



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Materials Management

June 2012

Graduate Diploma in Materials Management

Paper 9 Strategic Management

Date : 13.06.2012

Max. Marks :100

Time : 10.00a.m. to 1.00 p.m.

Duration : 3 Hrs.

Instructions:

1. Part A – Contains 4 main questions which are compulsory. Each question carries **8 marks**.
2. Part B – Answer any 3 questions out of 5 questions. Each question carries **16 marks**.
3. Part C is compulsory and it is a case study carrying **20 marks**.

PART A

Q : 1 Expand the following terms :

8 marks

- a) DFMA
- b) EFQM
- c) ETOP
- d) BIFR
- e) MRTP
- f) SEBI
- g) FERA
- h) GATT

Q :2 Fill up the blank with the appropriate word:

8 marks

- a) Strategic planning tends to be management responsibility (Top; Middle; Bottom)
- b) Normally strategic planning duration will be Year (<1; 1;>1)
- c) SBU isthe other business units within the organization (Depended on; independent of)
- d) Igor Ansoff is the leading proponent ofapproach (Analytical; Positional)
- e) Conglomerate diversification requires taking up of those activities which are to the existing business (Unrelated; Related)
- f) Take over is same as another business (Over taking; Acquiring)
- g) Liquidation is adopted when the future of the business appears (Bright; Bleak)
- h) Divestment involves (Selling off; Diversification)

Q : 3 Write brief notes on (Any four)

8 marks

- a) Value chain analysis
- b) Bench marking
- c) Zero based budget
- d) Balance score card
- e) BCG-Matrix
- f) Conglomerate diversification

Q : 4 State True or False:

8 marks

- a) Quick ratio is a non- liquidity ratio
- b) The SBU structure is an extension of the divisional structure
- c) Corporate restructuring involves destroying old paradigms, old ways of doing things and starting all over a fresh
- d) Forward integration helps an organization gain control over sales and prices of its existing products
- e) Positioning is the art of deciding the organizations offer and image
- f) A strategy is same as tactic
- g) Divestment strategy is also known as divestiture or spin off strategy
- h) A single product strategy is always a risky one

PART B (Answer any three)

16x3 = 48 marks

1.
 - a) What is the difference between a VISION and MISSION?
 - b) What are the possible pitfalls of not having a vision for an Organization?
 - c) Formulate a Mission statement for the institute or the organization you work for.
2.
 - a) Define Differentiation strategy. When companies should pursue Differentiation strategy?
 - b) What are the benefits and risks of the Differentiation strategy?
3. An enthusiastic small scale industrialist attends a seminar on strategic management but he does not understand exactly how to use the SWOT analysis for his company. As a consultant briefly enumerate your advice to the Industrialist?
4. Discuss elements of McKinney's 7 'S' frame work
5.
 - a) Explain what is meant by business strategy? How is business strategy is related to corporate strategy?
 - b) What are the five competitive forces in an industry as envisaged by Michael Porter?

PART C (Compulsory)

20 marks

CASE STUDY

An Indian two wheeler manufacturing company which had earlier a monopoly in the market has lost its position because of the poor strategic planning and severe competition . The sales have dwindled for the past 2 years and now the company is in red. Added to the problem the market condition is really tough due to recession and the competition has become even tougher with new entrants getting into the market with products at a much cheaper price. The morale of the work force in the organization is also at the low ebb.

You as a new Managing Director of the company what strategy you have got

- a) To make a "Turn around" in profitability.
- b) Effective Marketing Strategies
- c) Effective Supply chain strategies
- d) HR strategies to improve the morale of the work force
