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**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR
(AUTONOMOUS)**

MBA II Year II Semester Regular Examinations Nov/Dec 2019

STRATEGIC MANAGEMENT

Time: **3 hours**Max. Marks: **60**

SECTION – A

(Answer all Five Units **5 x 10 = 50** Marks)

UNIT-I

1 What is Strategic Management? Explain about the factors that shape a company's strategy. **10M**

OR

- 2 a. Discuss the nature and significance of strategic management. **5M**
b. What are the factors responsible for an effective strategy? Elucidate. **5M**

UNIT-II

3 Explain about Organizational analysis, and the value chain analysis. **10M**

OR

4 Define SWOT Analysis. Write about the differences between SWOT Analysis and TOWS Matrix. **10M**

UNIT-III

- 5 a. What is strategic management? Explain the process of strategy formulation **5M**
b. How do you formulate a strategy at Business level? Explain it with an example. **5M**

OR

- 6 a. What are the differences between strategy formulation and its implementation? **5M**
b. Explain about strategy alternatives by its way of approachability **5M**

UNIT-IV

- 7 a. What is strategic leadership? Explain the role of leader in strategic implementation. **5M**
b. Explain the precautions to be taken in resource allocation under strategic management. **5M**

OR

- 8 Write about **10M**
a. Offensive strategy
b. Defensive strategy
c. Vertical integration
d. Horizontal strategy

UNIT-V

9 List out the types of diversification strategies and explain about these strategies. **10M**

OR

10 Write about the Role of the strategist in evaluation and control of strategic management. **10M**

SECTION – B
(Compulsory Question)

1 x 10 = 10 Marks

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 turn around 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 have 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.

Answer the following 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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