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SVKM'S
Narsee Monjee Institute of Management Studies(NMIMS)
School of Distance Learning

2009-10 year

Semester III, 2009-10

Subject: Advanced Strategic Management

PGPBM/PGDMM/PADF
PGDHRM/

Marks: 100

Time: 3 hrs

DATE: 6.1.2010

TIME: 3 pm to 6 pm

Instructions: Candidates should read carefully the instructions printed on the question paper and on the cover of the answer book which is provided for their use.

I - Answer any Two Questions out of Four(5 marks each)

(Marks : 10)

- A. What is corporate policy?
- B. What is the future of CSR?
- C. Describe the concept of product life cycle.
- D. Is E Business a success story?

II - Answer any Three questions out of Five(15 marks each).

(Marks : 45)

- 1) Explain the nature, scope and need of Corporate Management.
- 2) What strategies would you recommend for global markets and why.
- 3) Describe the strategic enablers that help a firm to become effective and why is innovation critical?
- 4) CSR is a necessity for an organisation's survival and how is it measured?
- 5) What do you understand by business ethics and narrate its importance for a business.

III - Short notes: Answer any Three(5 marks each)

(Marks 15)

- a) Social audit
- b) Morality and ethics
- c) Corporate management in a non business organisation
- d) Sustainable competitive advantage
- e) Role of the board in strategic management

IV - Case study: Maharaja Textiles India Ltd

(Marks : 30)

Maharaja Textiles India Ltd .New Delhi was one of the leading companies with a staff strength of 2030 in the field of textiles. It started its manufacturing activities in October, 1986 with an installed capacity of 1,52,500 spindles and 60 tonnes production per day. About 5 years back, the company bought a smaller textile company in Cochin. Primarily, this unit has to cater to the needs of Andhra Pradesh, Tamil Nadu, Karnataka and Kerala. This taken over unit was set up long back in 1940 by Rustomjee, a private entrepreneur.

Reports from the Cochin were not encouraging. Hence, the top management of Maharaja deputed a core group of experts from the head quarters to understand the nature of the problems confronted over. A few specific problems were identified by the company are detailed below:

Profits: the Cochin unit in incurring losses. earlier it was earning profits. During the last few years a few more textile companies set up has led to competition. Last year, the company could achieve break even points after a lot of special efforts.

Absenteeism: employees remain absent during festivals and marriages without information which disrupts production schedules and the absenteeism rate is 20%.

Sales: the sales curve is flattening. Variety, colour and texture are issues affecting the sales of the company. However the sales of corporate office have increased annually by 8%. Products having designs from the north are not acceptable in the south.

Dealer relations: After the takeover dealers started moving towards competitors who were paying higher commission for promoting local products.

Old and obsolete textile machines. Most machines had completed their life as they were acquired in the 50s and required replacements.

Shortage of funds: Maharaja had gone a fresh issue of equity which was fully subscribed but could not raise debt funds from the market later on. This led to reduction of allocation of funds to the Cochin unit.

Strategic Intent: Maharaja had not formulated its machines and was not in tune with the objectives of the New Delhi Office. Employees in New Delhi and Cochin worked differently.

Autonomy: the CEO of the Cochin unit contends "if people are allowed to work independently, they would be doing fine. The company at New Delhi ties their hands with policy manuals, directions, forms and reports".

The core group has collected some important facts about the Cochin unit:

- The unit was purchased for Rs. 20 crores 5 years back and now requires an additional investment of 160 crores. The unit has staff strength of 130.. Newly recruited employees are only 3.
- The unit does not have quality control and R&D departments.
- The unit sends one six monthly report to New Delhi and no other communications are forwarded.
- The unit is located 5 kms from the harbour. the unit has an area of 10 square kilometres.
- The unit is not making any exports. it gets its raw material from Kolkata.
- the top executives are presently busy in identifying the most important problem of the Cochin unit.

QUESTIONS: (15 marks each)

1. How would you set corporate level and divisional level objectives for the company?
2. What strategic actions would you recommend to improve the performance of the Cochin unit?