



Business Management and Strategy

- Q.1 The advent of internet has revitalized the competition in the global markets. It has increasingly become a vital component of business strategy and a strong catalyst for survival and growth in a competitive environment.

In the context of retail industry, discuss the impact of internet on each of the Porter's five competitive forces clearly identifying whether internet has strengthened or weakened these forces.

(10)

- Q.2 Kidz Wizard (KW), a chain of stores, is engaged in the business of baby clothing and accessories. KW had been regarded for its high quality products at the most affordable prices until it had to face a major setback when it introduced 'toys' section for infants few years back. The toys section got an immense response and high revenues were generated. However, a major defect was identified in one of the toy categories forcing KW to recall the entire category and had to face legal proceedings which resulted in shutting down of entire section of toys. Subsequent internal findings revealed that material used in the toys was of sub-standard quality which could not be identified because of the absence of quality control measures.

The management of KW now intends to expand into furniture manufacturing business under the banner 'baby bed and bedding', a new section in its chain of stores. It is optimistic about the success of the new section and has carried out an extensive research on material and supplier selection. It believes that a well-launched marketing campaign and competitive pricing would help to generate high profits. However, given the past experience, management is considering to place certain quality control measures and appoint a risk specialist for overall risk management.

Required:

- (a) Identify **four** classifications of quality-related costs and mention **two** costs which KW may incur under each classification. (06)
- (b) Briefly discuss the activities/functions of risk specialist in the risk management process. (04)
- (c) Assume that you have been appointed as a risk specialist at KW. Identify and discuss the approaches under **TARA** framework for risk management. Also recommend the most appropriate approach under the given situation with justification. (10)
- Q.3 (a) Health care service providers usually do not undertake aggressive promotions as they rely more on favourable word of mouth. Mention **three** strategies that health care centers may adopt to promote the services being offered by them. (03)
- (b) Marketers often split the product and/or service into three levels i.e. core product level, actual product level and augmented product level for the purpose of better product management, segmentation and positioning.

Explain the **three** levels of a product. Give **one** example under each level in case of a health care center.

(06)

Q.4 Smooth Network Service (SNS), a medium sized network service provider has organizational structure of five levels with a span of control of three. Mr. Tahir Ali is the CEO and reports to the board of directors. He is responsible for company's overall affairs and makes most of the major decisions himself. The role of managers is mainly restricted to close supervision of operational staff engaged in the day to day operations of the entity.

Mr. Tahir Ali is concerned over weakening performance of the entity. He has identified the following issues:

- (i) Growing number of customer complaints about delayed response to their network issues.
- (ii) The packages offered by the company seem outdated in terms of customer demands and market trends.
- (iii) One of the potential clients has opted for competitor's services as SNS could not timely respond to the client's pricing query.

Required:

- (a) Identify and discuss the type of organizational structure prevalent in SNS, based on the existing span of control. (03)
- (b) Recommend the structural changes that SNS may need to adopt along with appropriate justification. (07)

Q.5 Executive Lounge (EL), a fine dining restaurant has recently been launched in the downtown area of a city. The restaurant is currently offering dine-in and intends to start food delivery service as well. The management of EL is in the process of adopting Customer Relationship Management (CRM) system as it firmly believes that development of strong relationship with potential customers is integral to the success of EL.

Required:

Briefly discuss the essential functions that CRM system may perform at EL. (08)

Q.6 (a) According to Honey and Mumford learning styles model, pragmatists find abstract theories and concepts of no use unless they can see their relevance to practical action. Suggest the circumstances under which pragmatists learn the most. (03)

(b) Kashan Mirza had joined Apna Bank under 2 years' Management Trainee Program (MTP) along with several other trainees. At the time of joining, he was highly motivated and under the impression that he would be provided an opportunity to understand the entire operations of the bank and his role would be of participative nature. Twenty-three months into the job, he feels that being a graduate from top business school, his knowledge and skills have never been fully utilized. His day to day work mostly revolves around scanning and filing the account opening forms of new customers with no direct supervision.

Though the bank's policy manual states that it follows 360-degree approach to appraisal, when Kashan logged onto HR portal, he found that he was appraised with a rating of 3 (average) without his involvement in the entire appraisal process. The same thing had happened last year also and when he attempted to discuss the promotion and increased pay opportunities with his supervisor he was informed that the bank was already paying above market salaries.

Kashan's MTP is ending next month and he is not willing to continue even if he is offered a job. However, he is determined to share his experience with HR head in an exit interview, which he learnt is the only way to approach her.

Required:

Assuming all of the above is true, identify and discuss the issues that the bank may need to address and offer suggestions to overcome them. (12)

Q.7 Identify the strategies/policies that are being pursued in each of the following cases. Also discuss **two** risks associated with each strategy/policy:

- (a) Ethnic Wears (EW) is a family owned and managed business. EW has been efficiently using its core competences i.e. innovation and strong marketing capabilities to sustain competitive advantage. The owners support well-planned and effectively controlled expansion by utilizing available profits and core competencies. **(04)**
- (b) Oven Fresh (OF) are a home based cake bakers. They have outsourced their online order taking, packaging and delivery services to Tezz food distributors. However, due to constant complaints of customers over delayed delivery, OF is in the process of starting its own delivery services. **(04)**
- (c) Hi-tech Limited is providing software solutions in a hyper-competitive environment where set of circumstances cannot be predicted with reasonable certainty. The management encourages employees to respond to the environmental changes by means of creativity whereas formal planning and approvals have low importance. **(04)**

Q.8 Answer the following questions in the context of business and professional ethics:

- (a) The board of directors of Milestone Limited (ML) has authorized Ahad Mir, financial controller to negotiate and select a bank for raising finance. Given the good credit rating of ML, number of banks have shown interest. The terms and conditions offered by all the banks are more or less similar. However, manager of Loyal Bank has also promised quick disbursement of personalized housing loan with soft terms to Ahad Mir, who has been looking for housing loan for some time.

Required:

- Explain how Ahad Mir may carry out a mirror test. **(06)**
- (b) What do you understand by principles-based approach to resolve an ethical problem? Why do accounting bodies prefer to have a conceptual framework for the accountants to follow rather than a set of strict rules? **(05)**
- (c) Creative Automobile Limited is in the process of formulating a whistleblowing policy for its employees. The management has requested you to advise in respect of the following:
- (i) The key objectives that should be kept in perspective while devising whistleblowing policy. **(02)**
- (ii) Rules that should be followed to achieve the objectives in (i) above. **(03)**

(THE END)