

**GUJARAT TECHNOLOGICAL UNIVERSITY****MBA SEMESTER-3- EXAMINATION – SUMMER 2020****Subject Code: 4539201****Date:04/11/2020****Subject Name: Strategic Management (SM)****Time: 2.30 PM to 5.30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

| Q.<br>No. | Question Text and Description                                                                                                                                                                                                                                                                                                                                             | Marks |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Q.1       | Briefly explain the below mentioned terms.<br>(a) Capital Market Stakeholders<br>(b) Business Model<br>(c) Core Competence<br>(d) Downscoping<br>(e) Triple Bottom Line<br>(f) VUCA<br>(g) Blue Ocean Strategy                                                                                                                                                            | 14    |
| Q.2       | (a) Define and explain the Industrial Organization and Resource Based Model of Strategy. List the important assumptions/ limitations of both models of Strategy.                                                                                                                                                                                                          | 07    |
|           | (b) A Large pharmaceutical company is planning to enter the telecom industry as part of its diversification program. Help them in their decision making by using Porter's five force model of industry analysis.                                                                                                                                                          | 07    |
|           | <b>OR</b>                                                                                                                                                                                                                                                                                                                                                                 |       |
|           | (b) MG Appliances is a new entrant in the business of Electrical and Kitchen Appliances. They plan to market their products all over India and later to International markets as well. The top management of the company is working on the Business level strategy for the company. What strategy options the company has for formulating its Strategy at Business Level? | 07    |
| Q.3       | (a) What is Diversification? Discuss the levels and types of Diversification available for formulating the Corporate Strategy.                                                                                                                                                                                                                                            | 07    |
|           | (b) Recently Facebook and SareGama have entered into a Strategy Alliance in which Facebook users will have access to all the music content of SareGama. With this as an example Discuss the concept of Strategic Alliances as Corporate Strategy. Why do Strategic Alliance fail ?                                                                                        | 07    |
|           | <b>OR</b>                                                                                                                                                                                                                                                                                                                                                                 |       |
| Q.3       | (a) What is a Joint Venture? How does it differ from a Merger? Discuss Joint Ventures and Mergers as Corporate Strategy options with relevant examples of each.                                                                                                                                                                                                           | 07    |

- (b) Discuss some International Corporate Level Strategies with relevant examples. What are the various means of entering Global Markets? **07**
- Q.4** (a) What is a Balanced Score Card? How does it help companies achieve their Strategic objectives? **07**
- (b) Explain the relationship between Corporate Social Responsibility and Sustainability for business organizations. A socially responsible and sustainable business organization is the best Strategy. Discuss. **07**

**OR**

- Q.4** (a) Discuss the concept of Strategic Leadership in Strategy Implementation with an example. What are the important characteristics of a Strategic Leader? **07**
- (b) Explain the importance of concepts of BCG Matrix, GE Matrix and McKinsey 7s in effective Strategy Implementation. **07**

**Q.5**

**CASE STUDY:**

E-commerce giant Amazon is in exploratory discussions with telecom operator Bharti Airtel for a possible investment, according to sources. While the investment amount could not be immediately ascertained, a report pegged it at about \$2 billion.

The latest buzz comes at a time when Indian telecom companies seem to be on the radar of global investors and tech giants. Over the past few weeks, Reliance Industries' digital unit Jio Platforms has raised billions of dollars from marquee technology investors including Facebook, KKR, Silver Lake Partners, Vista Equity Partners and General Atlantic.

Market sources said talks are on between Amazon and Airtel for a possible investment and equity buy, but the discussions are at a "very initial stage". An industry watcher who did not wish to be identified said more deals may be in the offing as global tech companies eye a bigger slice of the Indian market, working in tandem with the telecom operators. At 574 million, India boasts of the world's second largest base of internet users. On May 26, Airtel's promoter firm Bharti Telecom sold 2.75 per cent stake in the company to institutional investors in the secondary market, raising over Rs 8,433 crore.

.The sale proceeds will be fully utilized to repay debt at Bharti Telecom and will make the promoter holding firm a 'debt free company'. Amazon, which has pumped billions of dollars into its Indian e-commerce operations, is looking at strengthening its foothold in the local market. A potential investment will provide it greater firepower to take on Walmart-backed Flipkart as well as recently launched JioMart, following Facebook's \$5.7 billion investment in Jio Platforms. Apart from investing in e-commerce and food retail businesses, Amazon has also picked up stake in various offline retail chains in India. In 2017, retail major Shoppers Stop had announced raising Rs 179.26 crore from Amazon.com Investment Holdings LLC through an issue of equity shares, which translated to just over 5 per cent shareholding. In September 2018, Amazon said it had co-invested in Witzig Advisory Services, the entity which had acquired Aditya Birla Retail's More chain of stores in India. In August last year, Future Retail had informed stock exchanges that Amazon.Com NV Investment Holdings LLC would acquire 49 per cent stake in Future Coupons Ltd from the promoters, led by Kishore Biyani, for an undisclosed amount. At that time, Future Coupons held 7.3 per cent stake in Future Retail

Source <https://www.rediff.com/business/report/tech-amazon-in-initial-talks-to-buy-airtel-pie-sources/20200604.htm>

- (a) Discuss the Strategy used by Amazon Inc. to strengthen itself in the Indian Market. **07**
- (b) Based on the information given, can you predict the strategic goals of Amazon in the long term period? **07**
- OR**
- Q.5** (a) Why does the Indian Market seem so attractive to Amazon and Wal-Mart? **07**
- (b) How Amazon has strengthened its presence in the Indian Market. Discuss based on the above case **07**

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