

NOTE:

1. All questions are compulsory
2. All questions carry equal marks
3. Figures to the right indicate equal marks

Q1. Answer any two (7.5 marks each) 15

- a. Explain the nature and characteristics of Strategy.
- b. What is vision and mission statement and what are the essentials of vision and mission statement?
- c. What do you mean by strategy formulation, strategy implementation and strategy evaluation? Explain in brief the steps involved in strategy implementation.

Q2. Answer any two (7.5 marks each) 15

- a. Give the reasons for adopting stability strategy.
- b. Give the reasons for adopting: i) Turnaround strategy ii) Divestment strategy iii) Liquidation strategy
- c. Explain- Why there is a need to frame production strategy?

Q3. Answer any two (7.5 marks each) 15

- a. Explain BCG matrix
- b. Examine Michael Porter's 5 Forces Model.
- c. Discuss the role of effective leadership in strategy implementation.

Q4. Answer any two (7.5 marks each) 15

- a. What is strategy evaluation? Explain its nature and characteristics.
- b. Discuss the process involved in management of change.
- c. What are the measures to overcome resistance to change?

Q5. Case study 15

International Machine Company. Mr. Saddhana, the president of International Machine Company, leaned back in his chair and reflected on the success of his firm, which produces and distributes a line of farm machines. That afternoon at a meeting with distributors from different territories. Mr Saddhana was urged to introduce new models to satisfy the changing demands of the customers.

The president, who had an engineering background, recognised the implications of the suggestions that came from distributors. Their implementations would require greater investments in research and development. Furthermore, the changes in the highly automated production line would be very costly indeed. Also, having a wider variety of models would require stocking many more spare parts depending on the kinds of changes; workers might need to be retained.

Reflecting on previous staff meetings, the president realised that sales or marketing people always wanted a greater variety of models but never acknowledged costs involved in changing models. After all, the company had been extremely successful with just a few models. Consequently, the president decided against the introduction of new models. Instead he considered improving the current models and reducing the cost and price. He felt that what the customer really wanted was value. Nevertheless, to test his judgement, the president asked a consultant for an opinion.

Questions:

1. How would you state the mission of the enterprise?
2. What do you think are the opportunities and threats in the external environment?
3. How would you go about evaluating the strengths and weaknesses of the firm? What factors are critical to success or failure?

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