

JUN-2010

INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Materials Management
Graduate Diploma in Materials Management

Paper No. 9
Strategic Management

Date : 20.06.2010
Time : 10.00AM to 1.00 PM

Max. Marks :100
Duration :3 Hrs.

- Instructions :**
1. Part A - Contains 4 main questions(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 carries 20 marks
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PART A

Q.1: Expand the following terms: 8 Marks

1. EFQM 2. SEA 3. CSF 4. CIM 5. DFMA 6. ETOP 7. FDI 8. GATT

Q.2: Link & Connect the following correctly: 8 Marks

- | | |
|-------------------------|-------------------------|
| i. Michael Porter | (a) Surveillance |
| ii. Igor Ansoff | (b) Enduring Purpose |
| iii. Peter Drucker | (c) Core Ideology |
| iv. Mission | (d) Competitive Forces |
| v. Vision | (e) MBO |
| vi. Goals | (f) Measurable |
| vii. Strategy | (g) Forward Looking |
| viii. Strategic Control | (h) Pioneer of Strategy |

Q.3: Write briefly on following: (Any Four) 8 Marks

1. Experience Curve
2. Zero Based Budget
3. Backward Integration
4. Liquidation Strategy
5. Conglomerate Diversification
6. Spin Off

Q.4: State True or False

8 Marks

1. Forward Integration helps a firm gain control over sales & prices of its existing products.
2. Rolls-Royce Automobile is an example of “**Focus**” Strategy.
3. Corporate Restructuring involves destroying old paradigms, old ways of doing things & starting all over a fresh.
4. The major outcome of training is learning new habits, refined skills & improve performance.
5. “Differentiation” takes place only in the form of design & not in the form of image or customer service.
6. Weakness is an inherent limitation & hence it does not create a strategic disadvantage.
7. Quick Ratio is a non-liquidity ratio.
8. When buyers view products as commodities rivalry does not intensify because buying decisions are guided by price, service etc.

Part B

Answer any 3 out of 5 questions:

Q.5:

16 Marks

- a. Define competitive advantage. What are the features of competitive advantage?
- b. What are the various strategic routes to build competitive advantage? Give examples from industry.

Q.6: Write Short Notes on: (Any Four)

16 Marks

1. BCG – Matrix
2. 5 Forces Model
3. McKinsey’s **7 S** model
4. Balanced Score card
5. Reengineering
6. **SBU** Structure

Q.7: **16 Marks**

- a. Define “**Differentiation Strategy**”. When companies should pursue differentiation strategy?
- b. What are the benefits & risks of differentiation Strategies?

Q.8: **16 Marks**

- a. What is “**Segmentation Strategy**”? Explain the various types with examples.
- b. Explain – Product Positioning & Product Strategies.

Q.9: Explain in brief: (Any Four) **16 Marks**

1. Strategic Control & Types
2. Bargaining Power of suppliers
3. Merger & its types
4. Operations Strategy
5. Benchmarking

Part C

20 Marks

An Indian Automobile company with Japanese Alliance on technology is in great trouble & has made Rs. 270 crs. loss during 2009-10. Managing Director has no alternative but to beat the odds & come out of red. The Company is having one big plant at Gurgaon & very good distribution net-work all over India. Company does outsourcing for few of its components.

Market conditions have been incredibly tough & sales have been almost stagnant throughout the industry. Competition has become even tougher with new entrants coming in & overall economy is sluggish. Under the circumstances company has to turnaround for survival.

- a. What do you suggest for “**turnaround**”?
- b. Suggest effective **Supply-Chain strategies** to bring in enhanced performance.
- c. Suggest effective “**Marketing Strategies**”.
- d. Suggest effective **HR strategies**. Do you think VRS could be one strategic tool?