



MAY-161100080403 Seat No. _____

**M. B. A. (Banking & Finance) (Sem. IV)
(CBCS) Examination**

March / April - 2018

**Strategic Management
(New Course)**

Time : 3 Hours]

[Total Marks : 70

Instruction : All questions carry equal marks.

1 Define term Strategic Management. Explain Process of Strategic Management.

2 What is SWOT Analysis? Discuss its utility. Make a SWOT analysis of organization of your choice.

OR

2 Describe the BCG Matrix as a technique of corporate portfolio analysis.

3 Explain concept of environment. Discuss various environmental factors.

OR

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

4 Discuss Business Level Strategies and Generic Business Strategies.

OR

4 Define Mission. Explain the Characteristics of Good Mission Statement.

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 in several countries where its products are not beng 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?