Name: **Enrolment No:**	UPES UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, Dec' 2019

Name of the Program: BBA E-Business **Semester – V**
Subject Name: Business Policy and E-Strategy **Max. Marks : 100**
Subject Code : STGM 3003 **Duration : 3 Hrs**

SECTION A **(20 * 1 Marks Each = 20 Marks)**

Q1.	**Choose correct answer with explanation** 1. Which of the following is a skill required by organizations to deal with competitive chaos? a. The ability to share information among all managers b. The ability to operate efficiently and effectively c. The ability to discern patters in the dynamic environment and competitive chaos, and spot opportunities ahead of rivals d. The ability to benchmark competitors 2. Which of the following is a characteristic of a customer-driving organization? a. Innovative b. Conservative c. Responsive d. Unresponsive 3. What are focus strategies? a. Where a company focuses on achieving lower costs than its rivals so as to compete across a broad range of market segments b. Where a company chooses to concentrate on only one market segment or a limited range of segments c. When a company conducts market research through focus groups to determine how their strategy should be shaped d. When a company focuses on supplying differentiated products which appeal to different market segments 4. Which of the following is a source of differentiation? a. Relationships with customers b. Distribution c. Low costs d. Unreliability 5. In order for a culture to generate success, what does it need to be? a. Stable and secure b. Flexible and adaptive c. Innovative and resourceful d. Flexible and resourceful 6. Which of the following is not one of the three elements of strategy creation? a. Sales	**1X10=10**	**CO1**

	b. Innovation c. Planning d. Leadership 7. Why of the following is the best reason for why strategic planning is still important today? a. Without a formal strategic plan a company cannot expect to compete effectively b. Without a strategic plan an organization can drift without purpose or definition c. Without it, companies would exist without cause or co-ordination d. Because of slower economic growth, globalization and technological change 8. Retrenchment is: a. When a company experiences declining profits and makes cutbacks to improve efficiency b. When a company adopts a new strategic position for a product or service c. The sale of the complete business, either as a single going concern or piecemeal to different buyers or sometimes by auctioning the assets a. Likely to take place when an organization lacks a key success factor for a particular market 9. Acquisitions often fail to deliver the successes that were predicted prior to acquisition. What is the main reason for this failure? a. Premium price b. Poor strategic leadership c. Goodwill d. Synergy 10. Which of the following is an aspect of implementation that can be changed indirectly if necessary? a. Organizational structure b. Information systems c. Quality d. Procedures		
Q2.	**Examine the veracity of the statement (True or False) with explanation** 1. Instead of focusing exclusively on financial considerations, many firms offer attractivebenefits to entice employees to stay. These may include on-site daycare, on-site gyms, and on-site stores. 2 .A network of independent companies that is joined together to share skills, costs, and access to one another's markets is the virtual type of organization. 3. To allow for changes in strategy, Organizational goals and objectives should be clearly stated. 4. Technological innovations can create entirely new industries and alter the boundaries of industries. 5. Distributing rewards strictly on the basis of outcomes is an effective way to encourage ethical behavior in an organization. 6. A firm's intangible resources refer to its capability to deploy tangible resources over time and leverage the resources effectively. 7. An advantage of high differentiation is that even if many competitors follow the same strategy, differentiation is still present for all.	**1X10=10**	**CO1**

	8. The primary potential benefits of firms diversifying into unrelated businesses are horizontal relationships, i.e., businesses sharing tangible and intangible resources. 9. Restructuring necessitates the corporate office to find either firms in industries on the threshold of significant, positive change or poorly performing firms with unrealized potential. 10. Firms can directly acquire the assets and competencies of other firms through joint ventures.		
SECTION B	**(4* 5 Marks Each -20 Marks)**		
Q3	**Write short notes on any four with suitable examples (5X4 = 20 Marks)** 1. Captive Strategy 2. SBU, Network organization 3. Evaluation and Control Model 4. Conglomerate diversification **5.** Rights of Investors	**5X4-=20**	**CO2**
SECTION-C	**(2* 10 Marks Each- 20 Marks)**		
Q4	Indian E-Business is booming . Comment while suggesting various mode of growth strategies	**10**	**CO3**
Q5	Compare Amazon, Flipkart and Ebay and comment on the features of the business models of these firms	**10**	**CO3**
SECTION-D	**(40 Marks)**		
	Please read the following paragraph carefully and answer the following questions The move is the latest sign of the Reliance group's pivot towards data and digital services for future growth, as it builds an online platform to take on the likes of Amazon and Flipkart in India Mukesh Ambani After spending almost $50 billion on a 4G wireless network that started services in 2016, Ambani is now cleaning up the balance sheets of his companies Billionaire Mukesh Ambani moved a step closer to creating an e-commerce giant for India, unveiling plans to set up a $24 billion digital-services holding company that would become the main vehicle in his ambition to dominate the country's internet shopping space. The board of Ambani's Reliance Industries Ltd. approved a proposal to plow 1.08 trillion rupees ($15 billion) into the fully owned subsidiary, which will in turn invest that amount in Reliance Jio Infocomm Ltd., the conglomerate's telecommunications venture. A series of capital transfers would make Jio, which already has capital of 650 billion rupees, almost debt free by March 2020, the parent said Oct. 25. The move by Asia's richest man is the latest sign of the oil-to-petrochemicals group's pivot toward data and digital services for future growth, as it builds an online platform to take on the likes of Amazon.com Inc. and Walmart Inc's Flipkart Online Services Pvt. in India.		**CO4**

Ambani, 62, told shareholders in August that the new businesses, including retail, are likely to contribute half of Reliance's earnings in a few years, versus about 32% now.

With the new holding firm, Ambani is also readying the businesses for an initial public offering, which he has vowed to complete within five years. Since Jio's 4G network rolled out in 2016, the carrier has vaulted to the top in India with more than 350 million users. Ambani has also been stitching together a network of partners through acquisitions and stake purchases to build a backbone for his e-commerce plans.

"Given the reach and scale of our digital ecosystem, we have received strong interest from potential strategic partners," Ambani said in a statement. "We will induct the right partners in our platform company, creating and unlocking meaningful value for RIL shareholders."

Reliance Industries will invest the money in the holding company -- likely on the lines of Alibaba Group Holdings Ltd. and Alphabet Inc. -- through optionally convertible preference shares. The unit will acquire the parent's equity investment of 650 billion rupees in Jio, according to Reliance Industries.

Following the equity infusion, Reliance Jio will transfer liabilities worth 1.08 trillion rupees to a subsidiary of the parent, turning Jio almost debt free, excluding airwave-related liabilities.

Streamlining Structure

"The reorganization of Jio's capital structure is intended at consolidating all digital assets under one entity, reducing debt at this entity and streamlining the structure to make it attractive for eventual monetization," Citigroup said in a research report.

While former English teacher Jack Ma started Alibaba in 1999 from scratch, Ambani is using the heft of his empire to build something similar for India by connecting retailers and consumers. Alibaba, whose market value is $454 billion, reported a profit of $13 billion in the year to March, on a revenue of $56 billion. The Chinese giant's expansion has included mom-and-pop shops -- a key segment Ambani is also seeking to tap.

Shares of Reliance Industries have rallied 28% this year, compared with an 8.8% gain in the benchmark S&P BSE Sensex index. The stock, near an all-time high, will resume trading Tuesday when India returns from a holiday.

Ambani said in August that Reliance Industries has spent almost $50 billion on Jio, whose entry with free calls and cheap data pushed some rivals to exit or merge in a consolidation that shook up the industry.

Jio's debt stood at about 840 billion rupees as on Sept. 30, Chief Financial Officer V. Srikanth said earlier this month. It had a stand-alone profit of 9.9 billion rupees for the quarter through September on revenue of 123.54 billion rupees.

The tycoon, whose net worth is about $56 billion as per the Bloomberg Billionaires Index, has also revealed a plan to sell 20% of Reliance's oil and chemicals business to Saudi Arabian Oil Co. at an enterprise value of $75 billion. After years of spending billions of dollars on the

new businesses, Ambani is cleaning up the parent's balance sheet, with the goal of making it free of net debt in less than two years Q6. Identify reasons and factors behind Reliance's venture into digital business Q7. Comment on nature and types of strategies being followed by Reliance Q8. Using TWOS Matrix , comment on the prospect of proposed new venture of Reliance	 **10** **15** **15**	