

**GUJARAT TECHNOLOGICAL UNIVERSITY****MBA - SEMESTER– III EXAMINATION – WINTER 2020****Subject Code:4539262****Date:06/01/2021****Subject Name:Specialization-EFB\_Family Business Management (FBM)****Time:10:30 AM TO 12.30 PM****Total Marks: 47****Instructions:**

1. Attempt any **THREE** questions from Q1 to Q6.
2. **Q7 is compulsory.**
3. **Make suitable assumptions wherever necessary.**
4. **Figures to the right indicate full marks.**

	<b>Marks</b>
<b>Q.1</b> Definitions:	<b>06</b>
(a) (a) Transferring Ownership (b) Business Plan (c) What is Family dynamics?	
<b>Q.1</b> Definitions:	<b>06</b>
(b) (a) Management succession (b) What is the meaning of Non-executive directors? (c) Business System	
<b>Q.2</b> (a) Define Family business. Explain different characteristics of a family business.	<b>06</b>
(b) What is Succession in Family Business. Explain the succession matrix for the same.	<b>06</b>
<b>Q.3</b> (a) Your family is owing a business of manufacturing plastic bottles from the time of your grandfather. From last 3 years your family business is facing a downfall due to arrival of different competitors into the market. To come out of this situation, your father has given you the task of improving the current situation. Which are the strategies which you will use to improve the capability of family business.	<b>06</b>
(b) Which are the different types of Family businesses? Explain them in detail.	<b>06</b>
<b>Q.4</b> (a) Discuss about different rules to save the family business.	<b>06</b>
(b) Do you think that it is important to create a history of a Family business? If Yes, then which are different reasons to create history of family business.	<b>06</b>
<b>Q.5</b> (a) You have been assigned the work of creating the family business plan and also explain different dimensions which you need to include in the family business plan.	<b>06</b>
(b) Differentiate between Professional family model and corporation model.	<b>06</b>
<b>Q.6</b> (a) Differentiate between Captain Model and Emperor model and the conditions in which condition you can use these models?	<b>06</b>
(b) Which are different indicators of business complexity transition? Discuss them with an example.	<b>06</b>

## Q.7

### **The Epic Sibling Feud Between Mukesh and Anil Ambani**

Dhirubhai Ambani was the founder of Reliance Industries, one of the largest Indian industrial conglomerates. When he died in 2002 without leaving a will, his oldest son, Mukesh Ambani, became chairman and managing director of Reliance Industries Ltd., while his younger son, Anil Ambani, was made vice chairman. Mukesh reportedly tried to oust Anil from the board. In November 2004, the private rift between the brothers became public when Mukesh Ambani admitted that the brothers could not agree on how the firm should be run. In June 2005, their mother, Kokilaben, intervened and split Reliance group into two. Mukesh was put in charge of Reliance Industries and IPCL, while Anil become head of Reliance Infocomm, Reliance Energy and Reliance capital.

In November 2006, Anil and Mukesh came to blows over a gas-supply agreement signed between Mukesh's Reliance Industries Ltd. And Anil's Reliance Natural Resources Ltd. At the time of the demerger. Mukesh's exploration company was reportedly expected to sell gas to Anil's power company at a reduced rate, which would supposedly lead to high profits in Anil's part of the firm. When the government would not approve the deal and instead set higher prices, Anil suspected covert dealings between the government and his brother Mukesh.

In June 2008, another of Anil's companies lost a deal, perhaps because of Mukesh's involvement. Anil's company, Reliance communications, called off merger talks with south Africa's MTN to form a large, international, mobile telecommunications company. Reliance said the failed talks were the result of legal and regulatory issues, but Mukesh's claim on the shares of the telecom firm was also blamed for the failed deal. Moreover, in September 2008, Anil files a \$2 billion defamation suit over statements Mukesh made to *The New York times*.

In another episode of this heated conflict, in the summer of 2009, Anil blamed his brother's company for power cuts sweeping across India. In a letter to the Indian Prime minister, Anil said: "Major power cuts, especially in north India, have become commonplace, causing grave hardship to hundreds of millions of consumers – sadly, all a result of RIL's corporate greed." Anil's Reliance Natural resources Ltd. Even placed daily advertisements in *The Times of India*, and 32 other papers alleging that the Indian government had sided with Mukesh's Reliance Industries to raise the price of gas. During this time, even the Indian finance minister begged the brothers to stop feuding for the sake of India's capital markets.

The brothers went to the Indian supreme court over the gas dispute. The supreme court ruled in Mukesh's favor and declared that Reliance industries could sell gas to Anil Ambani's Reliance Natural Resources Ltd. At government set prices that were higher than those agreed on in the 2005 family agreement. Anil said that he would not request a review of the verdict. The companies were given six weeks to renegotiate their agreement.

Throughout this period, the two brothers lived near each other in an upscale neighborhood in Southern Mumbai. Nevertheless, they rarely spoke to each other except at family meetings and conferences. However, in 2010, their mother, Kokilaben, was able to broker a peace agreement between them officials of Reliance industries Ltd. And Anil Dhirubhai Ambani group both received notes stating that the Ambani brothers would draft a non-compete agreement to replace an earlier one that obviously did not work. Consequently,

5.5

- (a) What are the origins of the sibling dispute?

- (b) What kinds of behaviors do you recognize in this conflict, especially among the brothers? 5.5

**OR**

- Q.7** (a) What is the Mother's role in this conflict? 5.5
- (b) What dynamics lead to the escalation and later, to the de-escalation of the conflict? 5.5

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