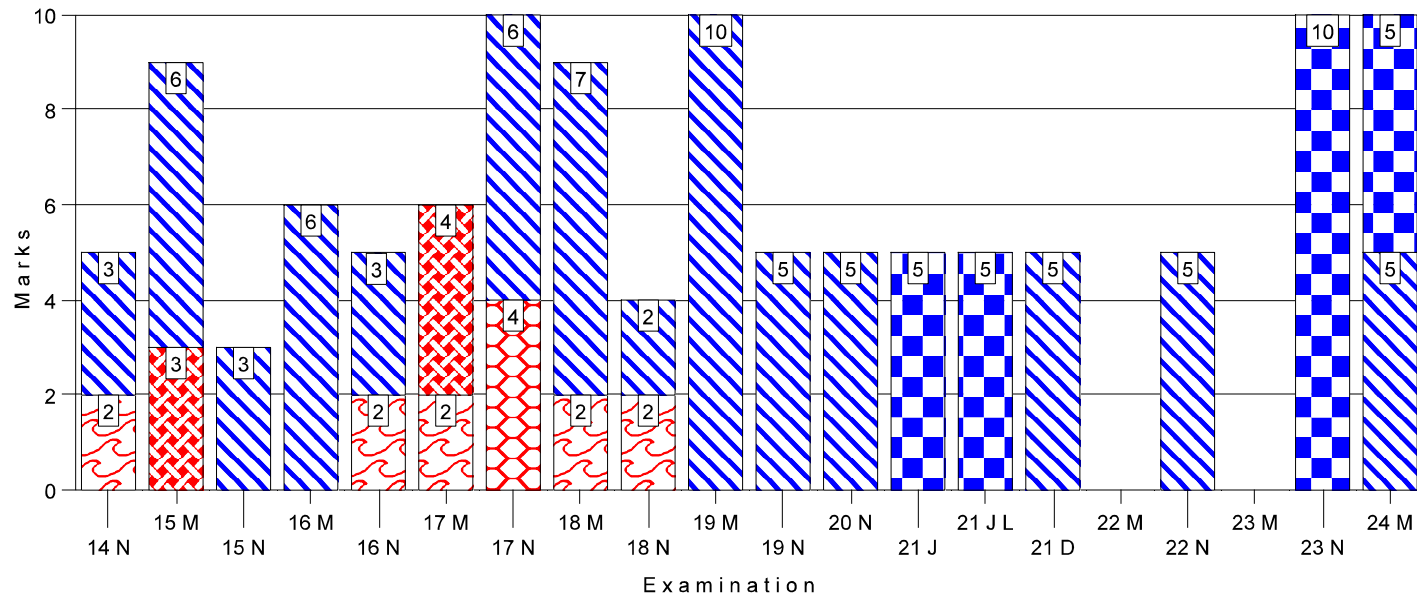


THE GRAPH

Trend Analysis

Marks of Objective, Short Notes, Distinguish Between, Descriptive & Practical Questions

Legend



CHAPTER	Introduction to Strategic Management
1	
This Chapter Covers : Study's Chapter: 1	
Topic Number	Name of the topic
1.	Meaning and Nature of Strategic Management
2.	Concept of Strategy
3.	Strategic Management -Importance and Limitations
4.	Strategic Intent (Vision , Mission, Goals, Objectives and Values)
5.	Strategic Levels in Organisation

TIME MANAGER		<i>Plan and Manage your Time</i>						
Time	First In-depth learning	Instant Revision (in hours)		Periodic Revision (in hours)				
	i.e..... Day 1	Next day i.e.... Day 2	After 7 days i.e. on Day 8	After 30 days i.e. on Day 30	After 60 days i.e. on Day 60	After 90 days i.e. on Day 90	Fix as per your need.	
1. Budgeted	16	4.00	3.12	2.20	1.35	1.35		
2. Actual								
3. Variance (1-2)								

OBJECTIVE QUESTIONS

2013 - Nov [9] (a) (i)	Topic 2
State with reasons which of the following statement is correct or incorrect: A company's strategy has always to be proactive in nature. (2 marks)	

Answer:

Incorrect- Strategic analysis seeks to determine alternative course of action that could best enable the firm to achieve its mission and objectives in light of impact and influence of competitive environment.

2014 - Nov [9] (a) (i), 2016 - Nov [9] (a) (i)	Topic 4
State with reasons which of the following statement is correct or incorrect: Strategic vision and mission statements are needed only by large business houses. (2 marks each)	

Answer:**Incorrect:**

Strategic vision and mission statement provides a framework for future and it is core documents prepared for base of formulation of strategy. Therefore, it is required for all business houses.

2017 - May [9] (a) (ii)	Topic 3
State with reason which of the following statement is correct or incorrect: Strategic management is a bundle of tricks and magic. (2 marks)	

Answer:

Incorrect: No, strategic management is not a bundle of tricks and magic. It is much more serious affair. It involves systematic and analytical thinking and action. Although, the success or failure of a strategy is dependent on several extraneous factors, it cannot be stated that a strategy is a trick or magic. Formation of strategy requires careful planning and requires strong conceptual, analytical and visionary skills.

2018 - Nov [8] (a)	Topic 4
Which of the following statement is correct and which is incorrect ? Give reasons in brief for your answer.	
Vision is one of the key elements of Strategic Intent. (2 marks)	

Answer:

Correct:

Vision implies the blueprint of the company's future position. It describes where the organisation wants to land. Every Sub - System of the organization is required to follow its vision.

SHORT NOTES

2017 - Nov [14] (a)	Topic 3
Write a Short note on the following :	
Family Managed Enterprises - Challenges & issues. (4 marks)	

Answer :

Cooperation on account of family ownership:

Theoretically, cooperation generates automatically in businesses owned by a same family. The ownership, groups are engaged in the management of their enterprised in a direct manner. Commonly, the ownership group is nothing but a family and its Kith and Kin. In India, a very large number of business enterprises, big, medium and small are family managed enterprises. These include large business houses such as Tata, Birla, Godrej Reliance, Modi, Escorts and etc. Major decisions and sometimes even minor decisions are made by members of the family who manage the enterprise. The interest of the family largely influence the managerial decisions and activities of the enterprise. There is a total identity between the needs and goals of the family and of the enterprise.

Sometimes, quarrels and conflicts among the managing members of the family on family matters tend to distort their behaviour in managing the enterprise also and thereby damage its functioning. Succession remains a

tricky and conflicting issue in businesses. Be it the Ambanis of Reliance Industries, the Bajajs of Bajaj Auto, the Nandas of Escorts, or the Modis of Modi Rubber- each family has, in the recent past, faced succession and ownership issues and found them tough resolve. However, one can count several counter examples of family- run businesses that have resolved these issue amicably. The Muruguppa group in the south, the Burmans of Dabur India and the Thapars have settled succession issues without coming into the public eye.

DISTINGUISH BETWEEN

2015 - May [13] (b), 2017 - May [13] (a)	Topic 4
Distinguish between the "Vision and Mission".	
(3, 4 marks)	

Answer:

Difference between Vision and Mission:

Basis of Difference	Vision	Mission
Meaning	Vision Statement outlines what the organization wants to be. It concentrates on the future. It is a source of inspiration. It provides clear decision making criteria.	A Mission Statement tells you the fundamental purpose of the organization. It concentrates on the present. It defines the customer & the critical processes. It informs you of the desired level of performance.
Time Period	It concentrates on future.	It concentrates on present.
Focus	The Vision Statement can galvanize the people to achieve defined objectives,	Mission Statement provides a path to realize the vision in line with its values. These

	even if they are stretch objectives, provide the vision in specific, measurable, achievable, relevant and time bound objectives.	statements have a direct bearing on the bottom line and success of organization.
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DESCRIPTIVE QUESTIONS

2014 - May [8] {C} (a)	Topic 4
Mission statement of a company focuses on the question: 'Who we are' and 'What we do'. Explain briefly. (3 marks)	

Answer:

A Company's mission statement is typically focused on its present business scope – "who we are and what we do";

- This is the starting point of strategic planning and consists of doing a situational analysis of the firm in the environmental context. Here the firm must find out its relative market position, corporate image, its strength and weakness and also environmental threats and opportunities.
- This is a process of goal setting for the organisation after it has finalised its vision and mission. A strategic vision is a roadmap of the company's future - providing specifics about technology & customer focus, the geographic and product markets to be pursued, the capabilities it plans to develop and the kind of company that management is trying to create.

2014 - Nov [8] {C} (b)	Topic 4
"A strategic vision is a road map of a company's future". Comment. Draft a strategic vision statement of any well known national level Educational Institution you are familiar with. (3 marks)	

Answer:

A Strategic Vision is a Road Map of a Company's Future – providing specifics about technology and customer focus, the geographic and product markets to be pursued, the capabilities it plans to develop, and the kind of company that management is trying to create.

In the process of strategy making, management is expected to look forward to the organisation's future, posing a question, 'What kind of an enterprise is it going to be'? This direction-setting idea underlies the concept of strategic vision. It is said to be a road map of the company's future.

Vision Statement of IIT Mumbai:

The vision of IIT Mumbai is to be the fountainhead of new ideas and of innovators in technology and science. Its mission is to create an ambience in which research and scholarship and leaders and innovators of tomorrow emerge.

2015 - May [8] {C} (b)	Topic 5
In your view, what is the role of Corporate level managers in Strategic management? (3 marks)	

Answer:

Corporate level	<ul style="list-style-type: none"> • The corporate level of management consists of the Chief Executive Officer (CEO), other Senior Executives, the Board of Directors and Corporate Staff. • These individuals are the main decision making body within the organization.
The Role of Corporate Level Manager includes:	<ul style="list-style-type: none"> • Defining the corporate vision, mission and goals. • Determining what business it should be in. • Allocating resources among the different businesses. • Formulating and implementing strategies that span individual businesses. • Providing leadership for the organization.

2015 - May [12] (b)		Topic 2
Quite often strategies of most business organizations are a combination of planned strategies and reactive strategies. Explain with reasons. (3 marks)		
OR	2018 - Nov [11] (b)	Topic 2
"Strategy is partly proactive and partly reactive". Elaborate. (5 marks)		

Answer:**Strategy is partly proactive and partly reactive.**

- **In proactive strategy**, organizations will analyze possible environmental scenarios and create strategic framework after proper planning and set procedures and work on these strategies in a predetermined manner.
- However, in reality no company can forecast both internal and external environment exactly.
- Everything cannot be planned in advance.
- Strategies need to be attuned or modified in light of possible environmental changes.
- There can be significant or major strategic changes when the environment demands.
- **Reactive strategy is triggered** by the changes in the environment and provides ways and means to cope with the negative factors or take advantage of emerging opportunities.

Reactive actions are the responses to the environmental changes in order to:

1. face unforeseen developments and changes.
2. adjust and adapt to unanticipated risks.

2015 - Nov [8] {C} (c)	Topic 4
"A company should focus on external perspective to define its mission." Support this statement with reasons. (3 marks)	

Answer:

- A Company's mission is a long term view of what the organisation is striving to become in future indicating the basic thrust of the firm including its product, business and market.
Mission as defined by Peter Drucker is the answer to the question, 'what business are we in'? The answer should have marketing or external perceptive and should not be restated to the production or generic activities of business. The mission is a statement which defines the role that the organization plays in the society.
- The organisation relate their existence to satisfy need of society. So we can describe mission as a statement which defines role that an organization plays in the society. The society as whole comes in external perceptive of business so that the company should focus on external perceptive to define its mission.

2016 - May [8] {C} (d)	Topic 4
'Objectives' and 'Goals' provide meaning and sense of direction to organizational endeavour. Explain. (3 marks)	

Answer:

Objectives are the organizations performance targets. The results and outcomes it wants to generate. They function as yardstick for tracking an organizations performance and progress. Business objectives translates their vision and mission. As such term objectives is synonymous with goals, however, we all make attempt to distinguish between them. Objectives are open ended attributes and goals are close ended attributes.

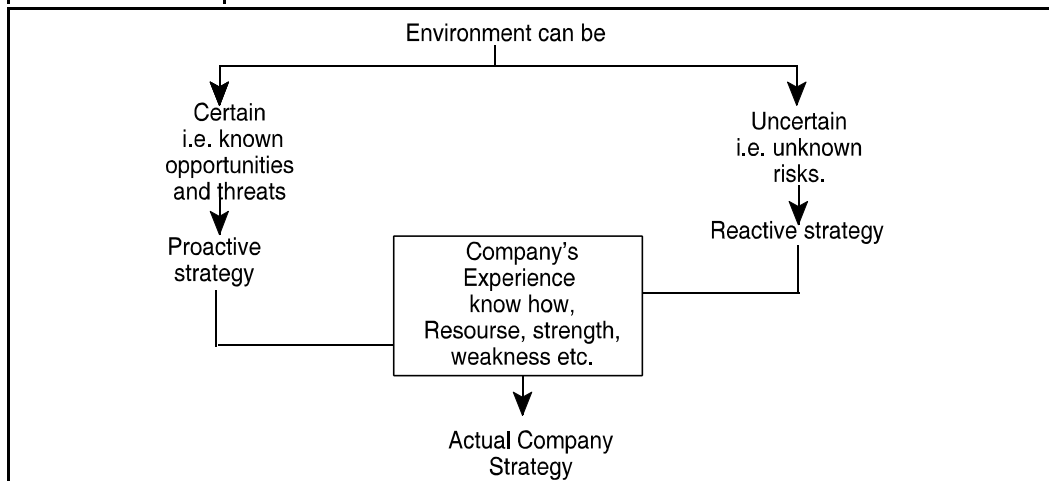
All organization have objective. The pursuit of objective is an unending process such as organizations sustain themselves. Objective and goals provide meaning and sense of direction to organizational endeavour.

2016 - May [14] (Or) (b)	Topic 2
"Strategy is partly proactive and partly reactive." Do you agree? Give reasons for your answer. (3 marks)	

Answer:**A Company's Strategy is basically a combination of**

1. Pro-active actions of the managers and
2. Re-active actions.

Proactive Actions	<p>In proactive strategy, organizations will analyze possible environmental scenarios and create strategic framework after proper planning and set procedures and work on these strategies in a predetermined manner.</p> <p>Proactive actions are the efficient planning to:</p> <ol style="list-style-type: none"> 1. improve the company's market position. 2. improve the company's financial performance.
Reactive Actions	<p>Reactive strategy is triggered by the changes in the environment and provides ways and means to cope with the negative factors or take advantage of emerging opportunities.</p> <p>Reactive actions are the responses to the environmental changes in order to:</p> <ol style="list-style-type: none"> 1. face unforeseen developments and changes. 2. adjust and adapt to unanticipated risks. <p>Environment also plays an important role in strategy formulation.</p>



Conclusion:

Thus, we can conclude that strategy is partly proactive and partly reactive. Under proactive strategy organisations will analyse possible environmental scenarios and create strategic framework after proper planning and set procedures and work on these strategies in a predetermined manner. However there can be significant deviations between what was visualised and what actually happens. These deviations are then handled through reactive strategy. Reactive strategy is triggered by the changes in the environment and provides ways and means to cope with the competitive factors or threat factors and take advantage of emerging opportunities.

2016 - Nov [8] {C} (b)		Topic 4
You are asked to draft a mission statement of a company. What is a mission statement? Give any two characteristics of a good mission statement. (3 marks)		
OR	2017 - Nov [12] (b)	Topic 4
Explain 'Mission' briefly. Discuss major elements of an effective corporate mission statement. (3 marks)		

Answer:**Mission Statement**

A Company's mission is a long-term view of what the organisation is striving to become in future indicating the basic thrust of the firm including its products, business and markets.

Mission as defined by Glueck and Jauch is the answer to the question 'what business are we in? To choose a mission is to answer the basic question: "What business are we in?" Thus a company may define its mission by stating that it is in the transportation business, which by implication states that the company, depending on its own capabilities and external opportunities, looks forward to engaging in transportation of goods by road and any other means, and include carriage of goods as well as passengers.

Characteristics of good mission statement:**Following points are useful while writing right mission statement of a company:**

1. One of the roles of a mission statement is to give the organization its own special identity, business emphasis and path for development.
2. A company's business is defined by what needs it is trying to satisfy, customer groups it is targeting, technologies and competencies it uses and the activities it performs.
3. Good mission statements are highly personalized—unique to the organization for which they are developed.
4. The mission should not be to make profit.
5. Technology, competencies and activities are important in defining a company's business because they indicate the boundaries on its operation.

2017 - Nov [8] {C} (b)	Topic 4
What are the three elements of a strategic vision?	(3 marks)

Answer:**Strategic Vision**

Meaning	A Strategic vision is a road map of a company's future – providing specifics about technology and customer focus, the geographic and product markets to be pursued, the capabilities it plans to develop, and the kind of company that management is trying to create.
Concept	In the process of strategy making, management is expected to look forward to the organisation's future, posing a question, 'What kind of an enterprise is it going to be'? This direction-setting idea underlies the concept of strategic vision. It is said to be a road map of the company's future.

Definition	Strategic Vision is rightly defined as <i>a mental perception of the kind of environment that an organisation aspires to create with a broad timeframe.</i> It may be regarded as a dream in the sense of an ideal.
Example	The Vision Statement of Warner – Lambert, the reputed Pharma Company of USA: <i>“To be the best—that is the compelling vision of Warner–Lambert. To achieve it, we nurture imagination and prize creativity. We move fast to build competitive advantage. We use our global reach to harvest ideas from all sources. We are willing to take well–thought–out risks and reward visionary action, even if results fall short of expectations. We recognize that excellence begins with focusing our resources on our most important opportunities and challenges”.</i>
Advantage	<ol style="list-style-type: none"> 1. A Vision fosters long term thinking . 2. It helps in creating a common identity and a shared sense of purpose which is at once inspiring and exhilarating for managers. 3. It represents a discontinuity, a step function and a jump ahead so that the company knows what it is to be. 4. Well articulated visions are not only original and unique but also prompt risk–taking besides experimentation.
Elements	Conveying ‘who we are’ <ol style="list-style-type: none"> 1. Coming up with a vision statement that defines what business the company is presently in. 2. Deciding the long term course of action - where we are going. Using the vision statement as a basis for deciding on a long term course making choices. 3. Communicating the vision statement - The strategic vision should be communicated in clear exciting terms that arouse organisation wide commitment.

2018 - May [7] {C} (b)	Topic 4
Describe the term 'Strategic Vision'.	(2 marks)

Answer:

A Strategic Vision is a Road map of a Company's Future – providing specifics about technology and customer focus, the geographic and product markets to be pursued, the capabilities it plans to develop, and the kind of company that management is trying to create.

In the process of strategy making, management is expected to look forward to the organisation's future, posing a question, 'What kind of an enterprise is it going to be'? This direction-setting idea underlies the concept of strategic vision. It is said to be a road map of the company's future.

2018 - May [10] (a)	Topic 3
Define Strategic Management. Also discuss the limitations of Strategic Management.	(5 marks)

Answer:**Meaning of Strategic Management:**

Strategic Management is multi-dimensional function. As a broad overall process it is defined as the set of decisions and actions resulting in formulation and implementation of strategies designed to achieve the objectives of an organisation.

Strategic Management is interpreted in a wider sense as “the process which deals with fundamental organisational renewal and growth with the development of the strategies, structures and systems necessary to achieve such renewal and growth, and with the organisational systems needed to effectively manage the strategy formulation and implementation processes.”

Objectives of Strategic Management:

1. To Create a competitive advantage over the other competitor.
2. To Meet the opportunities and threats with challenge.

- **Limitations of Strategic Management:**

- Environment is highly complex and turbulent.- It is difficult to understand the complex environment and exactly pinpoint how it will shape-up in future. The organizational estimate about its future shape may awfully go wrong and jeopardise all strategic plans. The environment affects, as the organization has to deal with suppliers, customers, governments and other external factors.
- Strategic management is a time - consuming process- Organizations spend a lot of time in preparing, communicating the strategies that may impede daily operations and negatively impact the routine business.
- Strategic management is a costly process.- Strategic management adds a lot of expenses to an organization. Expert strategic planners need to be engaged, efforts are made for analysis of external and internal environments devise strategies and properly implement.

These can be really costly for organizations with limited resources particularly when small and medium organization create strategies to compete.

- In a competitive scenario, where all organizations are trying to move strategically, it is difficult to clearly estimate the competitive responses to a firm's strategies.

2018 - Nov [7] {C} (a)	Topic 5
List the different strategic levels in an organization.	(2 marks)

Answer:

Strategic Level in an Organisation:

- In case of multidivisional and multilocational organisation that competes in several different businesses, it has separate self-contained divisions to manage each of these. There are three levels of strategy in management of business - corporate, business, and functional.

Corporate level of management	<ul style="list-style-type: none"> • It consists of the chief executive officer and other top level executives. • These individuals occupy the apex of decision making within the organization. • The role of corporate-level managers is to oversee the development of strategies for the whole organization. • This role includes defining the mission and goals of the organization, determining what businesses it should be in, allocating resources among the different businesses and so on rests at the Corporate Level.
Business Level	<ul style="list-style-type: none"> • Development of strategies for an individual business areas is the responsibility of the general managers in these different businesses or business level managers. • A business unit is a self-contained division with its own functions - e.g. finance, production, and marketing. • The strategic role of business-level manager, head of the division, is to translate the general statements of direction and intent that come from the corporate level into concrete strategies for individual businesses.
Functional Level	<ul style="list-style-type: none"> • Managers are responsible for the specific functions or operations such as human resources, purchasing, product development, customer service, and so on. • Therefore a functional manager's sphere of responsibility is generally confined to one organizational activity, whereas general managers oversee the operation of a whole company or division.

2019 - May [7] (a)	Topic 3
<p>'Strategic Management is not a panacea for all the corporate ills, it has its own pitfalls which can't counter all hindrances and always achieve success'.</p> <p>Do you agree with this statement? Discuss. (5 marks)</p>	

Answer:

'Strategic Management is not a panacea for all the corporate ills, it has its own pitfalls which can't counter all hindrances and always achieve success' This Statement is correct and can be agreed because there are limitations attached to strategic management and can be explained as follows:

1.	Environment is highly complex and turbulent	It is difficult to understand the complex environment and exactly pinpoint how it will shape-up in future. The organisational estimate about its future shape may awfully go wrong and jeopardise all strategic plans. The environment affects as the organization has to deal with Suppliers, customers, governments and other external factors.
2.	Strategic management is a time-consuming process	Organizations spend a lot of time preparing, communicating the strategies that may impede daily operations and negatively impact the routine business.
3.	Strategic management is a costly process	Strategic management adds a lot of expenses to an organization. Expert strategic planners need to be engaged, efforts are made for analysis of external and internal environments devise strategies and properly implement. These can be really costly for organisations with limited resources particularly when small and medium organisation create strategies to complete.

4.	Competition is unpredictable	In a competitive scenario, where all organisations are trying to move strategically, it is difficult to clearly estimate the competitive responses to a firm's strategies.
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2019 - May [8] (a)	Topic 4
What are the characteristics which must be possess by objectives, to be meaningful to serve the intended role? (5 marks)	

Answer:

Objectives are the organizations performance targets. The results and outcomes it wants to generate. They function as yardstick for tracking an organizations performance and progress. Business objectives translates their vision and mission.

Characteristics of Objectives to make it meaningful to serve the intended role

- Objectives should define the organization's relationship with its environment.
- They should be facilitative towards achievements of mission and purpose.
- They should provide the basis for strategic decision-making.
- They should provide standards for performance appraisal.
- They should be concrete and specific.
- They should be related to a time frame
- They should be measurable and controllable.
- They should be challenging.
- Different objectives should correlate with each other.
- Objectives should be set within the constraints of organisational resources and external environment.

2019 - Nov [8] (a)	Topic 4
Why an organisation should have a mission? What considerations are to be kept in mind while writing a good mission statement of a company? (5 marks)	

Answer:**An organization should have a mission:**

1. To ensure unanimity of purpose within a organization.
2. To develop a basis, or standard, for allocating organizational resources.
3. To provide a basis for motivating the use of the organization's resources.
4. To establish a general tone or organizational climate, for example, to suggest a business like operation.
5. To serve as a focal point for those who can identify with the organization's purpose and direction.
6. To facilitate the translation of objective and goals into a work structure involving the assignment of tasks to responsible elements within the organization.
7. To specify organizational purposes and the translation of these purposes into goals in such a way that cost, time and performance parameters can be assessed and controlled.

The Following considerations are to be kept in mind while writing a good mission statement of a company.

1. One of the roles of a mission statement is to give the organization its own special identity, business emphasis and path for development - one that typically sets it apart from other similarly positioned companies.
2. A Company's business is defined by what needs it is trying to satisfy, which customer groups it is targeting and the technologies and competencies it uses and the activities it performs.
3. Good mission statements are - unique to the organization for which they are developed.

2020 - Nov [9] (b)	Topic 4
What is strategic vision? Describe the essentials of strategic vision. (5 marks)	

Answer:**Strategic Vision:**

A strategic vision is a roadmap of a company's future - providing specifics about technology and customer focus, the geographic and product markets to be pursued, the capabilities it plans to develop, and the kind of company that management is trying to create. It helps the company to answer the question "where we are to go" and provides a convincing rationale for why this makes good business sense for the company.

A strategic vision delineates organization's aspirations for the business, providing a panoramic view of the position where the organization is going. A strategic vision points an organization in a particular direction, charts a strategic path for it to follow in preparing for the future, and molds organizational identity.

Essentials of a strategic vision:

- The entrepreneurial challenge in developing a strategic vision is to think creatively about how to prepare a company for the future.
- Forming a strategic vision is an exercise in intelligent entrepreneurship.
- A well-articulated strategic vision creates enthusiasm among the members of the organization.
- The best-worded vision statement clearly illuminates the direction in which organization is headed.

2021 - Dec [10] (a)	Topic 3
"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)	

Answer:**Strategic Management:**

Meaning	<p>Strategic Management is multi-dimensional function. As a broad overall process it is defined as the set of decisions and actions resulting in formulation and implementation of strategies designed to achieve the objectives of an organisation.</p> <p>Strategic Management is interpreted in a wider sense as “the process which deals with fundamental organisational renewal and growth with the development of the strategies, structures and systems necessary to achieve such renewal and growth, and with the organisational systems needed to effectively manage the strategy formulation and implementation processes.</p>
Objectives	<ol style="list-style-type: none"> 1. To Create a competitive advantage over the other competitor. 2. To Meet the opportunities and threats with challenge.
Process	<ol style="list-style-type: none"> 1. Developing mission. 2. Defining objective and goal. 3. Structuring business portfolio. 4. Incorporating functional plans.
Benefits	<ol style="list-style-type: none"> 1. Financial benefits On the basis of empirical studies and logical analysis it may be claimed that the impact of strategic management is primarily that of improved financial performance in terms of profit and growth of firms with a developed strategic management system having major impact on both planning and implementation of strategies. 2. Enhanced capability of problem prevention This is likely to result from encouraging and rewarding subordinate attention to planning considerations, and managers being assisted in their monitoring and forecasting role by employees who are alerted to the needs of strategic planning.

	<p>3. Improved quality strategic decisions through group interaction</p> <p>The process of group interaction for decision-making facilitates generation of alternative strategies and better screening of options due to specialised perspectives of group members. The best alternatives are thus likely to be chosen and acted upon.</p> <p>4. Greater employee motivation</p> <p>Participation of employees or their representatives in strategy formulation leads to a better understanding of the priorities and operation of the reward system. Also there is better appreciation on their part of the productivity-reward linkage inherent in the strategic plan. Hence goal-directed behaviour is likely to follow the incentives.</p> <p>5. Reduction of gaps and overlaps in activities</p> <p>With strategy formulation undertaken through the participative process, there is better understanding of the responsibilities of individuals and groups. Role differentiation which is thereby clarified should reduce the gaps and overlaps in the activities of groups and individuals.</p>
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2022 - Nov [7] (a)	Topic 3
<p>“The strategic management cannot counter all hindrances and always achieve success for an organization.” Do you agree with this statement? Give arguments in support of your answer. (5 marks)</p>	

Answer:

Yes, it is true that the presence of strategic management cannot counter all hindrances and always achieve success for an organization. This is on account of complex multiple forces acting on business organization and limiting its success.

These limitations are on account of following factors:

- **Environment is highly complex and turbulent:** It is difficult to understand the complex environment and exactly pinpoint how it will shape-up in future. The organisational estimate about its future shape may awfully go wrong and jeopardise all strategic plans.
- **Strategic management is a time-consuming process:** Organisations spend a lot of time in preparing, communicating the strategies that may impede daily operations and negatively impact the routine business.
- **Strategic management is a costly process:** Strategic management adds a lot of expenses to an organization – particularly to small and medium organisations. Expert strategic planners need to be engaged, efforts are made for analysis of external and internal environments devise strategies and properly implement.
- **Competition is unpredictable:** In a competitive scenario, where all organisations are trying to move strategically, it is difficult to clearly estimate the competitive responses to the strategies.

2024 - May [7] (b)	Topic 4
<p>'A company's mission statement is typically focused on its present business scope.' Explain the significance of a mission statement. (5 marks)</p>	

PRACTICAL QUESTIONS

2021 - Jan [8] (a)	Topic 5
<p>ABC Limited is in a wide range of businesses which include apparels, lifestyle products, furniture, real estate and electrical products. The company is looking to hire a suitable Chief Executive Officer. Consider yourself as the HR consultant for ABC limited. You have been assigned</p>	

the task to enlist the activities involved with the role of the Chief Executive Officer. Name the strategic level that this role belongs to and enlist the activities associated with it. (5 marks)

Answer:**The role of Chief Executive Officer pertains to Corporate level:**

The corporate level of management consists of the Chief Executive Officer (CEO) and other top-level executives. These individuals occupy the apex of decision making within the organization.

The role of Chief Executive Officer is to:

1. oversee the development of strategies for the whole organization;
2. defining the mission and goals of the organization;
3. determining what businesses, it should be in;
4. allocating resources among the different businesses;
5. formulating, and implementing strategies that span individual businesses;
6. providing leadership for the organization;
7. ensuring that the corporate and business level strategies which company pursues are consistent with maximizing shareholders wealth; and
8. managing the divestment and acquisition process.

2021 - July [6] {C}	Topic 2
<p>'ALBELA' Foods and 'JustBE' Foods are successfully competing chain of restaurants in India. ALBELA's are known for their innovative approach, which has resulted in good revenues. On the other hand, JustBE is slow in responding to environmental charge. The initial stages of Covid-19 pandemic and the ensuring strict lockdown had an adverse impact on both the companies. Realizing its severity and future consequences. ALBELA foods immediately chalked out its post lockdown strategies, which include initiatives like:</p> <ol style="list-style-type: none"> (a) Contact less dining (b) New category of foods in the menu for boosting immunity (c) Improving safety measures and hygiene standards (d) Introducing online food delivery app 	

Seeing the positive buzz around these measures taken by ALBELA Food, JustBE Foods also thinks to introduce these measures.

1. Identify the strategic approach taken by 'ALBELA' Foods and 'JustBE' Foods.
2. Discuss these strategic approach
3. Which strategic approach is better and why? (5 marks)

Answer:

1. Strategic approach taken by ALBELA Foods - Proactive Approach.
Strategic approach taken by Just BE Foods - Reactive approach.
2. A Company's strategy is a blend of:
 1. Proactive actions on the part of managers to improve the company's market position and financial performance and
 2. Reactions to unanticipated developments and fresh market conditions.

3. Proactive strategy is planned strategy whereas reactive strategy is adaptive reaction to changing circumstances.

When market and competitive conditions take an unexpected turn or company's strategy hits a stone wall, some kind of strategic reaction or adjustment is required. Hence, a portion of a company's strategy is always developed as a response to unforeseen developments.

But apart from adapting strategy to changes in the market there is also a need to adapt strategy as new learning emerges about which pieces of the strategy are working well and which aren't and as management hits upon new ideas for improving the strategy. Crafting a strategy involves stitching together a proactive strategy and adapting it first and then a reactive/ adaptive strategy as circumstances surrounding the company's situation change or better options emerge.

2023 - Nov [6] {C}	Topic 5
Swagatam was a chain of hotels. The business was good until the whole nation was impacted by COVID -19 pandemic in early 2022.	

The management soon understood that pandemic had seriously disrupted the hotel sector and average revenue-per-available room fell by nearly 90% and they expected this decline to continue due to travel bans and fear seen in the society.

Pandemic required 14-day compulsory quarantine for the affected individuals and hospitals were short of rooms.

Management found a small opportunity as they had sufficient rooms, staff and could follow required health and safety standards. They decided to do service transformation by letting some of their units to hospitals to be transformed into covid - care units & rest of the units were rented to individuals as a quarantine facility.

- (a) Name the strategic level of management at which such decisions are made. (1 mark)
- (b) The above scenario depicts one of the limitations of strategic management. Discuss which limitation of strategic management is depicted here. (2 marks)
- (c) Here the decision taken by the management was reactive. Discuss the benefit of proactive approach over reactive approach. (2 marks)

Answer:

- (a) At the Corporate Level, management will take such decisions.
- (b) In the given scenario, the following limitation attached to strategic management:
- Environment under which strategies are made is highly complex and turbulent. It is difficult to understand the complex environment and exactly pin point how it will shap-up in future.
- (c) Benefits of Proactive Approach:
- In this strategy, organizations will analyze possible environmental scenarios and create strategic framework after proper manning and set procedures and work in a predetermined manner.
 - It will protecting business from incurring immediate loss. in the future.
 - It will prepare business from the future loss.

2023 - Nov [10] (Or) (b)	Topic 5
<p>CDE Holdings operates in various sectors, including manufacturing fitness equipment, organic foods, eco-friendly products and children's educational tools. The organization is currently in the process of recruiting a Chief Executive Officer. In this scenario imagine yourself as a HR consultant for CDE Holdings.</p> <p>Identify the strategic level that encompasses this role within CDE Holdings. (1 mark)</p> <p>Provide an overview of the key duties and responsibilities falling under the Chief Executive Officer's scope. (4 marks)</p>	

Answer:

- (i) There are three main levels of management in a typical organization: corporate, business and functional. The corporate level of management consists of chief executive officer, other senior executives, BOD and corporate staff. They are responsible for strategic decision making and broadly have following duties and responsibilities.
- (ii) **Key duties and responsibilities CEO:**
- ⇒ Oversee the development of strategies for the whole organisation.
 - ⇒ Determining the mission & goals of the organisation.
 - ⇒ Determining what business it should be in.
 - ⇒ Allocating resources among the different business.
 - ⇒ Formulating strategies.
 - ⇒ Providing leadership for the organisation.
 - ⇒ Provide a link between the people who oversee the strategic development of a firm and those who own it.

2024 - May [5] {C} (b)	Topic 5
<p>Elvis Global is a famous OTT platform facing fierce competition from its competitors amid changing consumer preferences. This has made it difficult to retain customers as the existing television channels are also launching their own platforms. The company has appointed Raghav to</p>	

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lead the company forward as the sales & marketing manager. Raghav needs to design creative and innovative advertising campaigns to gain a competitive edge, engage the public and capture the market. Identify the strategic level that represents Raghav's role at Elvis Global. As a strategic advisor, highlight the various benefits of strategic management in overcoming different challenges to Raghav. (1 + 4 = 5 marks)

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