of six mentioned below:

- 7. Explain the term "Value Addition in a Product", Give example of a Product you know where values have been added by the company so as to enhance utility of such product. **CO1**
- 8. Explain Multi National Corporation with one example of an Indian Company who can be termed as Indian Multi National Corporation operating outside India also. **CO2**
- 9. What do you know about Corporate Capability Profile? What are its main Components?
 - **CO3**
- 10. What Role the Board of Directors of A Company play in Management of A Company in India? CO1
- 11. Explain three important Tasks of Strategic Management and how these are related to each other? CO4

Section-C

(Attempt any Two question - the questions carry fifteen Marks each)

- Why it is necessary to teach the subject Business Policy and Strategy to the students of Professional Courses like You and what the benefits from the study of this subject are when the students passed out from University/Institutes/College Campuses.
- 5. What do you know about Corporate Social Responsibility and how it can be related to Strategy of a CO3
- 6. What is Operational Strategy and who are responsible for it? AS a Manager of a Company what factors you shall take into consideration while creating production strategy of a unit of a company engaged in the manufacture of Cement in India?
 CO4

Section-D

<u>Read the short case mentioned hereunder and answer the questions mentioned at the end of the</u> <u>Case-Thirty Marks in total.</u>

Short case study

The Konkan Railway Corporation started a service in 1999 called as roll-on, roll-off service by transporting loaded trucks on wagons known as flats in Railway terminology between different destinations under which loaded with different type of goods the trucks are carried by flat wagons to different destinations, where they are offloaded for dispatch to their destinations by road on further journey. Through this service the Konkan Railway is earning around Rupees ten crore per annum as the service unique in nature first time introduced in India is very popular among Transporters. The service helps in an indirect savings in fuel cost and reduces vehicle operating cost in terms of wear and tear of Tyres and vehicle's maintenance. One of the benefits of this service in the stretch of Mumbai Goa route is that the Truck Drivers need not drive on the Ghats section and saves 430 kilo meters of journey by road and the Goods are transported from Mumbai to Goa section in less than 12 hours, saving time, energy and fatigue. Apart from this the Transporter use the same fleet of Trucks for more number of trips as empty Trucks are carried back to their bases where from they were loaded and dispatched to different destinations through roll-on roll-off service of Konkan Railway. Another feature of this service is that it ensures on time, intact cargo delivery, free of any risk factor and free from multiple handling of consignments. One service is being operated daily on both directions with load of thirty trucks and mostly carry building material, marble, cement and iron load in particular.

1.-What category of service is Konkan Railway providing like consumer service or industrial service or value added service or all at the same time and what are the strength and weaknesses of this type of service? CO3

2.-According to your own assessment what are the benefits of the service being provided by Konkan Railway to the society, to the Government and to the Konkan Railway, respectively? **CO4**

3.-Which other Railway route in North India you suggest where this type of service as introduced by Konkan Railway on Mumbai Goa route may be introduced? Give justification of your answer. **CO2**

4.-Any improvement you would like to suggest the Konkan Railway so as to make this service effective and efficient.