



Business Management

Final Examination
Summer 2013
Module E

6 June 2013
100 marks - 3 hours
Additional reading time - 15 minutes

- Q.1 Grand Shipping Company Limited (GSCL) operates a fleet of container ships and plies on some of the busiest sea routes. To render efficient services in a competitive business environment, it is critical for GSCL to develop and retain a trained and motivated workforce comprising of onboard crew, staff at the ports and office personnel. GSCL makes concerted efforts to implement high-performance systems in all spheres of its operations in which the human resources are of vital importance.

Describe the human resource policies and practices which may have contributed towards GSCL's success in achieving high-performance systems in its operations.

(09)

- Q.2 Markets are often demarcated into different segments on the basis of their unique characteristics and attributes. The different market segments may be classified as:

- | | |
|-------------------------------------|------------------------------------|
| (i) Geographic or location segments | (ii) Demographic segments |
| (iii) Time segments | (iv) Usage or consumption segments |

Appropriate pricing strategies must be adopted for each of these market segments to achieve the desired objectives.

Explain and illustrate with appropriate examples the pricing strategies which may be pursued for **each** of the above market segments to achieve specific objectives.

(10)

- Q.3 (a) Various studies show that in the present business environment, strategies of vertical expansion are pursued less frequently than the other strategies of business growth.

Explain briefly the reasons why firms do not always consider it advantageous to pursue strategies of vertical expansion vis-à-vis the other strategies of business growth.

(08)

- (b) Mission of an organisation, articulated and clearly defined in its mission statement, is a combination of the inspiration and description of the road ahead for the organisation.

State the essential elements which a progressive organisation would want to capture and propagate amongst its employees in a well-crafted mission statement.

(05)

- Q.4 (a) State the advantages of pursuing a policy of congenial human relations management in a large-sized industrial organisation having several divisions/departments.

(05)

- (b) In the course of selection process, candidates are administered various kinds of tests to ascertain their suitability for the positions. These tests must show a high degree of Reliability and Validity.

State what is meant by Reliability and Validity of these tests and why these concepts are considered important in the selection process.

(05)

Q.5 Identify the business strategy/policy/definition which is most relevant in each of the following situations:

- (i) The process through which representatives of management and workers union negotiate a labour agreement is known as _____
- (ii) Promotion of a firm's brand status and acceptability by increasing customer perception of its superiority over other brands of similar products is _____
- (iii) A form of promotion that links a brand of a consumer product to cultural, social, sports or other activities of high public interest is known as _____
- (iv) A company's obligation to be sensitive to the needs of all its stakeholders and create an overall positive impact on the society is known as _____
- (v) The approach in which a multinational company assigns the best employees to key positions in its worldwide operations regardless of their nationalities is _____
- (vi) The activities of two or more businesses when brought together create value that is greater than the value which they can achieve individually is due to the effect of _____
- (vii) The protection granted by law to intangible assets such as patents, copyrights, trade marks and authors of books is called _____
- (viii) Purchase of all or part of a business from its owners by its managers is called _____
- (ix) Potential changes in political conditions in a country that may cause a company's operating performance or financial position to deteriorate are called _____
- (x) Implementation of measures to reduce electricity, petrol/diesel and gas consumption by efficient control and management and also to protect the natural environment is called _____

(10)

Q.6 (a) Fine Foods Limited, a recognised name in the packaged food industry, intends to launch its new line of cereal-fruit based products for infants.

State the important information which should be presented/contained in the labels on the new line of products.

(04)

(b) State how manufacturing companies find and develop new product ideas.

(04)

Q.7 (a) The magnitude of Foreign Direct Investments has increased significantly in recent times and the momentum of its expansion continues as an ongoing process.

Describe any **five** factors which in your opinion have contributed to the expansion of foreign direct investments in recent times.

(7.5)

(b) State **three** advantages of market-value based transfer pricing transactions among inter-group companies.

(4.5)

Q.8 Products of leading multinational companies have firm footholds in the markets in several countries around the world.

State **six** strategic factors which contribute towards the success of these companies in such highly diversified business conditions and market environments.

(09)

- Q.9 (a) What are the different types of entry barriers which may discourage entrants from establishing new manufacturing units in spite of substantial demand/supply gap for products in any industry? **(07)**
- (b) Identify the various steps involved in the Delphi Technique of decision making. **(05)**

Q.10 Mercury Telecom Limited (MTL) recognises the need for developing a cadre of trained management staff to provide efficient services to its customers. You have been engaged by MTL as an external consultant to prepare and implement a Training and Development Program for its new management trainees.

Describe the essential steps you may take to develop a comprehensive Training and Development Program which would meet the management training objectives of MTL. **(07)**

(THE END)