



## Business Management

Final Examinations  
Module E – Summer 2011

Reading time – 15 minutes

June 9, 2011  
100 marks – 3 hours

- Q.1 (a) A leading manufacturer of automobiles attaches high degree of importance to the competencies and skills of its front-line operational managers in the manufacturing and assembly lines.

Identify and briefly explain the **different types of competencies and skills** required for effective performance by these managers. (05 marks)

- (b) Employee Participation is often considered to be vital for the growth and development of individuals and teams to enable them to make effective contribution towards achievement of the goals of the organisation. List **five** advantages which employers seek to achieve by encouraging Employee Participation in the affairs of the organisation. (05 marks)

- Q.2 (a) Identify the force of competition which is relevant in the context of Michael Porter's **Five Forces Model of Competition** in each of the scenarios presented below. Substantiate your answer by highlighting the salient features of the Model of Competition selected by you in each of these scenarios.

- (i) Four companies of similar size and strength are engaged in the manufacture of detergent powder for washing clothes. These companies are key market players and jointly share 95% of the aggregate market which is not expected to witness any significant growth in the foreseeable future.

- (ii) Soundhealth Pharmaceuticals and Goodcare Pharmaceuticals are manufacturers of two new medicines for treatment of cancer. The medicines have been developed after a long period of research at a very substantial R&D cost and are highly effective.

Both the existing manufacturers are earning exceptionally high profits in a market which is expected to witness growth in the future.

- (iii) Lucky Coal Mines Limited is the sole supplier of coal to a cement plant located in close proximity to the mines. The cement plant requires substantial quantities of coal for firing of its kilns. Quality of this coal is most suitable for the cement plant and also cost-effective due to low transportation costs. Lucky Coal Mines has several buyers who are willing to purchase the coal because of its high calorific value. (09 marks)

- (b) Unique Textile Mills are leaders in the designing and manufacturing of cotton fabrics for ladies fashion clothing. Identify **four** Strategic Objectives which in your opinion may be included in the strategic planning process of Unique Textile Mills. (03 marks)

- Q.3 Symco Bank Limited has introduced significant changes in its organizational structure and downsized its operations so that it may be able to provide more efficient services to its customers and meet intense competition from other banks.

- (a) Define Downsizing and very briefly describe its impact on the Bank's organizational structure. (03 marks)

- (b) List the important considerations which should be kept in perspective by the HR Manager of the bank while pursuing a policy of downsizing. (05 marks)

- Q.4 (a) What is meant by Market Research? (02 marks)
- (b) Give **four** basic reasons why companies conduct market research. (04 marks)
- Q.5 You have recently been appointed as Human Resource Manager of Fine Electrical Company Limited (FECL), a leading manufacturer of a wide range of household appliances. The company has over 800 employees working in the various departments involved in the manufacture of its different product lines. You have observed that FECL does not have a system of Formal Succession Planning Scheme in the company.
- Required:**
- (a) Explain briefly what is meant by Formal Succession Planning. (03 marks)
- (b) Briefly explain to the management of FECL the advantages of introducing a Formal Succession Planning Scheme in the company. (05 marks)
- Q.6 (a) What is Market Penetration Policy? Identify the conditions in which Market Penetration Policy may be pursued to achieve optimum results. (06 marks)
- (b) Explain briefly what you understand by the term Market Segmentation. State the criteria which are essential for classification of markets in different segments. (05 marks)
- Q.7 Highly Creative Strategic Planners in progressive organizations have innovative mindsets and do not merely project past strategies in the future but are continuously engaged in “out of the box” thinking to explore new opportunities beyond the existing strategy framework.
- Identify the distinguishing characteristics of organizations which pursue innovative corporate strategies. (09 marks)
- Q.8 (a) Distinguish between a global business strategy and a multi-domestic/adaptive business strategy. Identify a real life example of each strategy and give reason for your choice. (06 marks)
- (b) What are the key financial decisions which should be made by the management while contemplating direct investment in a foreign country by formation of a subsidiary company? (05 marks)
- Q.9 A multinational company which has its headquarters in the UK pursues a strategy of exercising very close control and centralization of all important decision-making processes of all of its four overseas subsidiary companies.
- Identify **four** factors which in your opinion may have influenced the MNC’s strategy of implementing highly centralized decision making policies for its subsidiary companies. (10 marks)
- Q.10 List **ten** responsibilities/obligations which employers must fulfill to ensure that the issues of Health and Safety are addressed adequately in a manufacturing environment. (05 marks)
- Note: Explanations are not required*
- Q.11 Briefly discuss the following:
- (a) Business Ethics (2.5 marks)
- (b) Environmental Scanning (2.5 marks)
- (c) Tactical Planning (2.5 marks)
- (d) Backward Integration Strategy (2.5 marks)

(THE END)