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CA Intermediate – Paper 2: Corporate and Other Laws
- Has uploaded over 3000+ educational videos for CA Foundation and CA Inter students
- Known for his dynamic, conceptual and “fun-and-learn” teaching style
- Guided thousands of students across India to success in CA exams
- Strong academic background with B.Com (BMCC, Pune) and ACA qualification
- Widely appreciated for his clarity, energy, and practical approach to law subjects
- Through Shikshadwar, offers comprehensive classes, books, tests, and mentorship to CA students



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# CA DARSHAN JAIN

CA , CS , LLB , DISA , DIRM , B.COM

CO FOUNDER

- Chartered Accountant by profession & educator by passion
- Teaching Financial Accounting , Financial Management & Strategic Management to CA Students For 12 Years.
- Practicing Chartered Accountant For Past 13 years in The Field of Audit , Direct & Indirect Taxes & Management Consultancy
- Elected as Convenor of The Jalna CA CPE Chapter of WIRC of ICAI For 2 consecutive years 20-21 & 21-22.
- He Has Successfully Completed & Qualified Following Certificate Course Conducted By ICAI
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  4. Public Finance & Accounting
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  7. Artificial Intelligence



@CA\_DARSHAN\_JAIN

# CA TUSHAR TAPARIA

CA , LLB

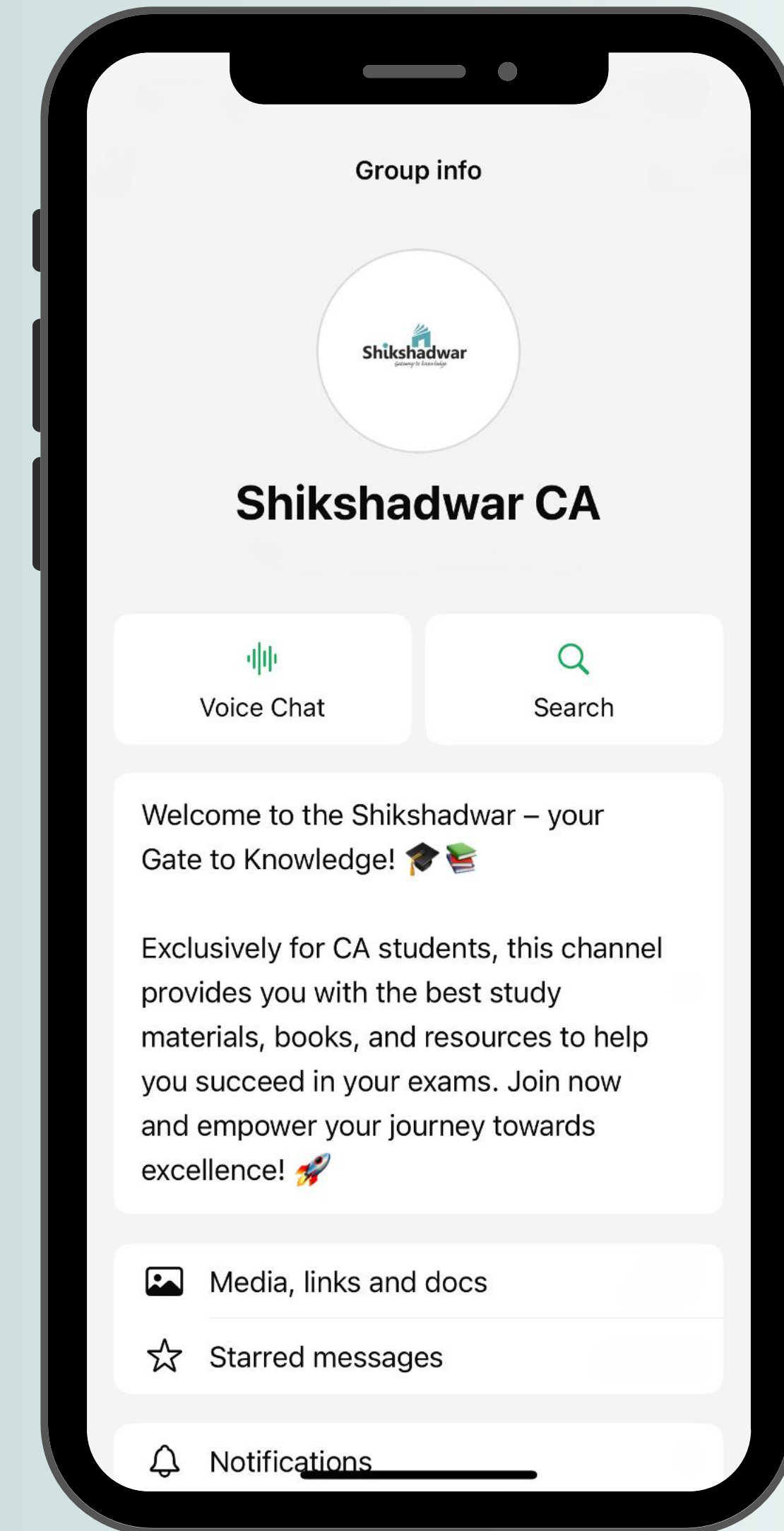
- A multi-faceted professional with a Chartered Accountancy qualification and a Bachelor's degree in Law.
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CA Foundation

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## Class Features



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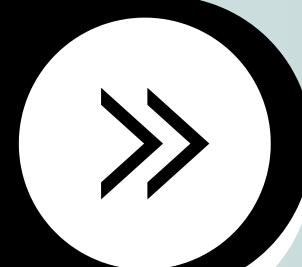
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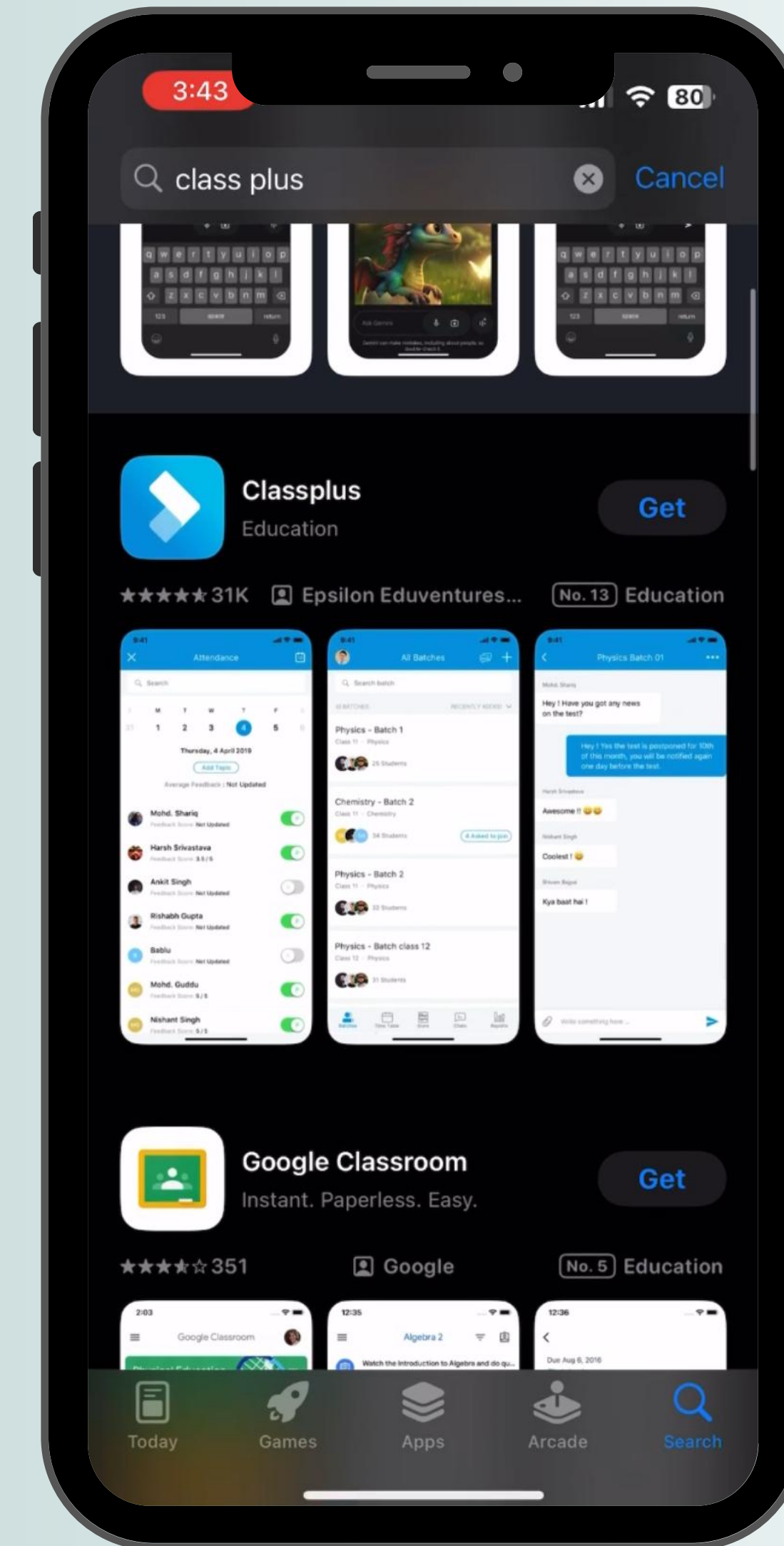
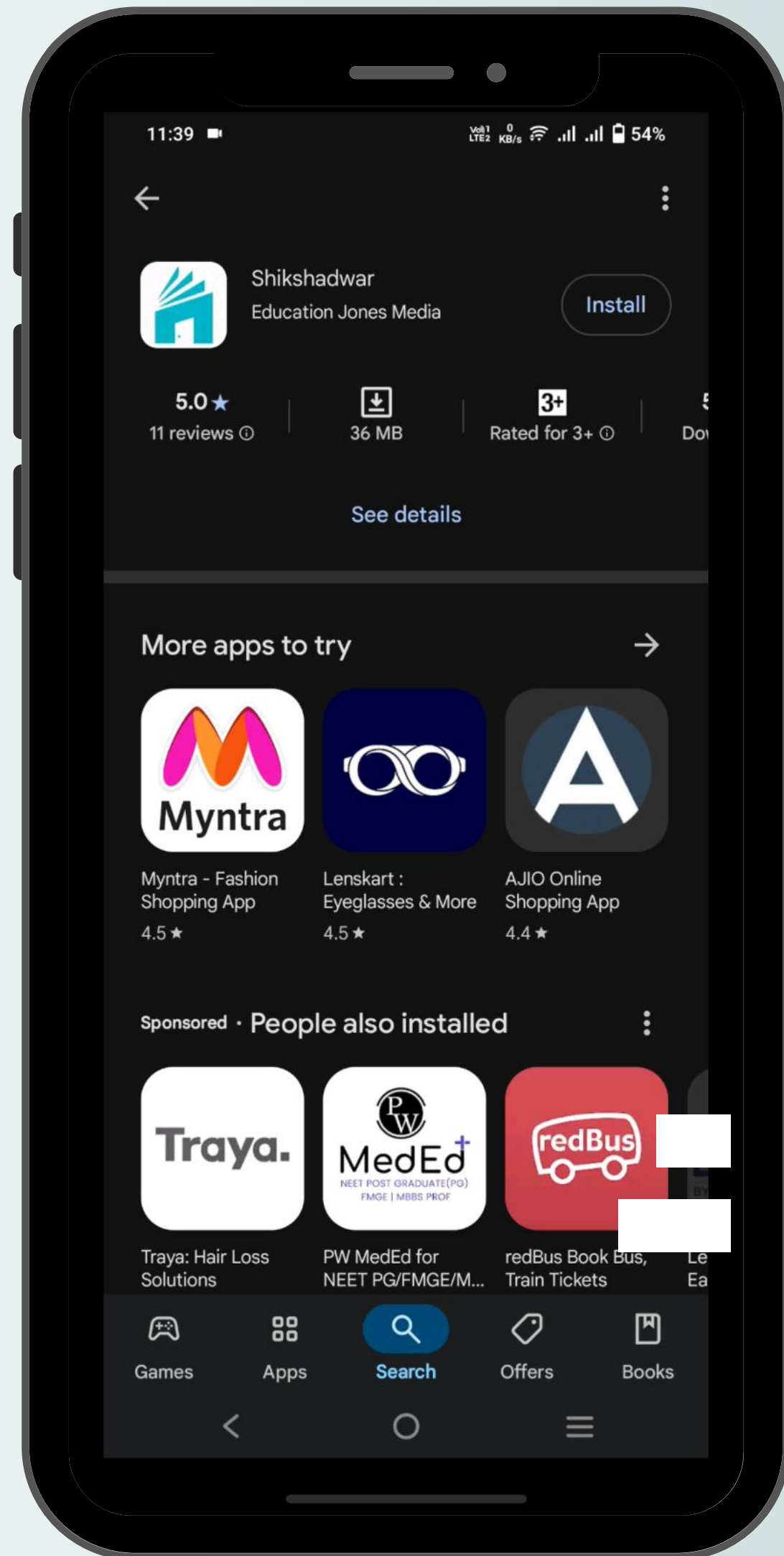
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# CA INTERMEDIATE MAY 25

## Marathons Live Streams



RRR - Result Oriented Rapid Revision

Most Imp Questions



One Shot MCQ's Marathon

Super Chart Revision









Amendments Ki Pathshala

20 -20 Series

# CA INTERMEDIATE MAY 25

## Marathons Schedule With Links

DATE	TIME	EDUCATOR	SUBJECT	TOPICS	YOUTUBE LINK
17/4/2025	8.00 AM	CA ADARSH JOSHI	LAW	RRR	
18/4/2025	12.00 NOON	CA TUSHAR TAPARIA	GST	RRR	
19/4/2025	8.00 AM	CA CS DARSHAN JAIN	FM	RRR	
20/4/2025	8.00 AM	CA ADARSH JOSHI	LAW	ONE SHOT MCQ MARATHON	
21/4/2025	2.00 PM	CA TUSHAR TAPARIA	GST	GST AMENDMENTS & ITS IMPORTANT QUESTIONS	
23/4/2025	8.00 AM	CA CS DARSHAN JAIN	FM	ONE SHOT MCQ MARATHON	

DATE	TIME	EDUCATOR	SUBJECT	TOPICS	YOUTUBE LINK
24/4/2025	2.00 PM	CA TUSHAR TAPARIA	DT	DT AMENDMENTS & ITS IMPORTANT QUESTIONS	
27/4/2025	8.00 AM	CA CS DARSHAN JAIN	SM	ONE SHOT MCQ MARATHON	
4/5/2025	8.00 AM	CA ADARSH JOSHI	LAW	MOST IMPORTANT QUESTIONS	
6/5/2025	3.00 PM	CA TUSHAR TAPARIA	TAXATION	20-20	
12/5/2025	8.00 AM	CA CS DARSHAN JAIN	FM	20-20	
13/5/2025	8.00 AM	CA CS DARSHAN JAIN	SM	SUPER CHART REVISION	

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**TEST PAPER  
ON  
STRATEGIC CHOICES**

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# DETAILS OF CURRENT TEST

Date – 14<sup>th</sup> September (Saturday)

Marks – 30 Marks

Duration – 75 Mins

Time – As Per Your Convenience Till 12 Midnight

# QUESTION 1 (5 MARKS)

Health Pharma Pvt. Ltd. (HPPL), a one person company with limited liability, is manufacturing generic and medicinal drugs in India.

Hygiene Laboratories Plc. (HLP) a multinational company with its strong financial position is one of the major players in pharmaceutical sector.

Individually, each company has its own core competencies. However, additional focus by the state on generic medicine with renewed regulatory requirements are posing challenges in fierce competitive environment.

Considering benefits of synergies, both the companies are considering to join hands for better growth opportunities. Earlier, they tried to go for joint venture or strategic alliance but the arrangement could not materialize.

In view of the facts given above:

1. If HPPL and HLP join hands and make new entity named Health N Hygiene Pharma Ltd. what type of growth strategy will this strategic development be?
2. In case, HLP is sold out to HPPL & HLP ceased to exist, what type of growth strategy will this Strategic deal be?
3. What are the differences between the above two identified Growth strategies?

## Answer:

1. If HPPL and HLP join hands and form a new entity named Health N Hygiene Pharma Ltd., this strategic development would be considered a **Merger** growth strategy. A merger is a combination of two or more companies to form a new entity with shared ownership and control.
2. If HLP is sold out to HPPL and HLP ceases to exist, this strategic deal would be categorized as an **Acquisition** growth strategy. An acquisition occurs when one company purchases another, resulting in the acquiring company gaining control over the acquired company's assets, operations, and intellectual property.
3. Many organizations in order to achieve quick growth, expand or diversify with the use of mergers and acquisitions strategies. Merger and acquisition in simple words are defined as a process of combining two or more organizations together. There is a thin line of difference between the two terms, but the impact of combination is completely different in both the cases.
4. Merger is considered to be a process when two or more organizations join together to expand their business operations. In such a case the deal gets finalized on friendly terms. Owners of pre-merged entities have right over the profits of new entity. In a merger, two organizations combine to increase their strength and financial gains.
5. While, when one organization takes over the other organization and controls all its business operations, it is known as Acquisition. In the process of acquisition, one financially strong organization overpowers the weaker one. Acquisitions often happen during economic recession or during declining profit margins. In this process, one that is financially stronger and bigger establishes its power. The combined operations then run under the name of the powerful entity. A deal in case of an acquisition is often done in an unfriendly manner; it is more or less a forced association.

## QUESTION 2 (5 MARKS)

Diversification endeavours can be categorized into four broad classifications. State the basis for this classification and name the four categories. How is concentric diversification different from vertically diversification? Explain.

## ANSWER:

Diversification strategy involves expansion into new businesses that are outside the current business and markets of an organisation. Based on the nature and extent of their relationship to existing businesses, diversification can be classified into four broad categories:

- i. Concentric Diversification (Vertically integrated)
- ii. Concentric Diversification (Horizontally integrated)
- iii. Conglomerate diversification
- iv. Innovation

**Following are the differences between the concentric diversification and conglomerate Vertical Diversification**

Points	Concentric Diversification	Vertical Diversification
<b>Meaning:</b>	It occurs when a firm adds related products or markets.	It occurs when a firm diversifies into products that are either inputs or that are forward in value chain .
<b>Types</b>	Vertical diversification & horizontal Diversification	Forward Integration & backward integration
<b>Reasons for pursuing:</b>	The mostcommon reason for pursuing a concentric diversification is that opportunities in a firm's existing line of business are available.	To Lessen cost of production or Distribute products in market in better manner
<b>Example</b>	Dominos Selling garlic breads With Pizza.	Ikea Buying 83000 hectares of forest in romania

## QUESTION 3 (5 MARKS)

ABC Steel industries find out that its products have reached at maturity stage and already has overcapacity. Therefore, it concentrates on maintaining operational efficiency of its plants. Identify the strategy implemented by ABC Steel Industries along with reasons

## ANSWER:

1. ABC Steel Industries has opted to implement Stability strategy.
2. Stability strategy is to stabilise- it may be opted to safeguard its existing interests and strengths, to pursue well established and tested objectives, to continue in the chosen business path, to maintain operational efficiency on a sustained basis, to consolidate the commanding position already reached, and to optimise returns on the resources committed in the business.
3. A stability strategy is pursued by a firm when:
  - It continues to serve in the same or similar markets and deals in same or similar products and services.
  - This strategy is typical for those firms whose product have reached the maturity stage of product life cycle or those who have a sufficient market share but need to retain that. They have to remain updated and have to pace with the dynamic and volatile business world to preserve their market share.
4. Stability strategy should not be confused with 'do nothing' strategy. Small organizations may also follow stability strategy to consolidate their market position and prepare for the launch of growth strategies.

### Major reasons for Stability strategy are:

- i. A product has reached the maturity stage of the product life cycle.
- ii. The staff feels comfortable with the status quo as it involves less changes and less risks.
- iii. It is opted when the environment in which an organisation is operating is relatively stable.
- iv. Where it is not advisable to expand as it may be perceived as threatening.
- v. After rapid expansion, a firm might want to stabilize and consolidate itself.

## QUESTION 4 (5 MARKS)

GWA, a leading Japan based automobile company decided to make India a hub for the company's 250 cc motor cycle to be manufactured in collaboration with the TPR Group, a leading Indian company's home market as well as to other African countries.

What is this growth strategy called? Point out the most important advantages both the companies expect from such strategy/ collaboration.

## **The Strategy is called Strategic Alliance**

### **Advantages of Strategic alliance**

#### **Organizational**

- Strategic alliance helps to learn necessary skills and obtain certain capabilities from strategic partners.
- Strategic partners may also help to enhance productive capacity, provide a distribution system, or extend supply chain.
- Strategic partners may provide a good or service that complements thereby creating a synergy. Having a strategic partner who is well-known and respected also helps add legitimacy and creditability to a new venture.

#### **Economic**

- There can be reduction in costs and risks by distributing them across the members of the alliance.
- Greater economies of scale can be obtained in an alliance, as production volume can increase, causing the cost per unit to decline.
- Finally, partners can take advantage of co-specialization, creating additional value, such as when a leading computer manufacturer bundles its desktop with a leading monitor manufacturer's monitor.

## **Strategic**

- Rivals can join together to cooperate instead of competing with each other.
- Vertical integration can be created where partners are part of supply chain.
- Strategic alliances may also be useful to create a competitive advantage by the pooling of resources and skills. This may also help with future business opportunities and the development of new products and technologies.
- Strategic alliances may also be used to get access to new technologies or to pursue joint research and development.

## **Political**

- Sometimes strategic alliances are formed with a local foreign business to gain entry into a foreign market either because of local prejudices or legal barriers to entry.
- Forming strategic alliances with politically influential partners may also help improve your own influence and position.

## QUESTION 5 (5 MARKS)

Explain the role of ADL Matrix in assessing competitive position of a firm.

## ANSWER:

The ADL matrix has derived its name from Arthur D. Little which is a portfolio analysis method based on product life cycle. The approach forms a two-dimensional matrix based on stage of industry maturity and the firm's competitive position, environmental assessment and business strength assessment.

**The role of ADL matrix is to assess the competitive position of a firm based on an assessment of the following criteria:**

1. **Dominant** - This is rare and typically short-lived. There's little, if any, competition, usually a result of bringing a brand-new product to market or having built an extremely strong reputation in the market
2. **Strong** - Market share is strong and stable, regardless of what your competitors are doing.
3. **Favorable** - Your business line enjoys competitive advantages in certain segments of the market. However, there are many rivals of equal strength, and you have to work to maintain your advantage.
4. **Tenable** - Your position in the overall market is small, and market share is based on a niche, a strong geographic location, or some other product differentiation. Strong competitors are overtaking your market share by building their products and defining clear competitive advantages.
5. **Weak** - There's continual loss of market share, and your business line, as it exists, is too small to maintain profitability.

## QUESTION 6 (5 MARKS)

Sky chemical industry intends to grow its business. Advise the company on the available options using Ansoff's product market growth matrix.

## ANSWER:

1. The Ansoff's product market growth matrix (proposed by Igor Ansoff) is an useful tool that helps businesses decide their product and market growth strategy.
2. With the use of this matrix, a business can get a fair idea about how its growth depends upon its markets in new or existing products in both new and existing markets.
3. Based on the matrix, Aurobindo may segregate its different products. Being in pharmaceuticals, development of new products is result of extensive research and involves huge costs. There are also social dimensions that may influence the decision of the company.
4. The Ansoff's product market growth matrix is as follows:

	Existing Products	New Products
Existing Markets	Market Penetration	Product Development
New Markets	Market Development	Diversification

**Ansoff's Product Market Growth Matrix**

5. It can adopt Market penetration, product development, market development or diversification simultaneously for its different products.

- a) **Market penetration** refers to a growth strategy where the business focuses on selling existing products into existing markets. It is achieved by making more sales to present customers without changing products in any major way.
  - b) **Market development** refers to a growth strategy where the business seeks to sell its existing products into new markets. It is a strategy for company growth by identifying and developing new markets for the existing products of the company.
  - c) **Product development** refers to a growth strategy where business aims to introduce new products into existing markets. It is a strategy for company growth by offering modified or new products to current markets.
  - d) **Diversification** refers to a growth strategy where a business markets new product in new markets. It is a strategy by starting up or acquiring businesses outside the company's current products and markets.
6. As market conditions change overtime, a company may shift product-market growth strategies. For example, when its present market is fully saturated a company may have no choice other than to pursue new market.



**ALL THE  
BEST!**

