



## Business Management

Final Examination  
Winter 2011  
Module E

8 December 2011  
100 marks – 3 hours  
Additional reading time – 15 minutes

- Q.1 Sound Health Pharmaceuticals Limited (SHPL) is a reputable international company engaged in the business of manufacture of a wide range of medicines with facilities located in several countries. SHPL's products have been developed after long periods of research at considerable costs and are prescribed by medical consultants for patients suffering from life-threatening diseases. As Director of Human Resources, you have to recruit Director Public Relations and Media Affairs to replace the incumbent official who is expected to retire shortly.

Identify and explain briefly **eight** critical skills and competencies you would seek in the prospective candidates for this high-profile position in SHPL's senior management hierarchy. *(08 marks)*

- Q.2 Explain briefly the following types of Growth Strategies pursued by Business Organisations. Give **one** example of **each** of these types of strategies.
- (a) Horizontal Integration Strategy *(04 marks)*
  - (b) Forward Integration Strategy *(04 marks)*
  - (c) Conglomerate Growth Strategy *(04 marks)*

- Q.3 (a) Business firms, at times, place excessive emphasis on Cost Reduction and Austerity policies to achieve their profit objectives. These policies may be in conflict with the interests of customers, employees and the society as a whole.

Identify any **three** adverse effects of introduction of stringent Cost Reduction and Austerity policies on **each** of the above stakeholders. *(4.5 marks)*

- (b) What is meant by the term Corporate Social Responsibility? *(3.5 marks)*
- (c) State **five** important factors which should be included in developing an effective Accident Prevention and Reporting System for a company involved in heavy mechanical and engineering operations. *(05 marks)*

- Q.4 (a) Accurate Engineering Limited is engaged in the business of manufacturing precision earth drilling tools used by the oil exploration industry. The Company employs a high proportion of skilled and experienced workers for the smooth and efficient manufacture of its quality-sensitive high-value products. Recently, the company has been facing an unusually High Rate of Employee Turnover which is a matter of serious concern for the management.

Identify **five** disadvantages which Accurate Engineering Limited would experience due to the unusually High Rate of Employee Turnover. *(05 marks)*

- (b) (i) Briefly explain what is meant by a Differentiation Strategy. *(02 marks)*
- (ii) List **six** types of skills and resources which are critical for the pursuance of a successful Differentiation Strategy. *(03 marks)*

- Q.5 (a) Explain what is meant by Scenario Planning. *(03 marks)*
- (b) In highly competitive business environments dominated by relatively few equally powerful players, the participants make concerted efforts to implement effective Marketing Intelligence Systems.
- (i) What is meant by the term Marketing Intelligence System? *(03 marks)*
- (ii) List **five** different sources which help in the creation of an effective Marketing Intelligence System. *(05 marks)*

- Q.6 (a) Explain what is meant by Geocentric Orientation in the context of global business companies. *(05 marks)*
- (b) Alpha Equipments is a Taiwanese manufacturer of various types of photocopiers and has recently decided to export its products to Pakistan. Alpha Equipments is considering to appoint a Single Distributor in Pakistan who would represent the exporter and would be responsible for the entire marketing operations in this country.

State **six** different advantages that Alpha Equipments would achieve through the appointment of a Single Distributor for import and distribution of its products in Pakistan. *(06 marks)*

- Q.7 (a) Foresight Electronics is a knowledge-based company and is known for its ability to manufacture innovative and new-to-the-market electronic products and sell them in specifically identified niche markets. The company follows a Market Skimming Strategy to achieve its profitability objectives.

Narrate **four** conditions which are essential for Foresight Electronics to be able to successfully adopt its Market Skimming strategy. *(06 marks)*

- (b) Household Furniture Co. are manufacturers of a wide range of furniture products used primarily by customers in the middle income group.

Identify **four** different types of conditions in which it would be advantageous for the firm to pursue Market Penetration Strategy. *(04 marks)*

- Q.8 Horizon Limited (HL) is engaged in the business of manufacturing and marketing of a wide range of consumer durable products. The company's products are in different stages of their Product Life Cycles. Consequently, HL pursues different promotional strategies for products depending on the stage of their Product Life Cycles.

State the types of Promotional Strategies which HL may pursue for marketing of its wide range of products in the (i) Introduction, (ii) Growth, (iii) Maturity and (iv) Declining stages of their Product Life Cycle. *(07 marks)*

- Q.9 (a) In your opinion what important factors have led leading Japanese companies to establish automobile assembling/manufacturing plants in selected developing countries?

Identify **five** factors and substantiate them with brief explanations. *(05 marks)*

- (b) Describe briefly the Political Factors which should be taken into consideration by a multinational corporation while evaluating a decision to make substantial direct investment in a foreign country. *(03 marks)*

Q.10 Selection and recruitment of candidates requires careful assessment of the diversified attributes of the prospective candidates. Besides interviews, different types of tests are administered to ascertain the suitability of candidates for the positions for which they are being considered for appointment.

- (a) Explain briefly the purpose of each of the following types of tests which are administered to candidates in the selection process.
- (i) Intelligence Tests
  - (ii) Proficiency Tests
  - (iii) Aptitude Tests
- (03 marks)*
- (b) State **two** qualities of a well-conceived Selection Test and indicate why they are important.
- (02 marks)*
- (c) Identify the different situations in which it may be considered necessary for an organisation to dismiss an employee.
- (05 marks)*

**(THE END)**