

Code: BA3T1

II MBA-I Semester-Regular Examinations DECEMBER 2014

STRATEGIC MANAGEMENT

Duration: 3hours

Max. Marks: 70

SECTION-A

1. Answer any FIVE of the following: 5 x 2 = 10 M

- a. Experience Curve
- b. Ansoff Matrix
- c. Diversification
- d. Bench Marking
- e. Learning Organization
- f. Cooperative Strategies
- g. Exit Barriers
- h. Functional Strategy

SECTION – B

Answer the following: 5 x 10 = 50 M

2. a) Why are the vision and mission statements important to a given organization? What are the characteristics of a mission statement?

OR

b) Discuss the accuracy of the statement: ‘Formal Strategic Planning systems are irreverent for firms competing in high-technology industries where the pace of change is so rapid that plans are routinely made obsolete by unforeseen events’.

3. a) How is SWOT Analysis relevant in strategic planning?
Explain.

OR

b) What are the techniques used in Portfolio Analysis? Describe one such model.

4. a) What industry forces might cause a niche firm to face elimination? How is it possible for a Low cost leader to sustain competitive advantage?

OR

b) What are Corporate Strategies? Discuss various types of corporate strategies.

5. a) “Structure follows Strategy” or “Strategy follows Structure”
Which one of them is true? Validate your point.

OR

b) Explain the role of leader and culture while implementing strategy?

6. a) How is Balanced Scorecard different from Traditional Financial Measures?

OR

b) What are Strategic Information Systems? Explain its role in Strategic Evaluation and Control.

SECTION – C

7. Case Study

1 x 10 = 10 M

It is painfully obvious that Dell's days as a PC powerhouse are just misty memories. Now the company only has to find out what it will become—and its two largest shareholders have very different ideas about that.

The company reported a 72 percent drop in net income, largely due to a weak PC market that's hurting its competitors as well. The silver lining for Dell is that its share of the shrinking market is growing. PC shipments fell by 4.2 percent in the second quarter, as compared with the year before—a small-enough drop to increase its market share to 12.2 percent.

So the company is not facing an imminent financial crisis. But it is facing an identity crisis. To the extent Dell has a future, it is probably not in the PC business. But revenue related to data centers, servers, and networking is growing rapidly. As a whole, enterprise computing saw an 8 percent increase in revenue, to \$3.3 billion, in the most recent quarter. That's still only about one-third of what the company brings in for its end-user business, though, indicating that the company still has a major transformation ahead.

Michael Dell, the company's founder who also owns 15.6 percent of the company, has been trying to take the company private, paying slightly more than the current market price to buy out the other stockholders, plus a dividend thrown in as a sweetener. Once he has full control, Dell says he would work on creating customized computing solutions for businesses, but also expanding the company's PC and tablet businesses. Once free of impatient Wall Street investors, he says he will pour money into acquisitions and research and development.

This would likely be an easier sell if Carl Icahn weren't the company's second-largest shareholder. Icahn, who owns 8.9 percent of Dell, believes that things aren't as bad as the current stock price indicates and that Michael Dell is trying to lowball him. While the drop in profit would seem to weaken his case, Icahn can point to the bullish numbers in the enterprise business as an indication that Dell's prospects as a public company aren't quite so bleak.

Whether Dell, the company, will undertake its move further into the enterprise field under the solo guidance of Dell, the man, will be decided by shareholders soon.

1. Whose plan would you support and why? If you are an advisor how would you go about deciding the fate of Dell?