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# UNIVERSITY OF PETROLEUMAND ENERGY STUDIES

**End Semester Examination, December 2017** 

Program: BCOMLLB (Batch-1 and 2), BBALLB (CL, BFSI, ITIL)Semester – ThirdSubject (Course): Business Policy and StrategyMax. Marks: 100Course Code: BBCG-107DurationNo. of page/s:Semester – Third

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

Section-A

(Attempt all questions-all questions carry one mark each)

### Choose the right option/Tick mark correct option

- 1. Who gave the concept of ' Core Competency' (C.K.Prahlad/ Michael E.Porter)
- 2. Corporate Mergers are part of ( Growth Strategy/ Stability Strategy)
- 3. In BCG Model the SBU are categorized in to four segments namely Dogs, Cash Cows, Question Marks and the Fourth Category is (Stars/ Smarts)
- 4. Corporate Mergers and Business Takeovers are ( different to each other/one of the same thing)
- 5. One of the important factor in deciding about strategic move in a Business Company is (Allocation of Resources/ Sustainability of the Business)
- 6. The term Strategy was first used in (Military Warfare/ Business World)
- 7. One of the First Book defining Strategy is Art of War written by (Sun Tzu/Peter Drucker)
- 8. Any decision relating to Growth Strategy is the domain of Board of Directors/General Managers of a Company)
- **9.** Purpose of crafting Strategy is to ( achieve the desired results/to motivate the Workers and Employees)
- 10. Stakeholders in case of Business World are those (Persons or Organizations who can influence or can be influenced by the business Organizations/the general public of the Country or the area where the business activities are carried on)

#### Section-B

### (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 in brief Retrenchment Strategy by giving one example.
- 2. Two Examples of the Companies who have adopted Growth Strategy in India.
- 3. Explain Single Business Company with one example.
- 4. Explain Vertical Diversification of Business with one example.
- 5. What Role the Board of Directors of a Company play in crafting corporate strategy?
- 6. Explain Two of the Factors of Corporate Appraisal.

### Section-C

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

- 1. What do you know about Contingency Strategy? Under which circumstances such strategy is adopted by the Companies? Support your answer with some examples.
- 2. Explain the term External Environment with narrating different factors of Environment Factors like Legal and Regulatory Environment etc. Support your answer with suitable examples.
- **3.** Explain the meaning of Merger in terms of Corporate Strategy. What are the Rationale of Merger so far as Corporate strategy is concerned?

## Section-D

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

### Short case study

During late sixties when Industrialization in India was in full swing there was need of growing supportive services and prominent of them has been transportation for quick shifting of men and material from place of source to the user points. Thrust by Policy Makers was on construction of good roads, expansion in Railway Network, encouraging manufacture of Transport Vehicles of all types. It was during this period when concept of Black Yellow coloured Taxi gained momentum as it was considered one of the best alternative for Metro cities personal transportation and keeping in view of this, in big Metropolitan cities like Delhi, Kolkata, Chennai and Mumbai in different localities within the city and within outskirts taxi stands were allowed where these Black Yellow coloured Taxis were allowed to park and operate on point to point basis or as per the requirement of the customer's needs. In the beginning cars manufactured by Hindustan Motors under the brand name of Ambassador were used as Black Yellow Coloured taxis, however, subsequently Fiat brand of passenger cars were started being manufactured in India by Premier Motors and in Mumbai (the then Bombay) instead of Ambassador the Taxi owners as well as user preferred this car very comfortable and fuel saving and started using Fiat as Taxi specially in Mumbai but of course in the format of Black Yellow colour. Up till the year 1984 such Taxis were started plying in almost every part of India. Then came the Maruti era when India the first sophisticated car with Japanese technology was introduced on reasonable price within the reach of Upper middle class with the result use of personal vehicles for city transportation started gaining momentum. During the same time sophisticated gearless scooter under brand name of Kinetic Honda with Japanese technology was introduced in India which became a craze among young girls and boys and best alternative for city transportation especially for college and office goers. Further the existing brand of two wheelers in India like Vespa, Royal infield, also started introducing new version of their vehicles to compete in the market. With liberalization of Economic new concepts of rent a car, high end private Taxis, Taxis on call like Meru, Ubber Cabs etc also started giving Taxi services in India and further three wheeler like named Auto Rickshaw, E Rickshaw are now the latest caterer of the services giving tough competition to Four wheel taxi services including Black Yellow Taxi colour Taxis.

- 1. Which Factor of External Environment Social, Cultural, Technological etc encouraged competition in Taxi Service business? Explain in detail with suitable examples.
- 2. Applying the Model of Michael Porter's Five forces of competition elaborate in detail as to which of the forces do you see applicable which changed the scenario in case of Black and Yellow Taxi services.

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

Section-A

(Attempt all questions-all questions carry one mark each)

### Choose the right option/Tick mark right option

- 11. Who created Five Forces of Competition Model( Kenichi Ohami/ Michael E.Porter)
- **12.** International Joint Ventures are part of ( Growth Strategy/ Contingency Strategy)
- 13. In BCG Model the SBU are categorized in to four segments namely Stars, Cash Cows, Question Marks and the Fourth Category is (Also Ran/ Dogs)
- 14. Business Policy and Business Strategy are (different to each other/one of the same thing)
- 15. One of the important factor in deciding about strategic move in a Diversified Business Company is (Allocation of Resources/ Safety and Security of Different Units)
- 16. One of the important requirement of initiating Merger between the two Companies in India is ( to follow the legal provision under Indian Companies Act/Indian Income Tax Act)
- 17. One of the First Book defining Strategy is Art of War written by (Sun Tzu/Peter Drucker)
- **18.** Any decision relating to Corporate Strategy is the domain of Board of Directors/General Managers of a Company)
- **19.** Contingency Strategy is resorted to ( when there are unforeseen circumstances/ handle day to day Business Activities)
- 20. Stakeholders in case of Business World are those (Persons or Organizations who can influence or can be influenced by the business Organizations/the general public of the Country or the area where the business activities are carried on)

### Section-B

### (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 Corporate Culture of a Company supported by one example.
- 8. Two Examples of the Companies who have adopted stability strategy.
- 9. Explain Diversified Business Company with giving one example.
- 10. What is Growth Strategy, give one example where growth strategy was implemented?
- 11. Role of Shareholders of a Company in decision making.
- 12. What is Corporate Appraisal indicate two of the Factors of Corporate Appraisal.

### Section-C

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

- 4. What do you know about Strategy of Divestment, retrenchment or Liquidation? Under which circumstances such strategy is adopted by the Companies? Support your answer with some examples.
- 5. Explain the term External Environment with narrating different factors of Environment Factors like Social Environment etc. Support your answer with suitable examples.
- 6. Explain the meaning of Merger in terms of Corporate Strategy. What are the Rationale of Merger so far as Corporate strategy is concerned?

## Section-D

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

## Short case study

Hindustan Lever Limited is India's largest consumer product company. The Company over the period of time has changed its nature of business from predominantly a marketing company to high technology Company, from high concentration of on soaps and detergents to diversified products in foods and beverages. The Company basically a subsidiary of Anglo Dutch Company Unilever plc was formed in 1930 by merger of Lever Brothers of U.K. and Margrain Union of Holland. In fact Lever Brothers started its trading activities in India way back in 1881 with the product named Sunlight Soap followed by Dalda and Lotus Brand Vanaspati. The Company was restructured in 1956 by merging three Companies namely: Lever Brothers India Limited, Hindustan Vanaspati Manufacturing Company Limited and United Traders Limited and further with the new policy of the Government of India the Company divested up to 49 percent to Indian Investors. Understanding the fast changing Business Environment in India due to Policy of Liberalization the Company resorted to expansion and diversification through the route of Merger, Acquisition and Takeover and in this direction: in 1993 it took over through Merger Tata Oil Mills Company Limited a prominent Company of Tata group engaged in the manufacture of Soaps, Hair Oil and Glycerin. Next Takeover was controlling interest in Vashisti Detergents Limited engaged in the Business of Soaps and Detergents followed by Takeover of Skin Curtis Hair Dyes and Colour Cosmetics, Milk Food Brand from Milk Food Limited, Dollaps from Cadbury, Coco Care Brand from Recon Oil Industries. The Company also merged with Brooke Bond India and Lipton India, Kothari Products all three premier Tea Packaged Business Companies, Kissan Products of United Breweries and Pepsi the two pioneers engaged in Tomato Paste.

- 1. Explain as to what type of Strategy was adopted by Hindustan Lever Limited.
- 2. Based on your knowledge of Business Strategy what advantageous position Hindustan Lever Limited acquired by resorting the route of Merger, Acquisition and takeover?
- 3. What is your opinion about Hindustan Lever Limited so far its Business Operations in India are concerned?
- 4. What strength Hindustan Lever Limited has in growing competition in International Market in FMCG products?
- 5. Any suggestions you may like to give to the company as a Business strategy student.