



Business Management

Mock Exam Summer 2015

May 20, 2015

Module : E

(Additional reading time - 15 minutes)

100 marks - 3 hours

Q.1. Stanton Shipping Company Limited (SSCL) operates a fleet of container ships and plies on some of the busiest sea routes. To render efficient services in a competitive business environment, it is critical for SSCL to develop and retain a trained and motivated workforce comprising of onboard crew, staff at the ports and office personnel. SSCL makes concerted efforts to implement high-performance systems in all spheres of its operations in which the human resources are of vital importance.

Describe the human resource policies and practices which may have contributed towards SSCL's success in achieving high-performance systems in its operations. (09)

Q.2.(a) Workman Concrete Limited (WCL) is a manufacturer of pavement blocks and enjoys a sustainable cost-leadership position in its line of business. Recently, a number of competitors have posed serious challenges to the favourable cost-leadership advantage enjoyed by WCL over its rivals.

State the different strategies and tactics that WCL should pursue to sustain its cost leadership advantage over its competitors. (06)

(b) Explain briefly what is meant by Formal Succession Planning. (03)

Q.3. Hi-Tech Group of Companies has diversified interests in fertilizer, sugar, cement and steel industries. Each entity operates as a strategic business unit and executives in the individual companies have powers to take all decisions at the operational level and only limited decisions at the tactical level. The Group Management Team which monitors and controls the performance of the different strategic business units has retained for itself the powers to make all strategic decisions.

Describe the distinguishing features of decision making process at Operating, Tactical and Strategic levels. (09)

Q.4. "International business is really a collection of domestic industries". Keeping in mind the four factors that influence strategy for a company competing globally as compared to a national one, draw Porter's "diamond" of determinants of national competitive advantage and explain each segment briefly. (10)

Q.5.(a) What is meant by the term Corporate Social Responsibility? (03)

(b) Explain the term Business Ethics and discuss its increasing significance in the present business environment. (07)

Q.6.a Most companies prefer to achieve their objectives of expansion through organic/internal growth.

Give any four reasons why a company may prefer to achieve expansion through internal growth and not through acquisition of other entities. (45)

b. State four guidelines for when forward integration may be an especially effective strategy to pursue. (04)

Q.7.a State the main reasons why leading companies obtain cross-border financing including equity, debt and bank financing in different countries. (04)

b. State three advantages of market-value based transfer pricing transactions among inter-group companies. (03)

Q.8. Identify the business strategy/policy/definition which is most relevant in each of the following situations: (10)

1. _____ is development into activities concerned with the inputs into the company's current business
2. _____ is where an organization achieves a proprietary position in its industry; it becomes an industry standard
3. _____ are detailed and plausible views of how the business environment of an organization might develop in the future based on groupings of key environmental influences and drivers of change about which there is a high level of uncertainty
4. _____ is the particular set of strengths, experience, knowledge and abilities that differentiate a company from its competitors and provide competitive advantage. Employees should possess these qualities in order to advance business goals.
5. _____ is the favoring of one group of people, resulting in unfair treatment of other groups.
6. _____ is a periodic review and evaluation of an individual's job performance.
7. _____ is the Internet version of word-of-mouth marketing. Web sites, videos, e-mail messages, or other marketing events that are so infectious that customers will want to pass them along to friends.
8. A consumer product that the consumer either does not know about or knows about but does not normally consider buying is known as _____.
9. _____ is the set of all product lines and items that a particular seller offers for sale.
10. _____ is the total combined customer lifetime values of all of the company's customers.

Q.9.a Multinational Corporations (MNCs) which have widely dispersed operations in several countries often prefer to centralise their cash management functions and conduct all their major cash operations from pools located in internationally recognised financial centres. This policy requires each subsidiary to retain minimum cash for its own transaction purposes and remit all excess funds to a central cash depository. Explain the advantages which MNCs seek to

achieve through centralised cash management policies and pooling of all excess cash balances at prominent international financial centres. (06)

b. Explain briefly the factors which have contributed to the creation and significant expansion of Global Markets during the preceding 20-25 years. (04)

Q.10. List and explain briefly any four important packaging features which would influence the decision of a consumer to purchase an edible consumer product. (06)

Q.11.a. Explain briefly what you understand by the term Market Segmentation. State the criteria which are essential for classification of markets in different segments. (06)

b. List the steps of product development process. (explanation not required) (04)

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The End