Semester M.B.A. Degree Examination, January/February 2018  
(CBCS) (2014 – 15 & Onwards)  
MANAGE ENT  
Paper – 3.1 : Strategic Management and Corporate Governance

Time : 3 Hours  
Max. Marks : 70

SECTION – A

Answer any five of the following questions. Each question carries five marks.  
(5×5=25)

1. What is GE Model ? Explain how it is different from BCG Matrix.

2. Explain the meaning of vision and mission.

3. Discuss strategically relevant components of a company's external environment.


5. Distinguish between strategic formulation and strategic implementation.

6. What is MCKINSEY 7s FRAMEWORK ?

7. Give a critical review of Corporate Governance Practice in India.

SECTION – B

Answer any three of the following questions. Each question carries ten marks.  
(3×10=30)

8. Discuss various types of Corporate level strategy with suitable examples.

9. Explain the advantages of Balanced Score card and its perspectives.

10. Discuss blue ocean strategy. Give suitable Indian examples.

11. Discuss the components of strategic management model.
12. Case study (Compulsory):

In 1994, Princeton graduate and Wall Street executive Jeff Bezos became interested in a number of web-based retail ventures. He examined a variety of different products and identified what he felt was an exceptional opportunity for "e-tailing" books. He left his job, began working out of the garage of his rented home and raised several million dollars of startup capital.

In 1995, Bezos opened a 400 sq. foot office in Bellevue, Washington and launched Amazon.com, billed as "the world's largest book-store". In 1996, Amazon.com had become one of the most successful web-based retailers, with revenues of almost $16 million. In 1997, Bezos took Amazon.com public and annual sales rose to $147 million. In the same year, Amazon.com became the sole book retailer on AOL's public website and Netscape's commercial channel. In 1998, Amazon.com launched its online music and video stores. It also began to sell toys and electronics and expanded its European reach with the acquisition of online book sellers in the UK and Germany. In 2000, Amazon.com launched a 10 year partnership with Toysrus.com to co-brand a toy and videogame store. In the following year, it cut 15% of its workforce as part of a restructuring plan that also forced a $150 million charge against earnings. Amazon.com also partnered with Borders to manage the rivals web operation. AOL invested $100 million in Amazon.com in 2001 and in the fourth quarter of 2001, Amazon.com showed its first profit, albeit a small one.

Today, Amazon.com offers a wide variety of products in addition to books, including free electronic greeting cards, online auctions, CDs, Videos, DVDs, toys and games, electronics, kitchenware and computers. The company competes with publishers distributors, manufacturers and physical world retailers. International sales account for approximately 15% of revenues with domestic books music and DVD sales accounting for 60% of the total. As of early 2003, Bezos owned about one third of Amazon.com stock but is currently selling a number of shares at regular intervals.

Questions:

1) Who is Amazon's competition? Is it even possible to identify the industry in which Amazon.com operates?

2) Given its internet base, can Amazon.com's success be easily duplicated by copying its web materials. Is this an inherent disadvantage of internet prospectors?

3) What challenges Amazon.com would have faced while acquiring online booksellers in the UK and Germany?
III Semester M.B.A. Degree Examination, February 2017
(CBCS Scheme)
MANAGEMENT
Paper – 3.1 : Strategic Management and Corporate Governance

Time : 3 Hours Max. Marks : 70

SECTION – A
Answer any five of the following questions. Each question carries five marks. (5x5=25)
1. Explain the organisations responsibility and accountability towards shareholders.
2. Explain Michel Porter's analyses.
3. What is value chain analysis?
4. Explain the guidelines for effective strategic control.
5. Distinguish between stability and retrenchment strategy.
6. Explain the concept of competitive advantage.

SECTION – B
Answer any three questions. Each carries 10 marks. (3x10=30)
8. Describe the process of implementing a strategy.
10. Explain the different levels of strategies with suitable examples.
11. Write short notes on:
   1) MC Kinseys 7S Framework
   2) BCG Matrix.
12. **Compulsory Case Study**

**Indian Telecom War: Startup Reliance Takes on Leader Airtel in 4G Services.**

Bharti Airtel Limited being in the forefront in offering 2G and 3G telecom services in India and by enhancing its market share across the country, became the largest mobile phone operator in India by 2009-10. However, with intensifying competition and the resulting decline in Average Revenue Per User (ARPU), the company was looking for opportunities to further consolidate its leadership position. In 2010, Airtel won spectrum for Broadband Wireless Access (BWA) through an auction for four telecom circles, but it could not win in two important circles of Mumbai and Delhi. In 2012, it bought a 49% stake in Wireless Business Services Pvt. Ltd. to gain access to wireless broadband spectrum in the two crucial circles in Delhi and Mumbai.

Reliance Industries Limited (RIL), the largest private company in India, had forayed into the Indian telecom industry in 2010. In the division of family businesses in 2005, RIL signed a non-compete agreement with ADAG. As per the pact, RIL could not enter telecommunications. The two parties scrapped the agreement in 2010, paving way for RIL to enter into the telecommunications industry. RIL bought a 95% stake in Infotel Broadband Services (Infotel), which won spectrum in all the circles. RIL renamed Infotel as Reliance JioInfocomm in January 2013 and in July started work on rolling out 4G services telecom services in eight states of Northeast India by April 2014.

Subsequent to its acquisitions, Airtel became the first company to launch 4G services in India in late 2012 and early 2013. RIL’s Reliance JioInfocomm followed hard on the heels of Airtel spicing up the competition between two giants.

1) Discuss the relevant strategies to be followed by the leader, Airtel and the challenger, RIL.

2) Debate if RIL is in a position to negate the first mover's advantage of Airtel in offering 4G services.

3) Deliberate the entry strategies of RIL.
III Semester M.B.A. Degree Examination, February 2016
(CBCS) (2014 – 15 & Onwards)
Management
Paper – 3.1 : STRATEGIC MANAGEMENT AND CORPORATE GOVERNANCE

Time : 3 Hours
Max. Marks : 70

SECTION – A

Answer any five of the following questions. Each question carries five marks. (5x5=25)

1. What are the various levels of strategy? Are there any interrelation between them? Explain.

2. Explain the generic competitive strategies.


4. Discuss Porters five force model.

5. Discuss the strategies required for Internet Economy.

6. Define Corporate Governance, Discuss its relationship with Internal and external stake holders.

7. Distinguish between vision and mission.

SECTION – B

Answer any three of the following questions. Each question carries ten marks. (3x10=30)

8. What is Blue Ocean Strategy? Explain with suitable Indian example.

9. Discuss the role of organizational design in strategic implementation. Discuss five critical factors leader should manage for strategic implementation.

P.T.O.
10. Write short note on:
   1) Value chain Analysis
   2) SWOT Analysis.


SECTION – C

12. Compulsory Case Study: (1x15=15)

   In 2006, Starbucks, the ubiquitous coffee retailer, closed a decade of astounding financial performance. Sales had increased from $697 million to $7.8 billion, and net profits, from $36 million to $540 million. In 2006, Starbucks was earning a return on invested capital of 25.5%, which was impressive by any measure and the company was forecasted to continue growing earnings and maintain high profits through the end of the decade. How did this come about?

   Thirty years ago, Starbucks was a single store in Seattle’s Pike Place Market selling premium roasted coffee. Today, it is a global roaster and retailer of coffee with more than 12,000 retail stores, some 3,000 of which are to be found in forty countries outside the United States. Starbucks Corporation set out on its current course in the 1980s when the company’s director of marketing, Howard Schultz, came back from a trip to Italy enchanted with the Italian coffeehouse experience. Schultz, who later became CEO, persuaded the company’s owners to experiment with the coffeehouse format and the Starbucks experience was born.

   Schultz’s basic insight was that people lacked a “third place” between home and work where they could have their own personal time-out, meet with friends, relax and have a sense of gathering. The business model that evolved out of this was to sell the company’s own premium roasted coffee, along with freshly brewed espressostyle coffee beverages, a variety of pastries, coffee accessories, teas and other products, in a coffeehouse setting. The company devoted and continues to devote, considerable attention to the design of its stores to create a relaxed, informal and comfortable atmosphere. Underlying this approach was a belief that Starbucks was selling far more than coffee— it was selling an experience. The premium price that Starbucks charged for its coffee reflected this fact.
From the outset, Schultz also focused on providing superior customer service in stores. Reasoning that motivated employees provide the best customer service, Starbucks executives developed employee hiring and training programs that were the best in the restaurant industry. Today, all Starbucks employees are required to attend training classes that teach them not only how to make a good cup of coffee but also the service-oriented values of the company. Beyond this, Starbucks provides progressive compensation policies that gave even part-time employees stock option grants and medical benefits—a very innovative approach in an industry where most employees are part-time, earn minimum wage and have no benefits.

Unlike many restaurant chains, which expanded very rapidly through franchising arrangements once they established a basic formula that appears to work, Schultz believed that Starbucks needed to own its stores. Although it has experimented with franchising arrangements in some countries and in some situations in the United States such as at airports, the company still prefers to own its own stores whenever possible.

This formula met with spectacular success in the United States, where Starbucks went from obscurity to one of the best-known brands in the country in a decade. As it grew, Starbucks found that it was generating an enormous volume of repeat business. Today, the average customer comes into a Starbucks store around twenty times a month. The customers themselves are a fairly well-heeled group—their average income is about $80,000.

As the company grew, it started to develop a very sophisticated location strategy. Detail demographic analysis was used to identify the best locations for Starbucks stores. The company expanded rapidly to capture as many premium locations as possible before its imitators could. Astounding many observers, Starbucks would even sometimes locate stores on opposite corners of the same busy street so that it could capture traffic going in different directions down the street.

By 1995, with almost 700 stores across the United States, Starbucks began exploring foreign opportunities. The first stop was Japan, where Starbucks proved that the basic value proposition could be applied to a different cultural setting (there are now 600 stores in Japan). Next, Starbucks embarked on a rapid development strategy in Asia and Europe. By 2001, the magazine Brandchannel named Starbucks one of the ten most influential global brands, a position it has
held ever since. But this is only the beginning. In October 2006, with 12,000 stores in operation, the company announced that its long term goal was to have 40,000 stores worldwide. Looking forward, it expects 50% of all new store openings to be outside the United States.

Questions:

1) Identify the resources, capabilities and distinctive competencies of Starbucks.

2) How do Starbucks’s resources, capabilities and distinctive competencies translate into superior financial performance?

3) How secure is Starbucks’s competitive advantage? What are the barriers to imitation?