

[This question paper contains 7 printed pages.]

1976

Your Roll No.

MIB/IV Sem.

A

Course 541 – GLOBAL STRATEGIC MANAGEMENT

(Admissions of 2004 and onwards)

Time : 3 Hours

Maximum Marks : 70

*(Write your Roll No. on the top immediately
on receipt of this question paper.)*

Attempt all questions.

All questions carry equal marks.

1. (a) State in brief, with reasoning whether the following statements are correct/incorrect:
 - (i) The business model of the healthcare sector is similar to that of the hospitality industry.
 - (ii) Starbucks struggled in Russian market due to delayed entry.
 - (iii) Nissan has shifted the manufacturing base of its 'Micra' from the UK to Chennai for its global markets and Honda will produce its Brio compact hatchback for global markets from Greater Noida. Maruti's cars are capturing global market, its A-Star will be the first car to hit Japanese market.

P.T.O.

- (iv) Every value chain comprises of two major activities.
- (v) A learning company is an organisation that facilitates learning of all its members and continually transforms itself.
- (vi) It can be said that the future does not begin tomorrow...it began yesterday.
- (vii) Tactics is the art of using troops in battle; Strategy is the art of using battles to win war. (7×1=7)
- (b) What businesses are the following organisations in ?
- (i) Vodaphone cellular telecom
- (ii) Coca Cola
- (iii) The institution where you are studying
- (iv) Renault-Nissan automotive
- (v) Colgate toothpaste maker
- (vi) Nike
- (vii) A casino at Las Vegas (7×1=7)

OR

Identify the type of strategy followed in the following cases along with reasoning. Attempt any seven :

- (a) 'Reckitt Benckiser buys Paras'.
- (b) McDonald's has successfully localised its menu as it has been following the Global Strategy.
- (c) Reliance Industries (already owning refineries) to start its own petrol pumps for selling petrol.
- (d) Hero-Honda to form joint ventures with parts-makers.
- (e) Du Pont is in many businesses like agriculture, nutrition, electronics, communications, safety and protection, home and construction, transportation and apparel. Now the group has decided to enter into publishing business.
- (f) Government of India has sold ITDC hotels, Maruti Udyog, Bharat Aluminium, and Videsh Sanchar Nigam Limited.
- (g) A Publishing company gets into making programmes for TV and radio for which it can produce stories and scripts.
- (h) A retailer selling kids' wear starts selling men's clothing.
- (i) JK Papers during the recession of 2008 was more concerned with keeping its market share and present profitability intact.

- (j) In 1980s Bharat Heavy Electricals was brought back to health by V. Krishnamurthy. (7×2=14)
2. (a) Why external environment be scanned? What are the modes of environmental scanning? Enlist important global trends in Economic, Political, social and technical environments. (2+2+4=8)
- (b) For which industries and why the following developments in business environment offer opportunities and threats?
- (i) The literacy level among youngsters in emerging economies is increasing.
 - (ii) Muslims do not take or give interest on funds lent or borrowed.
 - (iii) The obesity among the new entrants to middle class consumers is a matter of serious concern
 - (iv) The demand for democracy is up in Middle East.
 - (v) The economies of developed world are showing signs of coming out of crisis.
 - (vi) Population is ageing in most of the developed regions of Europe and Japan. (6×1=6)

OR

(a) Define Hyper Competition and Characterise hyper competitive industries. If you happen to be an international strategy consultant, what strategies would you recommend to survive and grow ?

(8)

(b) In the market we find three kinds of companies – rule makers, rule takers and rule breakers. Explain the three terms. Also advise the strategic actions to become rule breaker from rule taker.

(3+3=6)

3. (a) What do you mean by Turbulent Industries ? Identify some of the turbulent industries. What are the strategic choices available to them ?

(2+2+4=8)

(b) What does the term Competitive Advantage mean ? What was the situation in India prior to 1991 economic reforms relating to globalisation ? Briefly explain as to how competitive advantage can be leveraged with ?

(6)

OR

Write short notes on the following :

(i) Global Strategy

(ii) Multi-domestic strategy

(iii) International Strategy

(iv) Regional Strategy

(4×3.5=14)

P.T.O.

4. Distinguish between the following

- (i) EVA, CVA, and PVA
 - (ii) Ethnocentric, Polycentric, Regiocentric and Geocentric Approaches in HRM
 - (iii) Knowledge-based, Digital economy and Traditional economy based on the industrial age
 - (iv) Adaptation, Aggregation and Arbitrage
- (3+4+4=11)

OR

What are the three types of global sourcing? What factors decide and activity to be a candidate for outsourcing? Compare China and India from global sourcing opportunities viewpoint. (6+4+4=14)

5. Read the following cases/happenings and answer the questions given at the end:

- (a) Arcelor-Mittal, the world's largest steel producing company used a hybrid of Indian and British Values to become the most successful family-owned and operated businesses in the world. Their success is reminiscent of the DuPont family in America in the nineteenth century when they merged French ethics with American business culture.

- (b) The Walt Disney Co., was very successful in the US and even Japan, but initially failed miserably in France. It became successful only after making certain adjustments.
- (c) Microsoft released its Microsoft Vista in January 2007, a result of the development of Microsoft's strategy for several years to combat Apple Computers. But it delayed the day of release in order to build up demand.
- (d) In May 2002 the US Securities and Exchange Commission revoked the Certified Public Account License of Arthur Anderson, an LLP, with more than 100,000 employees and about 100,000 clients in almost 80 countries. When the decision was revoked after 4 years by the US Supreme Court, there remained only a couple hundred employees.

QUESTIONS:

- (a) How does culture influences global strategy? (4)
- (b) What was the basic fault with Walt Disney Company's entry Strategy? (3)
- (c) While introducing a new product into emerging market economies, what is required as part of entry strategy? (4)
- (d) What was wrong with the Anderson after their license was revoked? (3)