Name: Enrolment No:	UPES

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, **May 2021**

Programme : BBA FT — Semester: VI
Course: Essentials of Strategic Management — Course Code: STGM3001
Time: 03 Hours — Max. Marks : 100
Instructions: Attempt all sections and questions

SECTION A

Q.1.	**Multiple choice questions**	**Marks**	**CO**
	1. Which of the following is not a type of global structure of companies? a) global function b) international division c) global product d) global area 2. The process of importing goods and services for the purpose of re-export is known as — a) countertrade b) export c) entrepôt trade d) leasing 3. A reciprocal licensing agreement in which intangible property is transferred between two parties is known as a(n) — a) transfer of license b) non-exclusive license c) exclusive license d) cross license 4. The OLI theory is also known as — a) the strategic linkage theory b) the transaction cost approach c) perfect market hypothesis d) the eclectic paradigm 5. To enforce copyright to prevent a product from being copied: a) The claimant's product must be represented in an artistic work b) Articles made to the design must have been marketed c) The defendant's product must be a substantial copy of the claimant's product d) The claimant's designer must have created the design for the claimant's product in the form of a drawing or a model that is an artistic work	5X6=30	CO1

	6. The goodwill that the law of passing-off protects: a) Must relate to the trading activities of selling goods or providing services b) Must exist at the time the claim is issued c) Must exist at the time of the defendant's activities that are complained of d) Ceases to exist once the claimant's activities cease		
SECTION B			
	Write short answers	Marks 10X5= 50	CO
Q2	As a strategist suggest basket of strategies for company venturing for technological updation	10	C02
Q3	Enumerate and enunciate the YIPs , CAGE, Diamond and Uppsala models to explain the pattern of international business	10	C02
Q4	As a strategist for off shore operations , suggest various modes of international growth.	10	C03
Q5	Explain the problems and solutions in the implementation of tactics	10	C03
Q6	As a strategist suggest basket of strategies for company falling in cultural trap	10	C03
	Section-C **Case/ application based questions**		
	The Virgin Group comprises of an assorted mix of businesses. It has its "finger in every pie", so to speak. The Virgin has group diversified into 200 businesses. Sir Richard Branson, founder of Virgin in 1970, and the word Virgin are almost interchangeable. The Virgin brand name is by far the most important asset to the company. Being known as the "customers' champion" inevitably has done wonders for public relations. This fact was capitalised on; in British advertisements for Apple Computers. Sir Richard Branson was associated with great names such as Einstein and Ghandi, and featured as a 'shaper of the 20 th century'. Sir Richard Branson, tired of the		CO4

public listings obligations and corporate bureaucracy sought to take the business back into private ownership. His understandings lead him to believe that sacrificing short-term profits for long-term growth was the way the business should be geared. As for corporate bureaucracy its significance in the Virgin Group, was reduced profoundly. Therefore Sir Richard Branson adopted a ‘hands-off’ policy with his managers and by doing so, encouraged their own initiatives. By proving such freedom, managers would inevitably feel more of a sense of responsibility, ownership and would try their up most to make a success of it. Sir Richard Branson knew this fact. He was providing an enriching atmosphere in which managers would flourish just as he had done.

Its not surprising then, that management recruited carefully selected individuals to be innovative people, pioneers in their field, and to have the competitive streak in their personalities. It was also of importance for candidates to be able to share values and to work effectively as team players. The key emphasis was in innovation and differentiation. The aim was to offer more for less and that each company was truly a Virgin in its own field. Although to some this notion may seem a bit too good to be true, no one can deny that “the Virgin Group is one of the UK’s largest private companies” with an annual turnover (estimated) at £3bn by the year 2000.

The Virgin Group’s rationale is to diversify into as many markets feasible, and extend the Virgin brand name further at a low cost; where stature could be relied upon to reduce barriers to entry into static markets. The Virgin Group sought a challenge in ever venture. They would aim to provide better quality products than any competitor in a complacent market. The key point is that the market to be entered must be still in its growing phase.

The alluring factor to Virgin’s Greenfield start-ups is the “reward-to-risk” ratio, which could be acted upon by the experienced and capable Virgin management team. To establish the virginity of a venture, so to speak in an institutionalised market extensive research was conducted into the static market to derive whether some sort of niche can be achieved and thus satisfied. Sir Richard Branson and his team deployed their 5 point criteria, to which 4 out of the 5 must be met by a new venture before giving the final go ahead.

All the business in the Virgin Group is strategically targeted towards a “five pillar” empire system that Sir Richard Branson is eager to create. At “the heart of Virgin’s core strategy to develop the five pillars of the business empire: travel, leisure, mobile phones, entertainment retailing and personal finance”. All the ventures have inherited the Virgin name. By giving a venture the prefix of Virgin; is to send out a message to the consumer to say out loud this new business is a “virgin” in its market place, “fun”, “innovative”, “daring”. Sir Richard Branson plays a more interactive role into affairs of marketing and promotion; because aside from his indubitable genius marketing and promotion of the Virgin brand name is the Holy Grail to the expansion of the Virgin Empire. Thus many

	businesses outside the Virgin Group have shown their interest through joint ventures. All business within the Virgin Empire as mentioned in the Corporate Rationale section sacrificed short-term profits to gain long term growth and used an autonomous business level decision making method. Managers are free to make decisions independently for growth and feel the same degree of ownership and values that any other manager in the Virgin group would feel. Businesses were 'ring-fenced' so that assets could not be switched between companies in the Virgin Group and if a company became too large another company would be spun off, in its place. However Virgin brand name is a consumer's champion and as mentioned previously is a much respected brand with the British public. Despite these facts , the conglomerate is facing problems in Virgin Atlantic which is in airline industry with cyclic in nature . This proved to be dangerous by 2001, as Virgin seemed to rely entirely on the profits of Virgin Atlantic. Deregulation increased the competition in the market place. All in all most compositors were experiencing losses. In case of Virgin Rail,the biggest problem faced by the Virgin Group was the Strategic Rail Authority's Review in 2000 because it was the most public. Virgin Rail was voted the most "unpopular" rail operator; and if that wasn't enough the statistics: Virgin ranked 23 rd and 24 th out of 25 operators, was ample reason for Sir Richard Branson to feel a stake go through his reputation. Slowly but surely Virgin's prized brand name was being slowly chipped away by the press. The Virgin Group being such a large empire of 200 businesses was wonderful publicity when things were going right but all it took is for a hand full of businesses in the empire to either experience unavoidable consequences, which is the case of Virgin Atlantic and bad service and publicity as was the case with Virgin Rail for it to have quite disastrous effects on other areas of the group. Public confidence is such a delicate matter.		
Q7a.	Conduct Internal analysis of Virgin Group and identify, resources, capabilities and core competencies.	10	CO4
Q7b.	On the basis of above analysis, and BCG Matrix, suggest upon business level and corporate level strategies	10	CO4