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10MBA31

**Third Semester MBA Degree Examination, December 2012**  
**Strategic Management**

Time: 3 hrs.

Max. Marks:100

**Note: 1. Answer any FOUR questions, from Q.No.1 to Q.No.7.**  
**2. Q.No. 8 is compulsory.**

- 1
  - a. Differentiate between strategic fit and strategic intent. (03 Marks)
  - b. Explain the characteristics of strategic management. (07 Marks)
  - c. What are the characteristics of effectively worded VISION statement and common shortcomings in Company's VISION statement? (10 Marks)
- 2
  - a. What is PEST analysis? (03 Marks)
  - b. Define competitive advantage. Explain generic building blocks of competitive advantage. (07 Marks)
  - c. Explain BCG matrix for resource allocation. (10 Marks)
- 3
  - a. Define strategic planning. (03 Marks)
  - b. Explain the generic strategy adopted at business. (07 Marks)
  - c. "Strategic Management" is an ongoing process and not a "Start – stop process". Comment. (10 Marks)
- 4
  - a. What do you mean by outsourcing? (03 Marks)
  - b. Explain balanced score – card. (07 Marks)
  - c. Explain the value – chain approach for diagnosing a firm's key strengths and weaknesses. (10 Marks)
- 5
  - a. Differentiate between strategy and tactic. (03 Marks)
  - b. Briefly explain the financial and strategic objectives. (07 Marks)
  - c. Explain Porter's five force model. (10 Marks)
- 6
  - a. Define corporate social responsibility. (03 Marks)
  - b. Explain Innovation, Integrations and Diversification. (07 Marks)
  - c. Explain steps involved in designing effective control systems. (10 Marks)
- 7
  - a. What is Benchmarking? (03 Marks)
  - b. What is control system? Explain the different types of control systems. (07 Marks)
  - c. What are the strategic options for entering and competing in foreign markets? (10 Marks)

**8 CASE STUDY :**

**Amazon. Com**

In 1994, Princeton graduate and wall street executive Jeff Bezos became interested in a number of web based retail ventures. He examined a variety of different products and identified what he felt was an exceptional opportunity for "e – tailing" books. He left his job, began working out of the garage of his rented home and raised several million dollars of start – up capital.

In 1995, Bezos opened a 400 sq. foot office in Bellevue, Washington and launched Amazon.com, billed as “the world’s largest book – store”. In 1996, Amazon.com had become one of the most successful web – based retailers, with revenues of almost \$ 16 million. In 1997, Bezos took Amazon.com public and annual sales rose to \$ 147 million. In the same year, Amazon.com became the sole book retailer on AOL’s public website and Netscape’s commercial channel. In 1998, Amazon.com launched its online music and video stores. It also began to sell toys and electronics and expanded its European reach with the acquisition of online book sellers in the UK and Germany.

In 2000, Amazon.com launched a 10 year partnership with Toysrus.com to co-brand a toy and videogame store. In the following year, it cut a 15% of its workforce as part of a restructuring plan that also forced a \$150 million charge against earnings. Amazon.com also partnered with Borders to manage the rivals web operation. AOL invested \$100 million in Amazon.com in 2001, and in the fourth quarter of 2001, Amazon.com showed its first profit, albeit a small one. Today, Amazon.com offers a wide variety of products in addition to books, including free electronic greeting cards, online auctions, CDs, Videos, DVDs, toys and games, electronics, kitchenware and computers. The company competes with publishers distributors, manufacturers and physical world retailers. International sales account for approximately 15% of revenues with domestic books music and DVD sales accounting for 60% of the total. As of early 2003, Bezos owned about one third of Amazon.com stock but is currently selling a number of shares at regular intervals.

**Questions :**

- a. Who is Amazon’s competition? Is it even possible to identify the Industry in which Amazon.com operates? **(05 Marks)**
- b. Given its internet base, can Amazon.com’s success be easily duplicated by copying its web materials? Is this an inherent disadvantage of Internet prospectors? **(05 Marks)**
- c. What challenges Amazon.com would have faced while acquiring online booksellers in the UK and Germany? **(05 Marks)**
- d. There is a general trend toward “brick and clicks” the combination of Internet and traditional retail outlets. Can Amazon.com succeed in the long run as an e – tailer without brick – and – mortar operations? **(05 Marks)**

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