



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2021

Course: Business Policy and Strategy
Program: BBA DM/ THM/ AM
Course Code: STGM3002

Semester : V
Duration : 03 hrs.
Max. Marks: 100

Instructions: Attempt all questions

| Q.No | | 10Qx2M=20Marks | COs |
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| Q1 | <p>1. firm that is living on its past laurels will probably have a culture that is</p> <ul style="list-style-type: none"> a. politicized and differentiated b. change-resistant c. greed-driven d. insular and inwardly focused <p>2. What generic strategy is seen as a recipe for mediocrity?</p> <ul style="list-style-type: none"> a. Low cost, low quality b. Being all things to all people c. Broad differentiation d. Focusing on the bottom line. <p>3. What is a major benefit of having a global strategy?</p> <ul style="list-style-type: none"> a. Economy of scale b. Providing customized products c. Flexibility in planning d. Ability to develop profitable niche markets <p>4. A fragmented industry</p> <ul style="list-style-type: none"> a. emphasizes economy of scale b. emphasizes large capital requirements c. has many different product lines d. has an absence of market leaders <p>5. Which force below would be considered part of the immediate environment?</p> <ul style="list-style-type: none"> a. Economy b. Product substitutions c. Regulation d. Societal values <p>6. In Porter's Five Forces, the 'threat of new entrants' relates to:</p> <ul style="list-style-type: none"> a) Switching costs | | CO1 |

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| | <ul style="list-style-type: none"> b) Substitutes c) Buyer power d) Barriers to entry <p>7. Strategy is</p> <ul style="list-style-type: none"> a) Resource and capability of a firm b) Set of actions taken to exploit core competencies and achieve competitive advantage c) Making the best products and services d) Actions taken to provide value to customers and achieve competitive advantage <p>8. Competitive Dynamics is:</p> <ul style="list-style-type: none"> a) The set of competitive actions and responses occurring between competitors b) The set of competitive actions and competitive responses the firm takes to build its competitive advantages c) The total set of actions and responses taken by all firms competing within a market. d) The total set of competitive actions and responds in a narrow and specific market <p>9. The firm's competitive advantages aren't protected from imitation.</p> <ul style="list-style-type: none"> a) Slow-cycle b) Fast-cycle c) Standard-cycle d) Awareness <p>10. The number of markets with which a firm and a competitor are jointly involved is the</p> <ul style="list-style-type: none"> a) Resource similarity b) Strategic competition c) Market commonality d) Intensity of rivalry | | |
| | Section B | 4Qx5M= 20 Marks | |
| Q2 | <p>Short Notes</p> <ol style="list-style-type: none"> 1. Reasoning by analogy and representativeness 2. Left Brain vs Right Brain Strategy 3. Roger's Diffusion of innovation 4. Negative interest rate and Deflation | | CO2 |
| | Section C | 3Qx10M=30 Marks | |

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| Q3 | <ol style="list-style-type: none"> 1. Generic strategies are important for Business. Comment while applying various generic strategies in Business (discuss as per your stream) 2. What are defensive tactics? Explain its various modes and ways with suitable examples from your stream of Business 3. What are the tools and techniques of Strategic evaluation and control | <p>10</p> <p>10</p> <p>10</p> | CO3 |
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| Q4 | <p style="text-align: center;">Section-D</p> <p>The Virgin Group comprises of an assorted mix of businesses. It has its “finger in every pie”, so to speak. The Virgin has group diversified into 200 businesses.</p> <p>Sir Richard Branson, founder of Virgin in 1970, and the word Virgin are almost interchangeable. The Virgin brand name is by far the most important asset to the company. Being known as the “customers’ champion” inevitably has done wonders for public relations. This fact was capitalised on; in British advertisements for Apple Computers. Sir Richard Branson was associated with great names such as Einstein and Ghandi, and featured as a ‘shaper of the 20 th century’. Sir Richard Branson, tired of the public listings obligations and corporate bureaucracy sought to take the business back into private ownership. His understandings lead him to believe that sacrificing short-term profits for long-term growth was the way the business should be geared. As for corporate bureaucracy its significance in the Virgin Group, was reduced profoundly. Therefore Sir Richard Branson adopted a ‘hands-off’ policy with his managers and by doing so, encouraged their own initiatives. By proving such freedom, managers would inevitably feel more of a sense of responsibility, ownership and would try their up most to make a success of it. Sir Richard Branson knew this fact. He was providing an enriching atmosphere in which managers would flourish just as he had done.</p> <p>Its not surprising then, that management recruited carefully selected individuals to be innovative people, pioneers in their field, and to have the competitive streak in their personalities. It was also of importance for candidates to be able to share values and to work effectively as team players. The key emphasis was in innovation and differentiation. The aim was to offer more for less and that each company was truly a Virgin in its own field. Although to some this notion may seem a bit too good to be true, no one can deny that “the Virgin Group is one of the UK’s largest private companies” with an annual turnover (estimated) at £3bn by the year 2000.</p> | 2Qx15M= 30 Marks | CO4 |
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The Virgin Group's rationale is to diversify into as many markets feasible, and extend the Virgin brand name further at a low cost; where stature could be relied upon to reduce barriers to entry into static markets. The Virgin Group sought a challenge in every venture. They would aim to provide better quality products than any competitor in a complacent market. The key point is that the market to be entered must be still in its growing phase.

The alluring factor to Virgin's Greenfield start-ups is the "reward-to-risk" ratio, which could be acted upon by the experienced and capable Virgin management team. To establish the virginity of a venture, so to speak in an institutionalised market extensive research was conducted into the static market to derive whether some sort of niche can be achieved and thus satisfied. Sir Richard Branson and his team deployed their 5 point criteria, to which 4 out of the 5 must be met by a new venture before giving the final go ahead.

All the business in the Virgin Group is strategically targeted towards a "five pillar" empire system that Sir Richard Branson is eager to create. At "the heart of Virgin's core strategy to develop the five pillars of the business empire: travel, leisure, mobile phones, entertainment retailing and personal finance". All the ventures have inherited the Virgin name. By giving a venture the prefix of Virgin; is to send out a message to the consumer to say out loud this new business is a "virgin" in its market place, "fun", "innovative", "daring". Sir Richard Branson plays a more interactive role into affairs of marketing and promotion; because aside from his indubitable genius marketing and promotion of the Virgin brand name is the Holy Grail to the expansion of the Virgin Empire. Thus many businesses outside the Virgin Group have shown their interest through joint ventures. All business within the Virgin Empire as mentioned in the Corporate Rationale section sacrificed short-term profits to gain long term growth and used an autonomous business level decision making method. Managers are free to make decisions independently for growth and feel the same degree of ownership and values that any other manager in the Virgin group would feel. Businesses were 'ring-fenced' so that assets could not be switched between companies in the Virgin Group and if a company became too large another company would be spun off, in its place. However Virgin

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| | <p>brand name is a consumer's champion and as mentioned previously is a much respected brand with the British public. Despite these facts, the conglomerate is facing problems in Virgin Atlantic which is in airline industry with cyclic in nature. This proved to be dangerous by 2001, as Virgin seemed to rely entirely on the profits of Virgin Atlantic. Deregulation increased the competition in the market place. All in all most compositors were experiencing losses. In case of Virgin Rail, the biggest problem faced by the Virgin Group was the Strategic Rail Authority's Review in 2000 because it was the most public. Virgin Rail was voted the most "unpopular" rail operator; and if that wasn't enough the statistics: Virgin ranked 23rd and 24th out of 25 operators, was ample reason for Sir Richard Branson to feel a stake go through his reputation. Slowly but surely Virgin's prized brand name was being slowly chipped away by the press. The Virgin Group being such a large empire of 200 businesses was wonderful publicity when things were going right but all it took is for a hand full of businesses in the empire to either experience unavoidable consequences, which is the case of Virgin Atlantic and bad service and publicity as was the case with Virgin Rail for it to have quite disastrous effects on other areas of the group. Public confidence is such a delicate matter.</p> | | |
| | <p>a. Do you see any problem in Virgin group? If yes, identify and comment. Also see if there any ethical dilemma exist.</p> | 15 | CO4 |
| | <p>b. Conduct Internal analysis of Virgin Group and identify, resources, capabilities and core competencies. Also suggest business level and corporate level strategies</p> | 15 | CO4 |