

SVKM's NMIMS
School of Distance Learning

Programme: DBM/PGDBM/DMM/PGDMM/DFM/PGDFM/DHRM/PGDHRM/DITM/PGDITM/
DSCM/PGDSCM/DBFM/PGDBFM

Academic year: 2012 – 2013

Subject: Management Theory & Practice

Date: 7.07.2012

Semester: I

Course New

Marks 70

Time: 11.00 a.m. to 2.00 p.m.

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.

NB:

1. Answer to each new question to be started on a fresh page.
2. Figure in brackets indicates full marks.

1. Attempt any 2 out of 4 (*Discuss*)

[Marks: 10]

- a) Management is a Science. Explain
- b) F. W. Taylor's Contribution to Management
- c) Data and Information
- d) Basic and Routine Decision

2. Write short notes on any 2 out of 5

[Marks: 10]

- a) Benefits of Division of Labor
- b) Scalar Chain
- c) Human Relations Approach
- d) Decision Support System
- e) Culture and Communication

3. Attempt any 3 out of 5

[Marks: 30]

- a) What are the various functions of management?
- b) Explain Decision making process with example?
- c) Explain Six Box Organizational Model given by Weisbord?
- d) Explain various components of culture which affects the working of an organization?
- e) Discuss Product, Functional and Matrix organization structure?

4. Answer the following questions: (Case Study)

[Marks: 20]

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 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.

- a. *Is the hostile takeover by an Indian company appropriate? (8 Marks)*
- b. *Why the Tangy Spices Ltd. is interested in this takeover? (7 Marks)*
- c. *Why the promoters are reluctant to transfer the shares after the agreement? (5 Marks)*

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2/2