



**UNIVERSITY OF PETROLEUM & ENERGY STUDIES
DEHRADUN**

End Semester Examination –December, 2017

Name of the Program: BBA AVO
Subject Name: Essentials of Strategic Management
Subject Code : BBCG111

Semester – V
Max. Marks: 100
Duration : 3 Hrs

I. Choose correct answer

1. Which of the following is a skill required by organizations to deal with competitive chaos?
 - a. The ability to share information among all managers
 - b. The ability to operate efficiently and effectively
 - c. The ability to discern patterns in the dynamic environment and competitive chaos, and spot opportunities ahead of rivals
 - d. The ability to benchmark competitors
2. Which of the following is a characteristic of a customer-driving organization?
 - a. Innovative
 - b. Conservative
 - c. Responsive
 - d. Unresponsive
3. What are focus strategies?
 - a. Where a company focuses on achieving lower costs than its rivals so as to compete across a broad range of market segments
 - b. Where a company chooses to concentrate on only one market segment or a limited range of segments
 - c. When a company conducts market research through focus groups to determine how their strategy should be shaped
 - d. When a company focuses on supplying differentiated products which appeal to different market segments
4. Which of the following is a source of differentiation?
 - a. Relationships with customers
 - b. Distribution
 - c. Low costs
 - d. Unreliability
5. In order for a culture to generate success, what does it need to be?
 - a. Stable and secure
 - b. Flexible and adaptive
 - c. Innovative and resourceful
 - d. Flexible and resourceful
6. Which of the following is not one of the three elements of strategy creation?
 - a. Sales
 - b. Innovation
 - c. Planning

- d. Leadership
- 7. Why of the following is the best reason for why strategic planning is still important today?
 - a. Without a formal strategic plan a company cannot expect to compete effectively
 - b. Without a strategic plan an organization can drift without purpose or definition
 - c. Without it, companies would exist without cause or co-ordination
 - d. Because of slower economic growth, globalization and technological change
- 8. Retrenchment is:
 - a. When a company experiences declining profits and makes cutbacks to improve efficiency
 - b. When a company adopts a new strategic position for a product or service
 - c. The sale of the complete business, either as a single going concern or piecemeal to different buyers or sometimes by auctioning the assets
 - d. Likely to take place when an organization lacks a key success factor for a particular market
- 9. Acquisitions often fail to deliver the successes that were predicted prior to acquisition. What is the main reason for this failure?
 - a. Premium price
 - b. Poor strategic leadership
 - c. Goodwill
 - d. Synergy
- 10. Which of the following is an aspect of implementation that can be changed indirectly if necessary?
 - a. Organizational structure
 - b. Information systems
 - c. Quality
 - d. Procedures

II) Examine the veracity of the statement (True or False) (1X10=10)

- 1. Instead of focusing exclusively on financial considerations, many firms offer attractive benefits to entice employees to stay. These may include on-site daycare, on-site gyms, and on-site stores.
- 2. A network of independent companies that is joined together to share skills, costs, and access to one another's markets is the virtual type of organization.
- 3. To allow for changes in strategy, Organizational goals and objectives should be clearly stated.
- 4. Technological innovations can create entirely new industries and alter the boundaries of industries.
- 5. Distributing rewards strictly on the basis of outcomes is an effective way to encourage ethical behavior in an organization.
- 6. A firm's intangible resources refer to its capability to deploy tangible resources over time and leverage the resources effectively.
- 7. An advantage of high differentiation is that even if many competitors follow the same strategy, differentiation is still present for all.
- 8. The primary potential benefits of firms diversifying into unrelated businesses are horizontal relationships, i.e., businesses sharing tangible and intangible resources.
- 9. Restructuring necessitates the corporate office to find either firms in industries on the threshold of significant, positive change or poorly performing firms with unrealized potential.

10. Firms can directly acquire the assets and competencies of other firms through joint ventures.

Section B

Write short notes on any four with suitable examples (5X4 = 20 Marks)

1. Captive Strategy
2. SBU, Network organization
3. Evaluation and Control Model
4. Conglomerate diversification
5. VRIO

Section-C

Each question carries 10 marks. Be precise and succinct (10X3=30 marks)

Q1. Indian aviation companies requires balanced mix of offensive and defensive tactics . Comment on the statement while exploring various defensive tactical options available for companies against the onslaught by foreign MNCs.

Q2. Right person for the right job under right structures are the prerequisites for the successful strategy. Comment while explaining process of staffing and structural implementation in Aviation industry

Q3. Why do you mean by Strategic Evaluation and Control? Discuss while mentioning various strategy evaluation and control techniques and process in Aviation industry.

Section D

**Case Study Analysis carries 30 marks.
(10 X 3 = 30 marks)**

While IndiGo was first to show interest in buying the up-for-sale Air India , the recent brawl involving an IndiGo staff member and one of their passengers became a marketing opportunity for the state carrier. As Twitterati was having a field day after video of the scuffle went viral, Air India took a dig at the country's leading private carrier, promising "Unbeatable Service".

Air India posted two advertisements on its Twitter handle yesterday, in a veiled jibe at IndiGo after the private airlines made headlines for manhandling passenger and ended up drawing flak from all quarters.

In one of the ads, the Air India promised "Unbeatable Service" with the letters 'beat' highlighted in blue -- the theme colour of IndiGo. The second ad depicted the Air India's mascot 'Maharaja' in his trademark inviting style with a tag line that read, "We raise our hands ONLY to say Namaste." After the government approved disinvestment in Air India, IndiGo was the first to express interest in buying stakes in the loss-making public airlines.

The private airline, meanwhile, came in for criticism on Twitter for the last month's incident with some calling for its boycott.

"A no fly ban is a must on this airline till these guys are arrested with an attempt to murder #BoycottIndigo," tweeted Aditya Thackeray, the president of Shiv Sena's youth wing.

"This kind of arrogant behaviour seems to have become the norm for @IndiGo6E. I hear of rude behaviour instances by Indigo on regular basis," BJP leader Shahnawaz Hussain posted on the microblogging site.

Former Chief Election Commissioner S Y Quraishi mentioned in a tweet, "After seeing the brutal assault on a passenger, almost throttling him to death, should Indigo not be boycotted - at least for a month?"

"Hey @IndiGo6E, my aged parents are flying a couple of weeks later. Given the recent incident involving a senior citizen, can you guarantee their safety, or shall I rebook them on a different carrier," asked Amrit Panigrahy.

"Cancelled my #indigo flight to jet. Better food and less chances of getting beaten up," posted Meenu Arora.

"First @Pvsindhu1 and now this.. I am not traveling @IndiGo6E till they apologise," wrote another Twitter user.

Alongside the dire comments and scathing remarks, a slew of jokes on IndiGo also featured in several posts on social media.

"Have enrolled for kalari payattu classes. Have an Indigo flight 3 weeks later," tweeted Ushy Mohan Das.

A Twitter post where the user is asking IndiGo to beat up his boss who is travelling with the airline, a fake Jet Airways advertisement and more have also surfaced since the incident at Delhi airport came to light.

Civil Aviation Minister Ashok Gajapathi Raju has sought an independent inquiry into the incident from the Directorate General of Civil Aviation.

IndiGo has also written to the ministry apologising for the incident and admitting that it was at fault. However, it defended the employee seen in the video entering into a brawl and said "he was doing his work" and trying to ensure the smooth operation.

Q1. Do you think that Air India is using counter tactics and is fishing in troubled water. Comment while discussing the tactical warfare.

Q2. Suggest a slew of measures for Indigo to ensure damage control.

Q3. Conduct five forces analysis for Indigo and comment on industry structure.