

MEPL CLASSES
CMA INTER – SM – CHAPTER 1

Time Allowed – 60 Minutes

Total marks – 40

Question 1 to 6 carries 5 marks each.

Question 1.

"Objectives should possess certain desirable characteristics in order to be effective". In this context, identify and explain those characteristics of Effective Objectives.

Answer –

Objectives should possess Certain desirable characteristics in order to be effective. They are as follows:-

i. **Specific:** The first step towards setting objectives is to specify what the company wants to achieve. This involves answer to five specific set of questions namely, what the organisation wants to achieve? Why the company wants to achieve? Who are being involved in the process? Where it wants to achieve and which are the resources and constraints that needs to be identified? Specific objectives are more likely to lead and motivate the managers

ii. **Understandable:** The objectives should be such that they are understandable to those who are expected to achieve them. Clarity in objectives helps to avoid ambiguity which in turn helps to achieve the desired results.

iii. **Measurable:** Objectives should be precise and measurable. There has to be a standard against which they can judge their performance. It is often considered to be a good practice to quantify objectives rather than to state them in qualitative terms. It helps to measure and control the achievement of the objectives with respect to comparable companies in a particular industry and in general.

iv. **Attainable:** Objectives must be challenging but realistic or attainable. They give all employees an incentive to look for ways of improving the operations of an organisation. If an objective is unrealistic in the challenges it poses, employees may give up; an objective that is too easy may fail to motivate managers and other employees.

v. **Relevant:** Objectives must be linked to the overall vision and mission of the organisation. There should not be any conflict between the objectives that the management has set with the goals of the organisation. This is a very important task as misalignment between the two can lead to failure in achieving the corporate vision.

vi. **Time Bound:** Objectives should specify a time period. Time constraints tell employees that success requires an objective to be attained by a given date, not after that date. Deadlines can inject a sense of urgency into objective attainment and act as a motivator. However, not all objectives require time constraints.

Question 2.

Demonstrate the different types of Digital Marketing Strategies.

Answer –

The different types of Digital Marketing strategies are demonstrated below:

- 1. Social Media Marketing Platforms:** Today's consumers are highly reliant on social media platforms such as Instagram, Facebook, LinkedIn, and Snap chat. This is why it is essential that brands are active across accounts. Social media platforms allow marketers to reach their prospects in a myriad of ways.
- 2. Influencer Marketing:** Another effective way to harness digital channels to reach target audiences is with influencer marketing. Brands can partner with celebrities, sites, or others that are considered experts in their field, that share similar values.
- 3. Email Marketing:** Email marketing campaigns allow organizations to stay connected with prospects and customers, sending them customized newsletters or offers based on past shopping history or brand engagements.
- 4. Content Marketing:** Content marketing allows marketing teams to be proactive in answering their users' questions. Marketing teams create content, videos, and other assets to answer questions or provide context to consumers throughout the three stages of the buyer's journey as (i) The Awareness Stage (ii) The Consideration stage and (iii) The Decision Stage.

5. **Search Engine Optimization (SEO) Marketing:** Search engine optimization often goes hand in hand with content marketing. When the customer from the above example is conducting research for which gym shoes to buy, they will probably click on one of the first three results that appear on Google.

6. **Pay-per-click (PPC):** Pay-per-click is a form of paid advertising that allows marketing teams to essentially purchase traffic to their website. Marketers place ads on websites or search engines such as Google and Microsoft Bing, and pay a fee each time the ad is clicked on.

7. **Affiliate Marketing:** Affiliate marketing is similar to referral programs; it involves working with outside individuals or companies under the agreement that they promote your product in exchange for a commission from each sale that can be attributed to their efforts.

8. **Mobile Marketing:** Mobile marketing initiatives can include many of the digital marketing strategies mentioned above, and typically will leverage a combination of text messages, social media, email, push notifications, and mobile applications.

Question 3.

Explain in brief the various important issues that need to be kept in mind while setting up objectives of an organization.

Answer –

The important issues that need to be kept in mind while setting objectives are as follows:

(i) **Specificity:** Specificity is related to the organisational level for which a set of objectives have been stated. Objectives may be stated at different levels of specificity. At one extreme they might be very broadly stated goals and on the other extreme it may be translated into performance targets.

(ii) **Multiplicity:** The issue of multiplicity arise from the fact that it is rare for an organisation to work on a single objective or a few objectives. Since objectives deal with a large number of functional areas, a large number of them have to be formulated to cover the diverse aspects of the organisation's functioning.

(iii) **Periodicity:** Objectives may be set for different time frame. It is possible to set long term, medium term and short-term objectives. Normally organisations determine objectives for the long term and the short term. These different time frame of objectives need to be integrated with each other in order to achieve the desired result.

(iv) **Verifiability:** The issue of verifiability revolves around the question of deciding whether an objective has been met or not. Moreover, linked to verifiability is the concept of quantification. A definite way to measure an objective is to quantify it. In cases where objectives cannot be quantified, qualitative objectives may be set.

(v) **Reality:** It is often found that organisations have two set of objectives namely, official and operative. While the official objectives are those which the organisation professes to attain, the operative objectives are those which they seek to attain in reality. For example, developing human resource is the official objective of most of the organisations.

(vi) **Quality:** The capability of an objective to provide a specific direction and a tangible basis for evaluating performance determines the quality of an objective. For example, stating that "to increase revenue" is considered to be a bad objective as it lacks the element of measurability.

Question 4.

The four core principles that underpin effective goal systems can be summarised into the acronym FAST. Explain the four core principles and their benefits and how it is different from SMART.

Answer –

Four Core Principles and their Benefits of FAST F (Frequently discussed): - Goals should be frequently discussed in order to see the progress, allocate resources as and when needed, prioritise of initiatives and provide feedback
Advantages: -

- Gives guidance for important decisions.
- Helps employees remain focused on the most important matters.
- Links performance feedback to concrete goals.
- Evaluates the progress and helps in course corrections. **A (ambitious):** - Goals should be challenging or ambitious but not impossible to achieve
Advantages: -
- Motivates performance of individuals and teams towards goal.

- Helps in minimising the risk of downplaying the achievements of the subordinates.
- Focuses on the innovative ways to achieve goals. S (specific):
 - Goals should be translated into specific metrics so that there is clarity in achieving the goals.
- Clearly mentions what the employees are expected to deliver.
- Helps in easy identification of deviations from the goals and offers quick course corrections.
- Enhances performance of individuals and teams. T (transparent): - Goals and their achievements should be made public for all employees to see.
- Use of peer pressure to perform on goals.
- Clearly showcases the activities and contribution of the employees towards goal achievement.
- Helps employees understand the agenda of other employees and the teams.
- Helps to identify the strategies those are redundant and are not aligned to the overall organisational goals.

Question 5.

Explain the meaning of Strategy. How do you classify Strategy in a typical business firm?

Answer –

Strategy is a set of goal-directed actions a firm takes to gain and sustain superior performance relative to competitors. To achieve superior performance, companies compete for resources. A strategy is good when it enables a firm to achieve superior performance. It consists of three elements.

- 1) a diagnosis of the competitive challenge
- 2) a guiding policy to address the competitive challenge
- 3) a set of coherent actions to implement a firm's guiding policy.

The term strategy is derived from the Greek word strategía, meaning “generalship”. Although the word is Greek, yet the concept has its origins from the classic, The Art of War, written by Sun Tzu written about 500 BC. This is regarded as the first methodical documentation on strategy. A strategy of an organisation provides the basic framework through which the organisation will achieve its mission and objectives. The sole objective of a strategy is to provide competitive advantage. Strategy may be defined as the direction and scope of an organisation over the long term, which achieves advantage for the organisation through the configuration of resources within a changing environment and to fulfil stakeholder expectations. A typical business firm usually considers three types of strategy:

1) **Corporate strategy:** It is concerned with the overall purpose and scope of an organisation and how value will be added to the different parts (business units) and product lines of the organisation. Corporate strategies typically fit within the three main categories of stability, growth and retrenchment. Decisions include investment in diversification, vertical integration, acquisitions, new ventures, the allocation of resources between the different businesses of the firm and divestments.

2) **Business strategy:** It is about how to compete successfully in particular markets. It emphasises improvement of the competitive position of a organisation's products or services in the specified industry or market segment served by that business unit. These strategies fit within the two overall categories namely, competitive and cooperative strategies.

3) **Functional strategy or Operational Level Strategy:** It is concerned with how the component parts of an organisation deliver effectively the corporate and business level strategies in terms of resources, processes and people. It is concerned with developing and nurturing competence to provide a business unit with a competitive advantage. These strategies are taken at the functional level directed towards maximising resource productivity

Question 6.

Answer the following questions.

(2 marks each)

1. The monitoring, evaluating and disseminating of information from the external and internal environments to key people within the organisation is called

- a. Strategy Formulation
- b. Evaluation and control
- c. Strategy Implementation
- d. Environmental scanning

2. The _____ of a company state how managers and employees should conduct themselves.

- a. values
- b. goals
- c. objectives
- d. vison

3. _____ are the day-to-day way in which an organisation operates and can be seen by people both inside and outside the organisation.

- a. Performances
- b. Targets
- c. Behaviours**
- d. Values

4. Which among the following provide the standards for performance appraisal?

- a. Mission
- b. Vision
- c. Values
- d. Objectives**

5. _____ is concerned with complexity arising out of ambiguous and non-routine situations with organisation wide rather than operation-specific implications.

- a. Operational management
- b. Business level strategy
- c. Strategic Management**
- d. Functional level strategy