



**HCU-161100020301** Seat No. \_\_\_\_\_

**M. B. A. (Sem. III) (CBCS) Examination**

**October / November – 2017**

***(Strategic Management)***

***(New Course)***

Time : 3 Hours]

[Total Marks : 70

**Instruction :** All questions carry equal marks.

- 1 What do you mean by term Strategic Management ? Give detailed note on the historical evolution of strategic management in India and world.

**OR**

- 1 Describe the process of strategic management and explain limitations of strategic management.
- 2 (a) Define Vision. Explain the characteristics of Good Vision Statement.
- (b) Describe the essential characteristics of a mission statement. In what different ways can a mission statement formulated?

**OR**

- 2 Explain concept of environment. Discuss various environmental factors.
- 3 Define term SWOT Analysis. Make a SWOT analysis of Indian Aviation Industry.

**OR**

- 3 Discuss different types of strategies under stability, expansion, retrenchment, and combination corporate level strategies.

- 4 Discuss Business Level Strategies and Generic Business Strategies.

**OR**

- 4 Critically explain Industry Analysis based on Porter's Five Force Model of Competition.

- 5 Read the following case and answer the questions :

Tangy Spices Ltd, the countries' biggest spices marketer has decided to launch a hostile bid for Italy's major spice marketer Chilliano. This is a rare case of an Indian company making an unsolicited hostile bid for a foreign company. The Tangy Spices Ltd. has competencies in Indian Spices. The major destination markets for the Tangy spices Ltd. exports have been the Europe and America. The competencies of Chilliano lie in Italian herbs and spices. The Indian company with the takeover wishes to synergies its operations in the world market. It also wants to take advantage of the reach enjoyed by the Italian company several countries where its products are not being sold presently.

The move of hostile takeover follows Chilliano's rejection to an agreement entered a year back. At that time Chilliano was suffering losses and it offered majority shares at a price of € 2.25. A total of 20% shares were transferred at that time. In one year Chilliano was able to turnaround its operations and the company made handsome profits in the last quarter. The promoters who have residual holding of 35% in the company are reluctant to transfer the shares now. They have rejected the agreement with a plea that the earlier offer price was not sufficient.

Tangy Spices Ltd has revised its offer to € 2.95. By this lucrative offer some of the large shareholders of Chilliano reveal their interest for selling their stakes. On the other hand, promoters maintained their position on this matter.

Through the process of buying of shares in the market the Tangy Spices Ltd. gradually consolidated its holding in Chilliano to 45%. Being a major shareholder they were ready for a takeover. At the same time, Tangy Spices Ltd. was trying hard to improve their position so that they do not leave any space for Chilliano's promoters in future.

**Questions :**

- (1) What strategic alternative is followed by Tangy Spices Ltd?
- (2) Is the hostile takeover by an Indian company appropriate?
- (3) Why the Tangy Spices Ltd. is interested in this takeover?
- (4) Why the promoters are reluctant to transfer the shares after the agreement?

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