

GUJARAT TECHNOLOGICAL UNIVERSITY**M. E. - SEMESTER – II • EXAMINATION – WINTER • 2013****Subject code: 1721407****Date: 04-01-2014****Subject Name: Strategic Management****Time: 10.30 am – 01.00 pm****Total Marks: 70****Instructions:**

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

- Q.1** (a) What is strategic management? Explain the strategic management process. **07**
 (b) What is the central role of policies in an organization? **07**
- Q.2** (a) Discuss about the current government policies for construction industry. **07**
 (b) Explain the Porter's 5 generic strategies. **07**
- OR**
- (b) Explain the parameters for SWOT analysis. **07**
- Q.3** (a) What is importance of External assessment and Internal assessment for strategy formulation? **07**
 (b) What are the issues that are to be countered for strategy implementation? **07**
- OR**
- Q.3** (a) Explain the conflict pyramid in decision making **07**
 (b) Discuss the role of monetary and fiscal policies in strategic decisions. **07**
- Q.4** Write note on any Two : - **14**
 1. Joint venture in India.
 2. PEST analysis.
 3. Evaluation of strategy.
 4. Alternative strategies.
- Q.5** Read the case and answer the questions given at the end : **14**
 The split between the Hero Group and Honda Motor Company. Hero Honda Motors Ltd. (Hero Honda), a joint venture between Hero Cycles of India and Honda of Japan, came into existence in 1984 as a motorcycle and scooter manufacturer in India. In 2001, Hero Honda became the largest two wheeler manufacturing company in India with over a million units produced as well as the 'World's number one' company in terms of the unit volume sales for the calendar year. The technology for manufacturing the bikes was provided by Honda whereas Hero was strong in its distribution and service network spread across the country.
 In August 1999, Honda Motor Company announced the setting up of Honda Motorcycle and Scooter India (HMSI) for making scooters and later motorcycles as well. After this, the stock of Hero Honda fell by 30%. Subsequently, HMSI started producing motorcycles, competing directly with Hero Honda. Hero felt that its ambition to go international was being hampered by the joint venture. Both the companies decided to end the joint venture and signed their parting agreement on December 16, 2010. With the split, the erstwhile partners became competitors. Both the companies have several opportunities ahead of them and are likely to face challenges to gain and consolidate their position in the Indian two wheeler market.

1. What are the benefits (utilizing strong points of both) and problems (different ambitions) of companies being in a Joint Venture?
2. Discuss whether the decision of both companies to split Hero Honda was correct.

OR

Q.5

Read the case and answer the questions given at the end :

14

The case discusses the organic and inorganic growth strategies of India's largest multinational conglomerate, the Tata Group. In its initial years, the growth strategy followed by Tata Group was largely organic where it grew majorly through new product developments, technological up gradations, and innovation. The growth strategy helped the company pioneer several industries in India: power, steel, airlines, and hospitality. The group redefined growth when Ratan Tata took over as chairman of the Tata Group in 1991. He restructured the businesses of the Tata Group and expanded the group globally. The first major instance of inorganic growth was exemplified when the group's Tata Tea (now Tata Global Beverages) division acquired UK-based Tetley in 2000. This was followed by a series of acquisitions by the group. Some of the notable acquisitions were Tata Steel acquiring Corus in 2007 and Tata Motors' acquisition of Jaguar and Land Rover in 2008. Analysts pointed out that though the group had recorded increased revenues due to inorganic growth, it also had to deal with the challenges of integration and proper management of the portfolio of companies. These reflect the benefits reaped and challenges faced by Tata Group while implementing organic and inorganic growth strategies.

1. How inorganic growth strategies played a crucial role in the success of Tata Group.
2. Analyze the issues and challenges faced by Tata Group while implementing organic and inorganic growth strategies.
