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## P.E.S. College of Engineering, Mandya - 571 401

(An Autonomous Institution affiliated to VTU, Belgaum)

Fourth Semester - Master of Business Administration (MBA)

Semester End Examination; June - 2016

Strategic Management

Time: 3 hrs

Max. Marks: 100

*Note: Answer any FOUR full questions from PART - A and PART - B is compulsory.*

### PART - A

- 1 a. What is meant by strategic Management? Explain its importance and characteristics. 10
- b. What is meant by strategic intents? Explain the process of strategic Management with suitable block diagram. 10

### OR

- 2 a. Discuss in detail the strategic and financial objectives of a firm. Explain the functions of Balance Score Card with suitable diagram and example. 10
- b. What is meant by value-chain analysis? Explain its functions with suitable diagram and example. 10
- 3 a. What is meant by External Environment? Explain its functions with suitable diagram and example. 10
- b. With the neat sketch explain Porter's five forces model of industry. Analyze with suitable example. 10

### OR

- 4 a. Explain the functions of Competence, Core competence, Distinctive Competence with suitable example. 10
- b. Explain the functions of BCG Growth share matrix with suitable example with diagram. 10
- 5 a. Discuss with suitable example the GE's Nine cell planning grid model. 10
- b. Explain the functions and characteristics of Diversifications strategies. 10

### OR

- 6 a. What is meant by general Competitive strategies? Explain the functions of Low cost and Best cost provider strategies with suitable example. 10
- b. What is meant by strategy implementation? Explain the difficulties which arise in the organization while implementing the strategy. 10
- 7 a. Discuss how structure, leadership and organizational culture should be used in institutionalizing strategy. 10
- b. What is meant by outsourcing? Explain the functions and advantages of outsourcing strategies. 10

**OR**

8. Write short notes on :

- i) Strategic Vision and Mission
- ii) Key Success Factor [KSF's]
- iii) Mergers and Acquisitions
- iv) Corporate Social Responsibility.

20

**PART - B**

9. **Case Study: (Compulsory)**

**Microsoft**

Microsoft operates in a hyper competitive industry. It is used in dominance in operating systems to move to a very strong position in application programs like Word and Excel. Even though it held 90% of the market for PC operating systems in 1992, it invested millions in developing the next generation – Windows 95 and Window NT. Instead of trying to protect its advantage in the profitable DOS segment, Microsoft activity sought to replace DOS with various versions of Windows. Before hyper competition, most experts argued against cannibalization of a company's own product line because it destroys a very profitable product instead of harvesting it like a "Cash Cow" According to this line of thought, it will be better off defending its older products. New products would only be introduced if it can be proven that they would not take sales away from current cannibalization. Bill gates, Co-founder and Chairman and CEO of Microsoft else would (such as IBM with OS/w Wrap). He knew that the success in the software industry depends not so much on company size but moving aggressively to the next competitive advantage before a competitor does. "This is a hyper competitive market," Explained Gates. "Sales is not all positive in this business. Cleverness in the position in this business". By 1997, Microsoft still controlled 90 percent of the system market and had attained a dominant position in application software as well.

**Questions:**

- a) Was the strategy adopted by Microsoft Correct? Discuss. 5
- b) The strategy of destroying a very profitable product instead of harvesting is like "Cash flow" is not correct. Comment. 5
- c) Bill Gates believed in aggressive strategy to get competitive advantage. Explain 5
- d) Identify the theoretical concepts involved in this case. 5

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