



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Materials Management

Dec 2013

Graduate Diploma in Materials Management

Paper 9  
Strategic Management

Date : 18.12.2013

Max. Marks :100

Time : 10.00a.m. to 1.00 p.m.

Duration : 3 Hrs.

Instructions:

1. Part A – Contains 4 main questions which are compulsory. Each question carries **8 marks**.
2. Part B – Answer any 3 questions out of 5 questions. Each question carries **16 marks**.
3. Part C is compulsory and it is a case study carrying **20 marks**.

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**PART – A (compulsory)**

**32 marks**

**Q.1 : Expand The Following Terms :**

**8 Marks .**

1. SWOT
2. SEA
3. DFMA
4. FDI
5. CPM
6. VCA
7. ETOP
8. TQM

**Q. 2 : - Fill in the BLANKS with appropriate word .**

**8 Marks .**

1. Strategy and Tactics are ----- in terms of their dimensions .  
(a) Similar (b) Distinct (c) Contradictory .
2. Strategic decisions are the essence of ----- management.  
(a) Organisational . (b) Marketing (c) Strategic .
3. In strategic decision making , sociological approach is based on ----- .  
(a) Human interactions . (b) Social environment . (c) Economic theory .
4. The “ Mission Statement “ of the organization should be ----- enough  
to lead to actions .  
(a) Simple (b) Large . (c) Clear.
5. The “ Objectives “ indicate the ----- that the organization expects to  
achieve in long term.  
(a) Profit (b) Results (c) Target.
6. ----- changes / advantages helps to carryout tasks at lower costs  
with higher level of customer satisfaction.  
(a) Organisational . (b) Managerial . (c) Technological .

7. Diversification involves entry in to fields where both ----- and ----- are significantly different .  
 (a) Product and plant (b) product and market (c) strategy and actions .
8. To survive in competitive market , the firms will need to offer ----- to its customers .  
 (a) Value based services / solutions . (b) Products at lower cost .  
 (c) Variety of products and services .

**Q. 3 : Link and Connect the Following Correctly .**

**8 Marks .**

- |   |  |
|---|--|
| i Steps in strategic management process | a Moderately expensive process.                  |
| ii Effective acquisition strategies .   | b DFMA approach.                                 |
| iii Strategic business units (SBU)      | c Reduces response time of organization.         |
| iv Benchmarking .                       | d Extension of the divisional structure.         |
| v E-business strategy .                 | e Transforms in-puts to finished goods /services |
| vi Market segmentation.                 | f Peter Drucker – 1982 .                         |
| vii Operations management               | g Explores & create new market for product       |
| viii Product Service Mix.               | h Internal and External Analysis .               |

**Q. 4 : State following statements , whether TRUE or FALSE .**

**8 Marks**

- 1.Strategic decisions are normally about trying to achieve some advantage for the organization.
- 2.Strategic decisions do not entail significant risk to business.
- 3.Good mission statement must distinguish a given organization from others .
- 4.Environmental analysis do not help to ensure the success of the organization.
- 5.Liquidation are followed when unit has unmanageable accumulated losses.
- 6.An organization's strategic capability is ultimately assessed in comparative terms .
- 7.VCA assures value for money service to the customers .
- 8.Benchmarking do not compare cost , time and quality of one organization with another organization.

## **PART - B**

**( Answer Any Three )**

**16 x 3 = 48 Marks**

- Q. 5** Define Strategic Management . What are various steps in Strategic Management Process ?
- Q. 6** Define “ Environment “ . Explain why environment analysis is necessary in strategic management ?
- Q. 7** What are Mergers & Acquisitions ? Discuss their benefits and pitfalls with examples .
- Q. 8** Explain following with examples ----  
a) Takeover Strategy . b) Joint Strategies. c) Turnaround Strategies. d) Liquidation Strategy.
- Q. 9** Write Notes on -  
(a) Functional Organization : Nature , Advantages and Disadvantages.  
(a) Matrix I Organization : Nature , Advantages and Limitations ..

## **PART - C [ Compulsory ]**

**Que – 10 :**

**CASE STUDY**

**20 - Marks**

Aurangabad City is one of the major township in Maharashtra, well connected by Road, Rail and Air with rest of the state and nation. Being the tourist destination and major Educational and Industrial Hub , it has got ample trading / business opportunities . The City has experienced remarkable economic development resulting in to remarkable change in lifestyle of the residents. The City has witnessed Four Multiplex , Six major Shopping Malls in last Four Years.

This changed urban environment has resulted in negative impact on the Trade and Business of existing local Wholesalers and Retailers loosing 60% of their business. Recently Wall Mart has opened a wholesale outlet in Aurangabad which is for local retailers who are getting various types of consumer goods , food products produced at different places in India at 25% to 30 % discount on MRP with a condition of minimum billing of Rs. 5,000/- . This Wall-mart outlet has taken away major business of local wholesalers.

In this circumstances , all local Wholesalers / Traders have formed an association and decided to give-up their existing trend / style of trade / business. They have decided to build-up their own Mall which will help them to regain their lost business and customers too.

**Questions:**

- What are the factors responsible for loosing Trade / Business by the local Traders which was their traditional activity ?
- Analyze the strategic decision of starting own Mall / Wholesale Shopping Complex by local traders . Will this benefit them ?
- Suggest strategic policy to be adopted by the local traders to re-gain their Trade.
- What benefit the local consumers will receive in the competitions of Traditional Traders verses modern wholesalers.
- What strategic changes in business approach will you suggest to Local Producers & Trading Firms in order to face the competition in near future ?

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