

**MODEL TEST PAPER 1**  
**PAPER 6B: STRATEGIC MANAGEMENT**

1. *The question paper comprises two parts, Part I and Part II.*
2. *Part I comprises case scenario based multiple choice questions (MCQs)*
3. *Part II comprises questions which require descriptive type answers.*

**PART I – Case scenario based MCQs (15 Marks)**

**Question 1.(A)(Compulsory)**

1. (A) In the fiercely competitive automotive industry, Zing, a promising newcomer, set out on a strategic journey with ambitions of making a substantial impact. Recognizing the significance of a robust distribution network early on, Zing forged partnerships with established dealerships, offering them attractive margins. This strategic move significantly enhanced Zing's reach, with a presence in 80% of the nation's dealerships by 2022, expanding its coverage significantly.

To differentiate themselves from competitors, Zing adopted two key strategies. Firstly, they prioritized product design, investing heavily in aesthetics and incorporating innovative features and environmentally friendly technologies. This focus on design led to their vehicles receiving excellent reviews and achieving an impressive 15% year-on-year growth in sales.

Secondly, Zing implemented switching costs to discourage customers from switching to other brands. Their vehicles featured branded software, making it both expensive and cumbersome for customers to transition to alternative brands. This strategic move effectively protected Zing's market share.

Zing's overarching goal was to position itself as a premium automotive brand, blending luxury with sustainability. However, their execution fell down as they challenged with maintaining consistent quality and service levels, resulting in mixed customer reviews.

Despite their best efforts, Zing's differentiation strategy fell short due to issues with inconsistent quality and service. Negative word-of-mouth and declining customer satisfaction scores tarnished their brand image, leading to stagnating sales. This failure to deliver on their brand promise proved to be a significant setback.

As Zing's reputation suffered from execution failures, securing additional funds for international expansion became challenging. Consequently, they made the difficult decision to postpone their global ambitions for the next five years, focusing instead on stabilizing their finances and rebuilding their brand image.

In summary, Zing's strategic journey illustrates the importance of not only crafting a compelling differentiation strategy but also executing it

flawlessly. In the competitive automotive landscape, maintaining consistent quality and service is paramount to sustaining brand loyalty and achieving long-term success.

**Based on the above Case Scenario, answer the Multiple Choice Questions.**

- (i) What key strategic approach did Zing use to expand its market presence in the automotive industry?
- (a) Product innovation and design
  - (b) Cost leadership strategy
  - (c) Entering new international markets
  - (d) Vertical integration **(2 Marks)**
- (ii) How did Zing protect its market share from potential competitors?
- (a) Price-cutting strategy
  - (b) Branded software and switching costs
  - (c) Aggressive marketing campaigns
  - (d) International expansion **(2 Marks)**
- (iii) Why did Zing's differentiation strategy fall short in the market?
- (a) Intense price competition
  - (b) Poor marketing strategy
  - (c) Inconsistent quality and service
  - (d) Lack of international expansion **(2 Marks)**
- (iv) Forging partnerships with established dealerships to enhance its distribution network falls under which level of strategy?
- (a) Corporate level strategy
  - (b) Business level strategy
  - (c) Functional level strategy
  - (d) Competitive level strategy **(2 Marks)**
- (v) How did Zing initially expand its market presence across the nation?
- (a) Aggressive marketing campaigns
  - (b) Developing low-cost vehicles
  - (c) Partnering with established dealerships
  - (d) Launching a luxury brand **(2 Marks)**

**(B) Compulsory Application Based Independent MCQs**

- (i) TechMex Inc., a leading technology company, offers a diverse portfolio of products ranging from established cash cows to

promising question marks. As part of its strategic planning process, the company aims to assess its product portfolio's performance and allocate resources effectively. In which quadrant of the BCG Matrix would TechMex's new innovative product, recently launched in a rapidly growing market, likely fall into?

- (a) Cash Cow
- (b) Dog
- (c) Question Mark
- (d) Star

**(2 Marks)**

(ii) BlueSky Enterprises, a multinational corporation specializing in renewable energy solutions, is undergoing a strategic transformation to enhance its competitive position in the market. As part of this initiative, the company is reevaluating its organizational structure, processes, and culture. Which aspect of the McKinsey 7S Model is most relevant for BlueSky Enterprises during this strategic transformation?

- (a) Strategy
- (b) Structure
- (c) Systems
- (d) Skills

**(2 Marks)**

(iii) The threat of substitutes is high when:

- (a) There are few substitute products available
- (b) Switching costs are low
- (c) Suppliers have high bargaining power
- (d) There is strong brand loyalty

**(1 Mark)**

## **PART II – Descriptive Questions (35 Marks)**

*Question No. 1 is compulsory.*

*Attempt any **two** questions out of the remaining **three** questions.*

1. (a) Swati is the marketing manager at a software company. She is responsible for developing and implementing marketing strategies for the company's products. Swati leads a team of marketing professionals and works closely with the product development and sales teams to ensure that the company's products are effectively promoted in the market. She also analyzes market trends and customer feedback to refine the marketing strategies. Which level is she working at, discuss the roles and responsibilities of this level in organization? **(5 Marks)**
- (b) ABC Corp, a multinational consumer electronics company, is planning to expand its operations into a new country. The company's senior management is evaluating the potential risks and opportunities of

entering this new market. As part of their analysis, they decide to use the PESTLE framework to assess the external factors that could impact their decision. How can the PESTLE framework help ABC Corp assess the external factors affecting its decision to expand into a new country?

**(5 Marks)**

- (c) Imagine you are a consultant advising a small manufacturing company embarking on a digital transformation journey. The company's leadership is concerned about managing the change effectively. Using the best practices for managing change in small and medium-sized businesses, outline a strategy to help the company navigate this transformation successfully. **(5 Marks)**
2. (a) Imagine you are a strategic consultant advising a retail company that is facing increasing competition from online retailers. The company is considering several strategic options to improve its market position. Using the concept that strategy is partly proactive and partly reactive, explain how the company can develop a strategic approach to address this challenge. **(5 Marks)**
- (b) You are a strategic manager for a tech company launching a new smartphone model. The company wants to target tech-savvy consumers who value innovation and cutting-edge technology. Using the concept of customer behavior, develop a marketing strategy to promote the new smartphone. **(5 Marks)**
3. (a) A beverage company is launching a new line of energy drinks targeted at health-conscious consumers. The strategic manager wants to study the market position of rival companies in the energy drink segment. Which tool can be used for this analysis, and what is the procedure to implement it effectively? **(5 Marks)**
- (b) The CEO of a textile mill believes that his company, currently operating at a loss, can be turned around. Develop an action plan outlining steps the CEO can take to achieve this turnaround. **(5 Marks)**
4. (a) Why Strategic Performance Measures are essential for organizations? **(5 Marks)**
- (b) How can Mendelow's Matrix be used to analyze and manage the stakeholders effectively?

OR

Distinguish between Concentric Diversification and Conglomerate Diversification. **(5 Marks)**

**MODEL TEST PAPER 2**  
**PAPER 6B: STRATEGIC MANAGEMENT**

1. *The question paper comprises two parts, Part I and Part II.*
2. *Part I comprises case scenario based multiple choice questions (MCQs)*
3. *Part II comprises questions which require descriptive type answers.*

**PART I – Case scenario based MCQs (15 Marks)**

**Question 1.(A)(Compulsory)**

1. (A) Café Delight, a thriving restaurant chain known for its unique blend of Australian and Indian culinary experiences, embarked on a remarkable journey from its humble beginnings as a small café in Australia to becoming a renowned player in the Indian restaurant industry. This case study digs into the strategic decisions and market dynamics that fueled Café Delight's growth, highlighting its transition from a single café in Powai, Mumbai, to a flourishing chain with a presence in five cities and over 25 stores. It explores how Café Delight effectively leveraged social media and adapted its pricing strategy to compete with global brands while maintaining a healthy profit margin.

In 2005, Café Delight was founded in Melbourne, Australia, by a passionate entrepreneur with a vision to bring the flavors of Australia and India together. The first café established in Powai, Mumbai, received accolades for its unique menu, blending Australian coffee culture with Indian culinary traditions. Over the course of five years, Café Delight expanded to three stores in Mumbai, driven by exceptional mouth publicity, customer loyalty, and consistent quality.

As the social media landscape evolved, Café Delight recognized the power of online platforms in reaching a wider audience. By effectively utilizing social media and online marketing, Café Delight expanded its presence to five cities across India and established over 25 stores. Customer engagement through social media platforms enabled the brand to create a strong and vibrant community, driving organic growth.

Café Delight's customer-centric approach involved continuously evolving its menu to cater to the changing tastes and dietary preferences of its patrons. By understanding the evolving needs of its customers, Café Delight could offer personalized menu items, seasonal specials, and dietary alternatives. This approach created a sense of loyalty and engagement among customers, strengthening the brand's appeal. Not just customers but High-power, low-interest stakeholders, including regulatory authorities, were addressed with careful compliance and

adherence to industry standards. Low-power, high-interest stakeholders, like potential customers and local communities, were engaged through targeted marketing campaigns and community involvement initiatives. This meticulous stakeholder analysis allowed Café Delight to build and maintain strong relationships with each group, effectively managing their influence and impact on the brand.

With its expanding presence and increasing popularity, Café Delight underwent a shift in its pricing strategy. It transitioned from a pocket-friendly pricing model to a skimming strategy, capitalizing on its unique blend of Australian and Indian flavors to position itself as a premium restaurant. Café Delight faced stiff competition from global brands entering the Indian market but maintained a profit margin of approximately 30% through menu engineering and targeted pricing.

In one of its kind, using strategic tools enabled Café Delight to identify and act on opportunities while mitigating threats, contributing to its long-term success in the highly competitive restaurant industry.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

- (i) Café Delight effectively leveraged social media and adapted its pricing strategy as it stepped into which phase of business life cycle of operations?
- (a) Introduction Stage
  - (b) Growth Stage
  - (c) Maturity Stage
  - (d) Decline Stage **(2 Marks)**
- (ii) What stakeholder group did Café Delight engage through targeted marketing campaigns and community involvement initiatives?
- (a) High-power, high-interest stakeholders
  - (b) Low-power, low-interest stakeholders
  - (c) Low-power, high-interest stakeholders
  - (d) High-power, low-interest stakeholders **(2 Marks)**
- (iii) What best describes Café Delight's initial expansion strategy when it expanded from one café to three in Mumbai?
- (a) Aggressive price reduction
  - (b) Leveraging customer loyalty and word-of-mouth publicity
  - (c) Extensive online marketing
  - (d) Embracing global branding strategies **(2 Marks)**

- (iv) At which level of strategic management does Café Delight's transition from a pocket-friendly pricing model to a skimming strategy fit?
- (a) Corporate level
  - (b) Business level
  - (c) Functional level
  - (d) Operational level **(2 Marks)**
- (v) What type of strategy did Café Delight use to differentiate itself from competitors in the Indian restaurant industry?
- (a) Cost leadership strategy
  - (b) Focused differentiation strategy
  - (c) Cost focus strategy
  - (d) Hybrid strategy **(2 Marks)**

**(B) Compulsory Application Based Independent MCQs**

- (i) Shamita joined GlobalX Consulting firm as an Analyst in financial fraud mitigation. In her very first assignment she faced an integrity dilemma where her subordinates had missed calling out a potential financial risk which could impact the overall fraud rating of the organisation. She quickly reached out to her seniors who appreciated her diligence and immediately reported the same to senior management. In this scenario which element, soft or hard, is acting in favor of GlobalX?
- (a) Strategy
  - (b) Systems
  - (c) Shared Value
  - (d) Staff **(2 Marks)**
- (ii) Chocopo, an ice cream company run by Shri Shyam Kumar since 1985, now had its management change to his two daughters, who came in and wanted to experiment with a lot of flavors. They introduced 21 new flavors in a span of 6 months while not losing out of 2 legendary flavors of their dad i.e. Stick Kulfi and Mango Bar. After year 1 of operations, 9 out of the 21 flavors had to be stopped, while 10 flavors were still kept, extending the experimentation. The early sense from market was that they would have to be stopped too, but the sisters decided to extend their timelines. What category as per BCG Matrix would the 10 flavors fall into?
- (a) Cash Cow

- (b) Dog
  - (c) Question Mark
  - (d) Star **(2 Marks)**
- (iii) A company negotiating the best prices and quality from its suppliers to add to customer's delight is an example of?
- (a) Value Creation by improving primary activity
  - (b) Value Creation by improving support activity
  - (c) Competitive Advantage Creation
  - (d) Stakeholder Management **(1 Mark)**

## **PART II – Descriptive Questions (35 Marks)**

*Question No. 1 is compulsory.*

*Attempt any **two** questions out of the remaining **three** questions.*

1. (a) ABC retail chain regularly monitors consumer trends and supply chain flexibility. The retail chain tracks consumer trends to adjust its offerings, ensuring they meet customer needs. Simultaneously, it maintains a flexible supply chain to respond swiftly to demand fluctuations. This strategy enables ABC retail chain to anticipate market shifts and adapt to them effectively, ensuring its competitiveness and customer satisfaction. Which type of strategy is the retail chain employing? **(5 Marks)**
  
- (b) A Mumbai-based conglomerate, PQR Ltd., has announced a major restructuring of its business operations. The company has decided to split its business into four separate units: Manufacturing, Retail, Services, and Technology. Each unit will operate as a separate business, with delegated responsibility for day-to-day operations and strategy to the respective unit managers. Identify the organization structure that PQR Ltd. has planned to implement. Discuss any four attributes and the benefits the firm may derive by using this organization structure. **(5 Marks)**
  
- (c) *GreenThrift Inc.*, a sustainable clothing retailer, is experiencing a surge in popularity due to the growing awareness of environmental issues among consumers. The company specializes in selling second-hand clothing and upcycled garments, offering an eco-friendly alternative to traditional fast fashion.  
  
A major concern for GreenThrift Inc. is the emergence of new sustainable fashion brands in the market. These brands focus on using organic and recycled materials, as well as ethical manufacturing practices, which align with the values of environmentally conscious consumers.

Identify and explain that competition from new sustainable fashion brands falls under which category of Porter's Five Forces Model for Competitive Analysis? **(5 Marks)**

2. (a) "Each organization must build its competitive advantage keeping in mind the business warfare. This can be done by following the process of strategic management." Considering this statement, explain major benefits of strategic management. **(5 Marks)**

- (b) *Reshuffle Corp* is a company that manufactures and sells office furniture. They offer a range of products, from desks and chairs to cabinets and shelves. Recently, the company has been facing increased competition from online retailers offering similar products at lower prices.

Analyzing the characteristics of products in the furniture industry, discuss how *Reshuffle Corp* can differentiate its products to maintain a competitive edge in the market. **(5 Marks)**

3. (a) *EasyLife Corporation*, a leading manufacturer of consumer electronics, is considering launching a new line of smart home devices. As a strategic manager, conduct a SWOT analysis for *EasyLife Corporation* to assess the feasibility and potential success of this new venture. Consider both internal and external factors that could impact the success of the new product line. **(5 Marks)**

- (b) Explain the concept of forward and backward linkages between strategy formulation and implementation in strategic management, using relevant examples. How do these linkages impact the overall strategic decision-making process of an organization? **(5 Marks)**

4. (a) Define Strategic Performance Measures (SPM). Explain various types of strategic performance measures. **(5 Marks)**

- (b) *StarTech Solutions*, an aerospace technology firm, operates in a highly competitive industry. Despite the fierce competition in the aerospace sector, *StarTech* has carved out a niche for itself by focusing on serving unique, high-end clients. Unlike its competitors, *StarTech* has chosen not to diversify its target market and instead specializes in providing cutting-edge solutions to this niche market.

Identify and explain the strategy adopted by *StarTech Solutions*. Discuss the advantages and disadvantages of this strategy.

OR

Strategic alliances are formed if they provide an advantage to all the parties in the alliance. Do you agree? Explain in brief the advantages of a strategic alliance. **(5 Marks)**

**MODEL TEST PAPER 3**  
**PAPER 6B: STRATEGIC MANAGEMENT**

1. *The question paper comprises two parts, Part I and Part II.*
2. *Part I comprises case scenario based multiple choice questions (MCQs)*
3. *Part II comprises questions which require descriptive type answers.*

**PART I – Case scenario based MCQs (15 Marks)**

**Question 1.(A)(Compulsory)**

1. (A) Dr. Mikesh Gupta, Agriculture Management Guru at a leading management school in Patna, has been driving the business of E-Bandhu with seven of his students since 2017. This business has two core objectives: first, sustainable farming awareness and second, seasonal availability of agricultural inputs. It is a technology driven business wherein they have a one stop shop for all agricultural products available to farmers at competitive prices. Business is quite challenging, given the fact that farmers in the region are not well aware of the use of technology.

In the summer of 2019, the team decided to redefine their business strategy to succeed in the agricultural sector. They formulated a new definition and made strategic decisions to leverage their core competencies.

Firstly, they shifted their target market from directly serving farmers to onboarding wholesalers and retailers into the system and selling products to them. This strategic move was based on the understanding that wholesalers and retailers could influence technology adoption among farmers.

Secondly, they outsourced logistics to MaalGaadi, a rural supply chain management company. This decision helped E-Bandhu reduce asset procurement costs and corresponding debt, thus strengthening their position in the market.

Thirdly, they introduced a new service-based product, ChaaaraVidya, in their application. ChaaaraVidya aims to educate farmers about the latest sustainable farming practices being implemented around the world. This addition could potentially be a game-changer for E-Bandhu in the agro startup circle, further enhancing their core competency in promoting sustainable farming practices and technology adoption.

The team is enthusiastic about the strategic changes brought in by Dr. Mikesh and anticipates a more sustainable future for their idea.

**Based on the above case scenario, answer the multiple-choice questions.**

- (i) Switching from direct selling to marketing through wholesalers and retailers was a strategic decision taken by the management. Such decisions help an organization to be more of which of the following?
- (a) Authoritative
  - (b) Futuristic
  - (c) Proactive
  - (d) Regularised **(2 Marks)**
- (ii) ChaaraVidya was brought into the market to increase farmer awareness of soil quality and the latest sustainable farm practices from around the world? What kind of growth strategy will it fall under?
- (a) Market penetration
  - (b) Market development
  - (c) Product development
  - (d) Diversification of business **(2 Marks)**
- (iii) One of the most strategically advantageous decisions for E-Bandhu was to get into a contract with MaalGaadi. Which of the following could not be an advantage for E-Bandhu from this alliance?
- (a) Cost savings
  - (b) Reduced delivery time
  - (c) Improved customer satisfaction
  - (d) Increased inventory of products **(2 Marks)**
- (iv) How does E-Bandhu utilize Michael Porter's Five Forces model in its strategic decision-making process?
- (a) By focusing on industry rivalry and competitive pricing
  - (b) By analyzing the bargaining power of suppliers and buyers
  - (c) By assessing the threat of new entrants and substitutes
  - (d) All of the above **(2 Marks)**
- (v) What are the core objectives of E-Bandhu, as mentioned in the case study?
- (a) Sustainable farming awareness and seasonal availability of agricultural inputs
  - (b) Technology-driven solutions and competitive pricing
  - (c) Onboarding wholesalers and retailers into the system

- (d) All of the above **(2 Marks)**
- (B) Compulsory Application Based Independent MCQs
- (i) Swabhaav, a social media marketing firm introduced an AI based management tool that has the capabilities of managing teams across functions all while being creative. What is the most likely organisational structure post this implementation?
- (a) Divisional Structure  
(b) Matrix Structure  
(c) Hourglass Structure  
(d) Network Structure **(2 Marks)**
- (ii) A tea farm owners plan to open tea cafes in tourist spots and to sell their own premium tea to build a brand. Which of the following can this be termed as?
- (a) Backward Integration  
(b) Forward Integration  
(c) Diversification  
(d) Horizontal Integration **(2 Marks)**
- (iii) The process of creating, maintaining, and enhancing strong, value-laden relationships with customers and other stakeholder is:
- (a) Social marketing  
(b) Augmented marketing  
(c) Direct marketing  
(d) Relationship marketing **(1 Mark)**

## **PART II – Descriptive Questions (35 Marks)**

*Question No. 1 is compulsory.*

*Attempt any **two** questions out of the remaining **three** questions.*

1. (a) In his pursuit to expand the family business to Dubai, Dharam Veer Singh, the successor of the renowned architect Late Shri Lala Ram Pal Singh, faced a dilemma. Despite receiving positive feedback from various potential investors, a common trend emerged where the emphasis was primarily on swift construction, neglecting the importance of structural longevity. Dharam finds himself at a crossroads. What strategic approach could assist him in formulating a robust and coherent business roadmap that aligns with his vision for sustainable growth? **(5 Marks)**
- (b) Ravi and Arjun are two friends who are partners in their business of manufacturing premium coffee. Ravi believes in making profits through selling higher volumes of products, hence he advocates for charging

lower prices to customers. Arjun, however, believes that higher prices should be charged to create an image of exclusivity and proposes that the product undergo some changes to justify this pricing.

Analyze the nature of the generic strategy used by Ravi and Arjun.

**(5 Marks)**

- (c) Due to the reoccurrence of various variants of the coronavirus, XYZ Corporation is facing an unstable environment and has begun unbundling and disintegrating its activities. It has also started relying on outside vendors to perform these activities. Identify the organizational structure XYZ Corporation is shifting to. Under what circumstances does this structure become useful? **(5 Marks)**
2. (a) There are four specific criteria of sustainable competitive advantage that firms can use to determine those capabilities that are known as core competencies. Explain. **(5 Marks)**
- (b) XYZ Electronics has discovered that its products have reached their maturity stage, and the company is experiencing overcapacity. Consequently, it focuses on maintaining the operational efficiency of its manufacturing facilities. Identify the strategy implemented by XYZ Electronics and provide the reasons for this strategy. **(5 Marks)**
3. (a) Yummy Foods and Tasty Foods are successfully competing in the business of ready to eat snacks in Patna. Yummy has been pioneer in introducing innovative products. These products will give them good sale. However, Tasty Foods will introduce similar products in reaction to the products introduced by the Yummy Foods taking away the advantage gained by the former.
- Discuss the strategic approach of two companies. Which is superior?
- (5 Marks)**
- (b) Why is change management crucial during digital transformation, and what are some key strategies for navigating change effectively?
- (5 Marks)**
4. (a) Write a short note on the Product Life Cycle (PLC) and its significance in portfolio diagnosis. **(5 Marks)**
- (b) Distinguish between Micro Environment and Macro Environment.

OR

Distinguish between Operational Control and Management Control.

**(5 Marks)**

**MODEL TEST PAPER 4**  
**PAPER 6B: STRATEGIC MANAGEMENT**

1. *The question paper comprises two parts, Part I and Part II.*
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3. *Part II comprises questions which require descriptive type answers.*

**PART I – Case scenario based MCQs (15 Marks)**

**Question 1. (A) (Compulsory)**

1. (A) Kriti Pvt. Ltd. has been importing French gourmet cheeses under the brand name of 'Fromage' since 2017. The company was amongst the first in India to introduce innovative unbreakable cheese packaging. Their affiliate, a French company owning Fromage, had entered into a progressive deal, wherein products would be sourced to India via their logistics, and all marketing expenditures would be covered by them. However, customer management and nationwide distribution would be taken care of by Kriti Pvt. Ltd. This required an English-speaking skilled workforce, which has been a constant challenge for the company in India.

The owners of Kriti Pvt. Ltd. have been regular attendees at industry-relevant conclaves, both national and international. Leaders of the company are passionate readers of business magazines. Following that, it was observed that the recent sentiment of the country towards 'Vocal for Local' could disrupt their French brand's marketability. An extraordinary meeting was set up, and the steps ahead were planned.

The outcome of the meeting was to partner with local producers of traditional Indian cheeses in phase one of the change strategy. For this, seven state governments were approached. The team was successful in taking contracts from all the government departments of these seven states and could position themselves fairly in the market. To fund this new investment, they have planned to slowly sell off their French business assets as well as the brand, to probable buyers.

This timely shift is proving to be a game-changer for the company, and the leadership is quite happy with better than before earnings and a much greater response from the customers. They find it easier to operate with domestic producers and vendors, and a sense of patriotism is instilled in the consumers' minds.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

- (i) Which of the following actions taken by Kriti Pvt. Ltd. is an example of a proactive strategy?
  - (a) Selling off their French business assets.

- (b) Responding to the 'Vocal for Local' sentiment by partnering with local cheese producers.
- (c) Managing customer relations and nationwide distribution.
- (d) Covering all marketing expenditures for 'Fromage' in India.

**(2 Marks)**

(ii) Which of the following types of strategic control did the owners and leadership of Kriti Pvt. Ltd. deploy that eventually turned out to be one of the most effective strategic decisions for the company?

- (a) Premise control
- (b) Special alert control
- (c) Implementation control
- (d) Strategic surveillance

**(2 Marks)**

(iii) 'Vocal for Local' is a market sentiment that changed customers' preferences for the majority of products across all industries. Based on that, Kriti Pvt. Ltd. gauged the competition it might face in the coming months and agreed to change its own product. Which of the following forces, as per Michael Porter's five forces of competitive analysis, is most relevant in this case?

- (a) Threat of new entrants
- (b) Nature of rivalry in the industry
- (c) Threat of substitutes
- (d) Bargaining power of the buyer

**(2 Marks)**

(iv) Which of the following aspects of value chain analysis was the most challenging for Kriti Pvt. Ltd. at the time of selling the Fromage brand?

- (a) Manufacturing
- (b) Outsourcing
- (c) Customer service
- (d) Procurement

**(2 Marks)**

(v) To strategically revamp their business, partnerships were done with Indian local producers from seven states, and to fund it, the existing arm of the business was to be sold off. Which of the following strategies has Kriti Pvt. Ltd. opted for?

- (a) Turnaround strategy
- (b) Divestment strategy
- (c) Liquidation strategy

(d) Intensification strategy **(2 Marks)**

**(B) Compulsory Application Based Independent MCQs**

(i) TechWave, a software development firm, aims to gain a competitive edge in the rapidly evolving tech industry. To achieve this, they focus on building their strength in artificial intelligence (AI) and machine learning (ML). TechWave invests heavily in R&D, hires top talent with specialized skills, and forms partnerships with leading AI research institutions. They also provide continuous training for their employees to keep them updated with the latest advancements. By developing these, TechWave can create innovative AI-driven solutions that differentiate them from competitors and attract a growing number of clients seeking cutting-edge technology. What strategy is TechWave using to gain a competitive edge in the tech industry?

- (a) Market segmentation
- (b) Diversification
- (c) Core competency building
- (d) Cost leadership

**(2 Marks)**

(ii) StreamlineCo is examining its internal capabilities to ensure that employees possess advanced knowledge of emerging technologies crucial for the company's future success. This involves investing in specialized training programs and updating job roles to match the latest industry standards. Which aspect of StreamlineCo is being enhanced through specialized training and updated job roles?

- (a) Structure
- (b) Systems
- (c) Skills
- (d) Style

**(2 Marks)**

(iii) XYZ Corporation has launched AlphaTech to enter the consumer electronics industry with a focus on offering high-performance devices and innovative features at competitive prices. Which competitive strategy is AlphaTech employing?

- (a) Differentiation strategy
- (b) Cost leadership strategy
- (c) Best-cost provider strategy
- (d) Focus strategy

**(1 Mark)**

## **PART II – Descriptive Questions (35 Marks)**

*Question No. 1 is compulsory.*

*Attempt any **two** questions out of the remaining **three** questions.*

1. (a) Mr. Arun has been hired as the CEO by ABC Ltd, a pharmaceutical company that has diversified into affordable wellness supplements. The company intends to launch the HealthPlus brand of supplements. ABC wishes to enhance the well-being of people with its products that are beneficial for health and are produced in an environmentally sustainable manner using natural ingredients. Draft a vision and mission statement that may be formulated by Arun. **(5 Marks)**
- (b) GreenGardens, a small but growing organic farm, is assessing its business environment to strategically plan for future growth. The farm boasts high-quality, pesticide-free crops, but faces challenges with its limited distribution channels. As the demand for organic products continues to rise, GreenGardens recognizes the potential to broaden its market reach. However, unpredictable weather conditions and competition from larger farms present significant obstacles. To effectively navigate these challenges and opportunities, GreenGardens needs to conduct a comprehensive evaluation. Identify the type of analysis GreenGardens should conduct to strategically plan for its future growth and outline the grid. **(5 Marks)**
- (c) FreshDelight, renowned for its organic fruit juices, aims to expand its market presence by identifying emerging markets in countries where organic products are gaining popularity. To achieve this, FreshDelight launches targeted marketing campaigns and partners with local distributors to introduce its juices to these new regions. This strategy involves adapting product packaging and marketing messages to align with local preferences and regulations. By entering these new markets, FreshDelight hopes to increase its customer base and drive sales growth. What strategy is FreshDelight using to expand its market presence? **(5 Marks)**
2. (a) The CEO of a textile mill is convinced that his loss-making company can be turned around. Suggest an action plan for a turnaround to the CEO. **(5 Marks)**
- (b) Write a short note on Matrix Structure. **(5 Marks)**
3. (a) "Understanding the competitive landscape is important to build upon a competitive advantage". Explain. **(5 Marks)**

- (b) XYZ Corporation operates in a diverse range of industries, including fashion, lifestyle products, furniture, real estate, and electrical goods. The company is seeking to hire a suitable Chief Executive Officer. As the HR consultant for XYZ Corporation, you have been tasked with outlining the activities involved in the role of the Chief Executive Officer. Identify the strategic level associated with this role and list the activities it encompasses. **(5 Marks)**
4. (a) Buyers can exert considerable pressure on business. Do you agree? Discuss. **(5 Marks)**
- (b) Major core competencies are identified in three areas - competitor differentiation, customer value and application to other markets. Discuss.

OR

What factors should organizations consider when choosing strategic performance measures, and why are these factors important?

**(5 Marks)**

## MODEL TEST PAPER 5

### PAPER 6B: STRATEGIC MANAGEMENT

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#### **PART I – Case scenario based MCQs (15 Marks)**

##### **Question 1. (Compulsory)**

1. (A) Sneha Rao, founder and CEO of DEF Technologies, is renowned for her technological insight and visionary leadership style. She cultivates a culture of collaboration, continuous learning, and innovative problem-solving, encouraging her employees to think outside the box and embrace new challenges. Her exceptional ability to foresee technological trends and navigate complex market dynamics has propelled DEF Technologies to impressive growth over the past decade.

Sneha started DEF Technologies in 2010 as a small software development firm. With a vision to transform DEF Technologies into a leading tech company, she initially focused on developing custom software solutions for local businesses. However, intense competition and limited market demand led to financial difficulties. Undeterred, Sneha pivoted the business towards developing cloud-based solutions, leveraging the growing trend of digital transformation. This strategic shift, along with aggressive marketing, helped DEF Technologies capture a significant market share and become a leader in cloud services, setting new industry standards.

In 2015, Sneha's brother, Raj, joined the company, and together they crafted an ambitious expansion strategy. DEF Technologies entered the global market, partnering with international tech firms to launch a new line of AI-driven cybersecurity solutions. This venture was highly successful, establishing DEF Technologies as a global brand and a key player in the cybersecurity industry.

Raj then led the company's diversification into the healthcare sector with a new brand, MedTech Solutions. Recognizing the potential for technology to revolutionize healthcare, Sneha and Raj focused on developing affordable telemedicine platforms and AI-driven diagnostic tools. Their approach disrupted the market, providing high-quality healthcare solutions at lower costs and gaining widespread trust from healthcare providers and patients alike. MedTech Solutions experienced rapid growth, especially during the COVID-19 pandemic, as demand for remote healthcare services surged.

At the beginning of 2023, DEF Technologies launched another new business, GreenTech Innovations, to address environmental challenges through technology. DEF Technologies continues to explore new opportunities and ventures to stay at the forefront of the tech industry.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

- (i) Sneha Rao's vision to transform DEF Technologies into a leading tech company illustrates which type of strategic intent?
- (a) Goal
  - (b) Mission
  - (c) Vision
  - (d) Objective **(2 Marks)**
- (ii) Sneha's leadership style, which promotes collaboration, continuous learning, and innovative problem-solving, can best be described as:
- (a) Transactional leadership
  - (b) Transformational leadership
  - (c) Autocratic leadership
  - (d) Laissez-faire leadership **(2 Marks)**
- (iii) When DEF Technologies expanded into the global market with AI-driven cybersecurity solutions, which of Porter's Five Forces was most likely mitigated by forming partnerships with international tech firms?
- (a) Threat of Substitute Products or Services
  - (b) Bargaining Power of Suppliers
  - (c) Threat of New Entrants
  - (d) Intense Rivalry Among Existing Competitors **(2 Marks)**
- (iv) By entering the global market and launching AI-driven cybersecurity solutions, DEF Technologies pursued which expansion strategy from Ansoff's Product-Market Growth Matrix?
- (a) Diversification
  - (b) Market Penetration
  - (c) Product Development
  - (d) Market Development **(2 Marks)**
- (v) MedTech Solutions' focus on developing affordable telemedicine platforms and AI-driven diagnostic tools reflects which of the following competitive strategies?
- (a) Differentiation strategy
  - (b) Cost leadership strategy
  - (c) Best-cost provider strategy
  - (d) Focus Strategy **(2 Marks)**

(B) Compulsory Application Based Independent MCQs

(i) A traditional desi ghee company modernized its production and introduced pro-biotic desi ghee, facing initial market doubts. Aggressive marketing campaigns highlighted its benefits, gaining acceptance. During which stage of the product life cycle did the desi ghee company face doubts but gained acceptance through aggressive marketing campaigns?

- (a) Introduction stage
- (b) Growth stage
- (c) Maturity stage
- (d) Decline stage

**(2 Marks)**

(ii) ValueMart is a discount retail chain that targets budget-conscious consumers by offering a wide range of products at the lowest possible prices. The company achieves this by sourcing goods in bulk, negotiating lower prices with suppliers, and maintaining lean operations. ValueMart's goal is to dominate the market by attracting price-sensitive customers from competitors. Which of Michael Porter's Generic Strategies is ValueMart primarily employing?

- (a) Differentiation
- (b) Focused Cost Leadership
- (c) Cost Leadership
- (d) Focused Differentiation

**(2 Marks)**

(iii) A women's clothing brand recognized new opportunities and researched emerging trends and consumer preferences. They introduced a new clothing line, received positive feedback from initial trials, and grew through strategic partnerships and targeted advertising. What strategic choice best describes this approach?

- (a) Product Development
- (b) Market Development
- (c) Market Penetration
- (d) Diversification

**(1 Mark)**

**PART II – Descriptive Questions (35 Marks)**

*Question No. 1 is compulsory.*

*Attempt any **two** questions out of the remaining **three** questions.*

1. (a) *TechNova*, a leading software development firm known for its cutting-edge operating systems, is developing a groundbreaking new platform. *ElectroWave*, an emerging player in the electronics and hardware industry, specializes in manufacturing advanced devices. *TechNova* and *ElectroWave* have decided to join forces to design innovative laptops

and smartphones, aiming to tap into new markets and broaden their business horizons. What kind of external growth strategy is being considered by *TechNova* and *ElectroWave*? **(5 Marks)**

- (b) Vikram Patel owns a chain of ten bookstores across the Mumbai region. Three of these stores were launched in the past two years. He has always believed in strategic management and enjoyed robust sales of books, magazines, and educational materials until about five years ago. However, with the increasing preference for online shopping, the sales at his physical stores have declined by approximately sixty percent over the last five years. Analyze Vikram Patel's current position in light of the limitations of strategic management. **(5 Marks)**
- (c) Orion Tech Solutions Pvt. Ltd. is renowned for its ability to launch groundbreaking software products. Despite the relaxed and casual work environment at Orion, there is a strong commitment to meeting deadlines. Employees at Orion believe in the "work hard, play hard" ethic. The company has shifted from a formal, hierarchical structure to a more results-oriented approach. Employees are deeply committed to the company's strategies and work diligently to achieve them. They safeguard innovations and maintain strict confidentiality and secrecy in their operations. Their work culture is closely aligned with the organization's values, practices, and norms. What aspects of an organization are being discussed? Explain. **(5 Marks)**
2. (a) Analyze the role of Key Success Factors (KSFs) in determining competitive success within an industry. **(5 Marks)**
- (b) What are distribution channels, and why is analyzing them crucial for business expansion? Describe the three main types of channels explaining their roles in ensuring products reach customers efficiently and with the necessary support. **(5 Marks)**
3. (a) What is a strategic vision, and what are the essential components that make it an effective tool for guiding an organization's future? **(5 Marks)**
- (b) Which strategy is implemented by redefining the business, by enlarging its scope of business and substantially increasing investment in the business? Explain the major reasons for adopting this strategy. **(5 Marks)**
4. (a) Describe the principal aspects of strategy-execution process, which are included in most situations. **(5 Marks)**
- (b) How does the PESTLE framework assist in analyzing the macro-environment?

**OR**

A manufacturing company is in direct competition with fifteen companies at the national level. The head of marketing department of this company wishes to study the market position of rival companies by grouping them into like positions. Name the tool that may be used by him/her. Explain the procedure that may be used to implement the techniques. **(5 Marks)**

**MODEL TEST PAPER 6**  
**PAPER 6B: STRATEGIC MANAGEMENT**

1. *The question paper comprises two parts, Part I and Part II.*
2. *Part I comprises case scenario based multiple choice questions (MCQs)*
3. *Part II comprises questions which require descriptive type answers.*

**PART I – Case scenario based MCQs (15 Marks)**

**Question 1. (A) (Compulsory)**

1. (A) EcoForge, a startup specializing in eco-friendly building materials crafted from agricultural waste, entered the highly competitive manufacturing industry with a vision of promoting sustainability. Despite its innovative approach, the company faced significant challenges as a new entrant, including high production costs, limited market visibility, regulatory hurdles, and fierce competition from established players. However, through strategic planning and effective execution, EcoForge successfully navigated these obstacles and positioned itself for sustainable growth.

The company's leadership recognized the importance of understanding its internal strengths and weaknesses, along with external opportunities and threats. This analysis revealed EcoForge's core advantage in sustainability and innovation, contrasted with scalability issues and market pressure from cheaper alternatives. Additionally, market analysis uncovered the potential of urban housing projects as an opportunity, while intense competition posed a significant threat.

EcoForge's leadership focused on creating unique value propositions by emphasizing its eco-friendly materials. This differentiation helped the company appeal to environmentally conscious builders and developers. To expand its market reach, EcoForge adopted strategies to deepen its presence in existing markets and explore new ones. Concurrently, it analyzed the industry landscape and identified the critical influence of regulatory policies and socio-cultural factors shaping consumer preferences.

Internally, EcoForge implemented structural and cultural changes to enhance its operational efficiency and responsiveness. By adopting a Strategic Business Unit (SBU) model, the company streamlined its decision-making process, allowing each product line to adapt quickly to market demands.

Recognizing the need for collaborative leadership, EcoForge's CEO, Ms. Aarti Mehra, invested in leadership training programs for senior managers. This shifted the company's culture from hierarchical to team-driven, encouraging innovation and cross-functional collaboration.

To enhance its competitiveness, EcoForge optimized its production and supply chain processes by addressing inefficiencies and partnering with technology providers. These efforts significantly reduced costs and

improved product quality. Simultaneously, the company pursued green certifications and localized marketing efforts to build brand recognition, attracting environmentally conscious clients. Over three years, these initiatives enabled EcoForge to expand into new markets, secure partnerships with leading developers, and increase its revenue by 40%.

By integrating market analysis, operational improvements, and a focus on cost efficiency, EcoForge transitioned from a struggling startup to a leader in sustainable building materials, setting a benchmark for innovation and environmental stewardship in the industry.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

- (i) The SBU model adopted by EcoForge is an example of strategic decision-making at which level?
- (a) Corporate Level
  - (b) Business Level
  - (c) Functional Level
  - (d) Operational Level
- (2 Marks)**
- (ii) EcoForge's strategy of appealing to environmentally conscious builders and developers by emphasizing its eco-friendly materials is an example of which type of generic strategy by Michael Porter?
- (a) Cost Leadership
  - (b) Differentiation
  - (c) Focussed Cost Leadership
  - (d) Focussed Differentiation
- (2 Marks)**
- (iii) The case mentions EcoForge identifying "critical influence of regulatory policies and socio-cultural factors shaping consumer preferences." Which strategic analysis framework is most relevant here?
- (a) SWOT Analysis
  - (b) Value Chain Analysis
  - (c) PESTLE Analysis
  - (d) Ansoff's Matrix
- (2 Marks)**
- (iv) EcoForge's strategy to deepen its presence in existing markets and explore new ones corresponds to which growth strategy in Ansoff's Matrix?
- (a) Market Penetration
  - (b) Market Development
  - (c) Product Development
  - (d) Diversification
- (2 Marks)**

- (v) Which key industry force, as per Porter's Five Forces, is reflected in EcoForge's challenges from cheaper alternatives and intense competition?
- (a) Threat of New Entrants
  - (b) Bargaining Power of Suppliers
  - (c) Bargaining Power of Buyers
  - (d) Threat of Substitutes
- (2 Marks)**

(B) Compulsory Application Based Independent MCQs

- (i) The CEO of GoFlyHigh Airlines has built a high-performance team over five years by closely monitoring performance metrics, setting clear expectations, and motivating employees through rewards and structured improvement plans. Her disciplined and results-focused approach has driven organizational success by fostering accountability and maintaining high standards. This leadership style emphasizes achieving defined goals through a structured framework, balancing performance recognition with corrective measures for sustained excellence. What strategic leadership style does the CEO exhibit?

- (a) Entrepreneur Leadership
- (b) Transformational Leadership
- (c) Transactional Leadership
- (d) Intrapreneur Leadership

**(2 Marks)**

- (ii) UN&T reached out to Mukesh S, an entrepreneur from India to get his team to work on a mega solar energy project and enter India's deccan plateau which enjoys an abundance of sunshine. What strategy is UN&T trying to implement?

- (a) Market Penetration
- (b) Market Development
- (c) Strategic Alliance
- (d) Diversification

**(2 Marks)**

- (iii) Urbankey has a unique capability in rapid prototyping, allowing them to bring new products to market faster than the competitors. Such an advantage can be termed as?

- (a) Market Expansion Strategy
- (b) Core Competency
- (c) Cost Leadership Strategy
- (d) Appropriate SWOT Analysis

**(1 Mark)**

## PART II – Descriptive Questions (35 Marks)

Question No. 1 is compulsory.

Attempt any **two** questions out of the remaining **three** questions.

1. (a) *Chic Threads*, a boutique fashion brand renowned for its commitment to sustainability and ethical practices, has recently launched a new line of eco-friendly clothing made from recycled materials. The brand recognizes the growing influence of environmentally conscious consumers who actively shape industry standards through their advocacy and purchasing decisions. These consumers align with *Chic Threads'* values and have a significant impact on its market position and reputation. How should *Chic Threads* effectively manage its relationship with environmentally conscious consumers, considering their high power and high interest in shaping the brand's success? **(5 Marks)**
- (b) You are a strategic manager for a tech company launching a new smartphone model. The company wants to target tech-savvy consumers who value innovation and cutting-edge technology. Using the concept of customer behavior, develop a marketing strategy to promote the new smartphone. **(5 Marks)**
- (c) *GreenEdge Solutions*, a mid-sized technology company, has implemented a new strategic plan focused on achieving sustainable growth and strengthening its market presence. The leadership team is determined to monitor the effectiveness of their strategies to ensure they align with the organization's overall goals and objectives. They seek a systematic approach to assess key performance areas critical to their success. What are Strategic Performance Measures (SPM), and how can *GreenEdge Solutions* effectively use them to evaluate and enhance the success of their strategic plan? **(5 Marks)**
2. (a) *Connect Group* was one of the leading makers of the mobile handsets till a few years ago and which went at the bottom of the heap. *Connect Group* didn't adapt to the current market trends, which eventually led to its downfall. Which would have helped *Connect Group* to change, adapt and survive? Explain the steps to initiate the change. **(5 Marks)**
- (b) Define strategic management. Also discuss the limitations of strategic management. **(5 Marks)**
3. (a) *Easy Access* is a marketing services company providing consultancy to a range of business clients. *Easy Access* and its rivals have managed to persuade the Government to require all marketing services companies to complete a time-consuming and bureaucratic registration process and to comply with an industry code of conduct. Do you think that by doing this *Easy Access* and its rivals has an advantage in some ways to fight off competitors? Explain. **(5 Marks)**
- (b) Explain in brief the various basis of differentiation strategies. **(5 Marks)**

4. (a) *Leatherite Ltd.* was started as a leather company to manufacture footwear. Currently, they are in the manufacturing of footwears for males and females. The top management desires to expand the business in leather manufacturing goods. To expand they decided to purchase more machines to manufacture leather bags for males and females. Identify and explain the strategy opted by the top management of *Leatherite Ltd.*

**(5 Marks)**

- (b) Major core competencies are identified in three areas - competitor differentiation, customer value and application to other markets. Discuss.

OR

Differentiation between Strategic Planning and Operational Planning.

**(5 Marks)**

**MODEL TEST PAPER 7**  
**PAPER 6B: STRATEGIC MANAGEMENT**

1. *The question paper comprises two parts, Part I and Part II.*
2. *Part I comprises case scenario based multiple choice questions (MCQs)*
3. *Part II comprises questions which require descriptive type answers.*

**PART I – Case scenario based MCQs (15 Marks)**

**Question 1. (A) (Compulsory)**

1. (A) Galaxy Enterprises Limited (GEL) operates as a diversified conglomerate with a significant presence in various industries, including electronics, packaged foods, textiles, heavy machinery, and renewable energy. Leveraging its substantial free reserves of ₹85,000 crores, GEL has built a strong brand reputation, largely driven by its market leadership across multiple sectors.

In the renewable energy sector, GEL has been the industry leader for over 15 years. The division's recent performance has been exceptional. A significant market development occurred when two competitors, Nova Green Energy Limited and Zenith Solar Limited – previously ranked second and third in market share, respectively – merged to create a new entity, Synergy Renewables Ltd (SRL). Following the merger, SRL has claimed the top spot in market share, intensifying competition.

Against this backdrop, the Chairman of GEL convened a strategic meeting with the Board of Directors, divisional heads, marketing executives, and the Group CFO. The meeting focused on formulating growth strategies for the renewable energy division, identifying opportunities for diversification, and announcing an interim dividend in honour of GEL's platinum jubilee celebrations.

Mr. Arvind Malhotra, CEO of the renewable energy division, emphasized the industry's slow pace of modernization compared to global standards. He highlighted the potential in emerging product categories, such as next-generation solar panels, energy storage systems, and advanced wind turbines. He proposed a modernization initiative requiring an investment of ₹7,000 crores. This transformation is projected to reduce operational costs by 20% and minimize wastage by 12%.

The CFO presented an analysis revealing that competitors are unlikely to invest in significant upgrades or expansions for the next 6–8 years due to financial constraints. In response, the Board approved the modernization initiative and allocated an additional ₹1,500 crores to strengthen the division's supply chain.

Another proposal discussed was GEL's entry into the electric vehicle (EV) segment. The Board approved this diversification strategy, allocating ₹8,000 crores to establish a foothold in this rapidly growing

market. Additionally, the Board authorized the distribution of an interim dividend of ₹75 per share to commemorate GEL's platinum jubilee.

In preparing for these strategic initiatives, the Board also evaluated key stakeholders to determine their influence and interest. Shareholders and the Board of Directors emerged as primary stakeholders with both high influence and interest, necessitating active engagement to secure their support. Regulatory authorities were recognized as influential but less interested in the immediate plans, requiring regular updates to ensure compliance. Customers and employees, while not as powerful, were identified as highly interested stakeholders, particularly concerning the renewable energy division's modernization and the entry into the EV market.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

- (i) GEL has approved significant investments in modernizing its renewable energy division and entering the electric vehicle segment. Analyze the level of strategy these decisions represent and identify the correct justification for your answer.
- (a) Functional level, as these are related to operational improvements within the renewable energy division.
  - (b) Business level, as these initiatives align with the goals of a single division to gain a competitive edge.
  - (c) Corporate level, as they involve decisions impacting the overall portfolio and diversification of GEL.
  - (d) Operational level, as these focus on day-to-day activities within the divisions. **(2 Marks)**
- (ii) With the merger of Nova Green Energy Limited and Zenith Solar Limited into Synergy Renewables Ltd (SRL), how does this development influence GEL's strategic priorities in the renewable energy sector under Porter's Five Forces framework?
- (a) The merger reduces the threat of substitutes by consolidating competing technologies.
  - (b) It increases the bargaining power of buyers by providing them with a stronger alternative supplier.
  - (c) It heightens the intensity of industry rivalry by creating a stronger competitor with greater market share.
  - (d) The merger strengthens the bargaining power of suppliers due to greater reliance on key inputs. **(2 Marks)**
- (iii) GEL's decision to enter the EV market represents a diversification strategy. Evaluate which type of diversification strategy is being pursued and the reasoning behind this classification.
- (a) Concentric diversification, as the EV market shares synergies with renewable energy technologies.

- (b) Vertical integration, as GEL seeks to integrate upstream or downstream activities in the automotive value chain.
  - (c) Horizontal diversification, as GEL expands into a market unrelated to its existing renewable energy operations.
  - (d) Conglomerate diversification, as GEL enters an entirely unrelated and independent business segment. **(2 Marks)**
- (iv) GEL identified shareholders and the Board of Directors as key stakeholders. Analyze the rationale for classifying them as both high influence and high interest and how this influences strategic communication.
- (a) They directly impact compliance with regulatory standards, necessitating regular updates.
  - (b) Their vested interest in dividends and long-term value creation makes their engagement essential for approval of key initiatives.
  - (c) They represent the end consumers whose perceptions directly influence GEL's market reputation.
  - (d) Their role in operational execution requires constant communication and support for strategy implementation. **(2 Marks)**
- (v) By approving modernization in renewable energy and diversification into EVs, what corporate strategy is GEL pursuing, and how does it position the company as per Ansoff's product market growth matrix?
- (a) Cost leadership, to lower operational expenses and offer competitive pricing.
  - (b) Product differentiation, by leveraging innovation in both existing and new markets.
  - (c) Market penetration, through deeper investments in existing product lines.
  - (d) Market expansion and diversification, to capture growth opportunities across unrelated industries. **(2 Marks)**

**(B) Compulsory Application Based Independent MCQs**

- (i) Harish, a middle manager, is confused about the difference between flexibility and resilience while working around an uncertain situation in the organization. Can you help find the right difference between the two?
- (a) Flexibility is about adapting to new things quickly, while resilience is about holding on to the current position of the things for the short-term as the organisation is confident of its efficiencies.
  - (b) Flexibility is a subset of resilience, and to be flexible means to be resilient.
  - (c) Flexibility is the opposite of resilience, where, if the organisation is flexible, it changes and if it is resilient it doesn't change at all.
  - (d) Both are the same. **(2 Marks)**

- (ii) Suman, the marketing head of Jalwa Music Co., was doing research on the online music streaming business in India for her new age music for youngsters. She analyzed that though the players in the market were innovating rapidly, it was difficult to maintain a sustainable competitive advantage. Which aspect of strategic management best reflects this challenge?
- (a) The need for continuous innovation.
  - (b) The importance of understanding the competitive landscape.
  - (c) The dynamic and unpredictable nature of the industry.
  - (d) The difficulty in estimating competitors' responses. **(2 Marks)**
- (iii) During which stage of the Product Life Cycle would you typically expect the highest marketing expenditure per unit sold as companies aggressively promote their product?
- (a) Maturity
  - (b) Introduction
  - (c) Growth
  - (d) Decline **(1 Mark)**

## PART II – Descriptive Questions (35 Marks)

*Question No. 1 is compulsory.*

*Attempt any **two** questions out of the remaining **three** questions.*

1. (a) *Jupiter Electronics Ltd.* is known for its ability to come out with path-breaking products. Though the work environment at Jupiters is relaxed and casual, there is a very strong commitment to deadlines. The employees believe in a “work hard play hard” ethic. The organisation has moved away from formal and hierarchical set up to a more results-driven approach. Employees are committed to strategies and work towards achieving them. They guard innovations, maintain confidentiality and secrecy in their work. They are closely related to values, practices, and norms of organisations. What aspects of an organization are being discussed? Explain. **(5 Marks)**
- (b) *Reshuffle Corp* is a company that manufactures and sells office furniture. They offer a range of products, from desks and chairs to cabinets and shelves. Recently, the company has been facing increased competition from online retailers offering similar products at lower prices.
- Analyzing the characteristics of products in the furniture industry, discuss how *Reshuffle Corp* can differentiate its products to maintain a competitive edge in the market. **(5 Marks)**
- (c) A business consultancy firm focuses on providing specialized services in environmental management consultancy. It assists client companies in establishing robust environmental management accounting systems

for the measurement, recording, and analysis of environmental costs. A significant portion of the firm's operations involve conducting environmental audits to verify compliance with international assurance standards in environmental management—an exclusive service not offered by its competitors. While the firm also undertakes other management consultancy projects, these constitute only a minor share of its total annual revenue. Identify the strategy categories by Michael Porter which best describes the strategy of this firm. **(5 Marks)**

2. (a) Analyze the role of Key Success Factors (KSFs) in determining competitive success within an industry. **(5 Marks)**  
(b) How the 'Strategic Business Unit' (SBU), structure becomes imperative in an organization with increase in number, size and diversity of divisions? **(5 Marks)**
3. (a) Rohit Patel has a small chemist shop in the central part of Ahmedabad. What kind of competencies Rohit can build to gain competitive advantage over online medicine sellers? **(5 Marks)**  
(b) Distinguish between Vision and Mission. **(5 Marks)**
4. (a) Vikram Patel owns a chain of ten bookstores across the Mumbai region. Three of these stores were launched in the past two years. He has always believed in strategic management and enjoyed robust sales of books, magazines, and educational materials until about five years ago. However, with the increasing preference for online shopping, the sales at his physical stores have declined by approximately sixty percent over the last five years. Analyze Vikram Patel's current position in light of the limitations of strategic management. **(5 Marks)**  
(b) Explain the strategic implications of each of the following types of business in a corporate portfolio:  
(a) Stars      (b) Question Marks      (c) Cash Cows      (d) Dogs

OR

Strategic alliances are formed if they provide an advantage to all the parties in the alliance. Do you agree? Explain in brief the advantages of a strategic alliance. **(5 Marks)**

**MODEL TEST PAPER 8**  
**PAPER 6B: STRATEGIC MANAGEMENT**

1. *The question paper comprises two parts, Part I and Part II.*
2. *Part I comprises case scenario based multiple choice questions (MCQs)*
3. *Part II comprises questions which require descriptive type answers.*

**PART I – Case scenario based MCQs (15 Marks)**

**Question 1. (A) (Compulsory)**

1. (A) Once upon a time in the land of sun, sand, and vibrant cultures, there existed a company named "MuseoGoa" - a company that managed museums in the beautiful state of Goa. MuseoGoa had a vision to celebrate the rich history and culture of Goa, but their journey was not without its fair share of challenges.

MuseoGoa had chosen a picturesque location in a quaint village to build their first museum. However, this initial enthusiasm was met with an uproar from the local communities. The villagers were concerned about the impact on their way of life and traditions. They worried that the influx of tourists might disrupt their peaceful existence.

To address this challenge, MuseoGoa applied Mendelow's matrix, identifying the local communities as key stakeholders. They decided to engage in open dialogues, understanding and respecting the villagers' concerns. MuseoGoa initiated community-building activities, such as involving locals in museum operations, supporting local artisans, and organizing cultural events that showcased the village's heritage. Slowly but steadily, the company transformed from being perceived as a threat to a valued partner within the community.

While MuseoGoa had successfully resolved their initial issues with the local community, they faced another challenge. Their location, although idyllic, was a bit off the beaten path. Tourists typically preferred the bustling beaches closer to the city, and this posed a real challenge. MuseoGoa decided to employ a pricing strategy. They priced their tickets affordably, significantly cheaper than the city's attractions. This strategy attracted budget-conscious tourists who were looking for unique experiences in Goa without burning a hole in their pockets. As word spread about the cultural gem tucked away in the village, visitors started flocking in, drawn not just by the museum's charm but also the economical ticket prices.

In the age of social media, MuseoGoa knew that word-of-mouth was no longer limited to whispers. They tapped into the power of social media to promote their unique museum experience. MuseoGoa ran interactive campaigns, encouraging visitors to share their experiences on various platforms. One particular Instagram post featuring a vibrant Goan mural in the museum went viral. This was the turning point. The picture-perfect aesthetics of the museum attracted influencers, bloggers, and travel enthusiasts, making MuseoGoa a social media sensation. Visitors came

pouring in, not just from India but from across the globe, eager to capture their own moments at the "Instagrammable Museum of Goa."

With success came ambition. MuseoGoa decided to expand its footprint beyond Goa. To guide this expansion, they conducted a strategy audit and trend analysis. They identified emerging cultural and tourism trends and found potential markets in Pune and Trivandrum.

In Pune, MuseoGoa curated a special exhibition that celebrated the fusion of Goan and Maharashtrian cultures. They strategically partnered with local influencers and travel agencies to market the new experience. The expansion into Pune was met with resounding success.

For Trivandrum, MuseoGoa recognized the importance of local traditions and the distinct flavor of Kerala. They tailored their offerings to harmonize with the regional culture. MuseoGoa became the gateway for tourists to explore Kerala's rich heritage, with the museum acting as a bridge between Goa and Kerala's cultural tapestry.

MuseoGoa's journey from initial uproar to expansion was a testament to their commitment to community building, strategic pricing, social media savvy, and a keen eye for trends. The company continued to flourish, celebrating the diverse cultural tapestry of India and making history come alive in every location they touched.

Based on the above Case Scenario, answer the Multiple Choice Questions.

- (i) Which strategic management concept did MuseoGoa use to address the initial concerns of the local community?
- (a) SWOT analysis
  - (b) Mendelow's matrix
  - (c) Cost leadership strategy
  - (d) Porter's Five Forces model **(2 Marks)**
- (ii) MuseoGoa's idyllic location in a quaint village posed a challenge as tourists preferred beaches closer to the city. To attract visitors, MuseoGoa priced their tickets affordably, cheaper than city attractions, drawing budget-conscious tourists looking for unique experiences. What business strategy did MuseoGoa employ to attract more tourists?
- (a) Cost leadership strategy
  - (b) Differentiation strategy
  - (c) Focus strategy
  - (d) Diversification strategy **(2 Marks)**
- (iii) How did MuseoGoa approach its expansion into new markets such as Pune and Trivandrum?
- (a) Outsourcing strategy
  - (b) Franchising strategy

- (c) Product diversification strategy
  - (d) Market development strategy **(2 Marks)**
- (iv) Which element of the 7S McKinsey model is demonstrated by MuseoGoa's strategic use of social media and pricing strategies to attract visitors?
- (a) Style
  - (b) Strategy
  - (c) Shared Values
  - (d) Skills **(2 Marks)**
- (v) What played a crucial role in MuseoGoa's success in Pune and Trivandrum?
- (a) Strategic partnerships
  - (b) Aggressive advertising
  - (c) Product differentiation
  - (d) Vertical integration **(2 Marks)**
- (B) Compulsory Application Based Independent MCQs
- (i) Jaago Lights, a successful brand from Jalandhar, aimed to enter the Middle East market by teaming up with major industry players. They needed to reorganize internal operations and refine product designs, facing pressure to expand quickly and turbulence in existing operations. What is the primary limitation of strategic management highlighted in the business case?
- (a) Lack of senior management support
  - (b) Time-consuming and complex nature
  - (c) Inability to adapt to market changes
  - (d) Excessive focus on short-term goals **(2 Marks)**
- (ii) A traditional desi ghee company modernized its production and introduced pro-biotic desi ghee, facing initial market doubts. Aggressive marketing campaigns highlighted its benefits, gaining acceptance. During which stage of the product life cycle did the desi ghee company face doubts but gained acceptance through aggressive marketing campaigns?
- (a) Introduction stage
  - (b) Growth stage
  - (c) Maturity stage
  - (d) Decline stage **(2 Marks)**
- (iii) Alpha Corp is undergoing a shift to foster a culture that encourages innovative thinking and team collaboration. To achieve this, the company is focusing on how leaders interact with their teams and

set examples for behavior, aiming to align leadership practices with desired cultural outcomes. Which aspect of AlphaCorp is being adjusted to foster a culture of innovation and collaboration?

- (a) Structure
- (b) Systems
- (c) Skills
- (d) Style

**(1 Mark)**

## **PART II – Descriptive Questions (35 Marks)**

*Question No. 1 is compulsory.*

*Attempt any **two** questions out of the remaining **three** questions.*

1. (a) Tech Innovators Inc., a rapidly expanding technology company, aims to lead in artificial intelligence (AI) and machine learning (ML). With recent growth, the company is evaluating which organizational structure will best support its vision for innovation and leadership in AI technologies. They are considering three options: the Functional and Divisional Relationship for specialization, the Horizontal Relationship for flat, collaborative management, and the Matrix Relationship for cross-functional teams. Which of these relationships—Functional and Divisional, Horizontal, or Matrix—will most effectively achieve Tech Innovators Inc.'s strategic goals, and why? **(5 Marks)**
  - (b) Rajiv Arya owns an electrical appliance company specializing in the manufacture of domestic vacuum cleaners. The market is competitive, with four other manufacturers offering similar products and achieving comparable sales volumes. Additionally, these rival firms hold several patents related to the vacuum cleaner technology. The supplier base for raw materials is extensive, with multiple suppliers available. Identify and explain the significant forces from Porter's Five Forces framework that are relevant to Rajiv Arya's company. **(5 Marks)**
  - (c) A Mumbai-based conglomerate, PQR Ltd., has announced a major restructuring of its business operations. The company has decided to split its business into four separate units: Manufacturing, Retail, Services, and Technology. Each unit will operate as a separate business, with delegated responsibility for day-to-day operations and strategy to the respective unit managers. Identify the organization structure that PQR Ltd. has planned to implement. Discuss any four attributes and the benefits the firm may derive by using this organization structure. **(5 Marks)**
2. (a) Strategic management helps an organization to work through changes in the environment to gain competitive advantage. In light of statement discuss its benefits. **(5 Marks)**

- (b) A company has recently launched a new product in the market. Initially, it faced slow sales growth, limited markets, and high prices. However, over time, the demand for the product expanded rapidly, prices fell, and competition increased. Identify the stages of the product life cycle (PLC) that the company went through. **(5 Marks)**
3. (a) What do you understand by Strategic Alliance? Discuss its advantages. **(5 Marks)**
- (b) Why Strategic Performance Measures are essential for organizations? **(5 Marks)**
4. (a) Distinguish between Concentric Diversification and Conglomerate Diversification. **(5 Marks)**
- (b) What are channels? Why is channel analysis important? Explain the different types of channels?

OR

How can Mendelow's Matrix be used to analyze and manage the stakeholders effectively? **(5 Marks)**