



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Materials Management
Graduate Diploma in Materials Management
Paper 9
Strategic Management

June 2014

Date : 18.06.2014
Time : 10.00a.m. to 1.00 p.m.

Max. Marks :100
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**.
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PART – A (compulsory)

32 marks

Q 1: Expand following abbreviations

8 marks

1. SWOT
2. SAP
3. BSC
4. EBIT
5. VCA
6. TQM
7. SEC
8. ROA

Q 2 : Fill in the Blanks:

8 marks

1. Elements of strategic Management include Analysis, Choice, Implementation and
2. The first step in strategic Management is to have a clear
3. The two environments an organization to consider are external andEnvironments
4. Relations with suppliers, customers relate to Management Capability
5. Vertical integration allows a firm to enlarge its scope in the industry
6. Analysis focusses management attention on what is intended and what is achieved
7. The tool that compares our product with competitor product is called Profiling
8. Strategy involves the developing products that are unique.

Q3 : Write Short Notes: (Any Four - Each question carry 2 marks each) 8 marks

1. Define any two of the Modes of Strategic Management (Entrepreneurial, Adaptive and Planning Mode)
2. Define Corporate Strategy or explain what is Mergers & Acquisitions.
3. Distinguish between Strategy and Tactics
4. Define ETOP or Make a SWOT analysis for Doordarshan
5. Define Bench Marking with one example
6. What is Product Positioning ? or Define Capacity Planning

Q 4 : True or False**8 marks**

1. The purpose of Strategic Management Process is Value Creation
2. Inflation Rate is not an indicator of economic environment.
3. Pricing Policies and Strategies relate to Finance Capability
4. Firms diversify to avoid dependency on one product line
5. If two firms dissolve their identities to form a new firm, it is called as Merger.
6. Strategic Control Approach is based on improving the competitive capacity of the organization
7. The 7S model gives the seven levers needed to have successful strategy implementation.
8. Perceptual Mapping is done to perceive how an individual perceives the brand.

PART – B**(Answer Any Three)****16 x 3 = 48 Marks**

- Q. 5** Explain the need for Mission, Vision Statements and how employee involvement is important here.
- Q. 6** What are the various environmental factors that affect business? Define any two in detail (Or) what is Balance Score Card?
- Q.7** Define Five Forces Model (or) What is the difference between Manufacturing and Service Organization's in view of strategies?
- Q.8** Name the three Generic Strategies and explain advantages and disadvantages of Focus Strategy
- Q.9** What are the major issues in strategic Implementation?

PART – C**20 marks****Q. 10. Case Study**

Anjani Drugs Ltd (ADL) is a 35 Year old company. The company was running with moderate profits till the founder Arjun Kole was alive. His son Arun Kole was very efficient but had his own software business at US. His business was well established and was earning huge profits. After his father, Arun took over as the MD of ADL. Arun sold his US business at high value and invested the money into ADL. Arun, had met all ADL employees for next two weeks, and had the following observations.

The strength of their ADL is close to major customers and sufficient funds for new initiatives. The weakness was many like there was no formal plan, no vision and mission, high overhead, union, poor manager skills and bad customer- supplier relations.

In addition, there were threats like industry recession, power cost and competition.

Arun made the following turn around plans:

Central cash; better management control; establish credibility; build a senior management team.

He also made a strategic formulation plan including plans to protect home market, build export markets, buy plants for back ward integration and renovate and upgrade the plant
He had enough funds either for buy plants for back ward integration of upgrade plant and not both.
When he discussed the choices with the senior management team, they ended up in disputes. Arun became thoughtful on what to decide.

1. Is ADL is in a hopeless situation? Why?
2. What are the strengths of ADL?
3. What could be the reasons for ADL was in marginal profits under Arjun?
4. What are Arun's plans to turn around ? Do you think they will work?
5. What should Arun decide either to invest in new plants or upgrading existing plant. Give reasons.
