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## Business Management and Strategy

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- Q.1 Fashion Couture (FC), a leading fashion designer has a presence in all the prominent shopping malls across the country. It started a small boutique that transformed into a first choice brand among women in short span of time. It has following three product lines:

### Daily wear

It comprises of unstitched and ready-made dresses. It was the first product line that FC introduced in 1990 and gained instant popularity due to availability of different designs and sizes with reasonable quality and courteous customer support staff at the most economical prices in the market. The demand for this product line has significant potential for growth in the existing market and the competitors are striving hard to increase their respective market shares.

### Bridal dresses

It comprises of tailor-made bridal dresses. This product line is popular among targeted upper class groups. The designers are well-qualified having sound knowledge of customer needs. The premium quality and unique designs are highly regarded by targeted customers. However, the demand for bridal dresses is moderate whereas competitors offering party wear dresses are enjoying hefty profits due to high demand.

### Fragrances

It comprises of range of perfumes. This product line was first launched in 2015. Despite aggressive marketing, this product line could not attract the high end targeted customers who have strong brand loyalty towards already established brands available in the market. Consequently, FC has set high prices in the hope of achieving break-even.

### Required:

- (a) Identify and discuss the strategic position of each of the product line of FC in the strategic clock as suggested by Bowman. (09)
- (b) Recommend the growth strategy for each of the product line of FC in terms of Ansoff's Matrix. Also discuss how the recommended strategy can be implemented successfully. (09)

- Q.2 Glory is a series of high-end smartphones and tablets designed, manufactured and marketed by Marvel Group (MG). MG is highly regarded for innovative product designs and aggressive marketing campaigns. The mobile phone industry is one of the fastest growing sectors of economy where a number of competitors attempt to outperform each other in terms of product designs, features and pricing.

MG is in the process of introducing new series of foldable smartphones (Glory Ultimate) that could be a vital breakthrough in mobile phone industry. The management of MG intends to adopt life cycle costing for Glory Ultimate.

### Required:

- (a) Discuss the benefits that MG may enjoy by adopting life cycle costing. (03)
- (b) List the costs that MG might have to incur in each phase of the life cycle of Glory Ultimate. (04)
- (c) Suggest the strategies that MG may adopt to extend the maturity phase of Glory Ultimate. (04)

Q.3 Ansar (Private) Limited (APL) has recently been registered as a private limited company. It is in the process of developing vision and mission statements. Ms. Shanzeh Ghafoor (Shanzeh), the CEO has advised her team to formulate the vision and mission statements similar to MEL Limited which is the largest listed company engaged in the same business.

**Required:**

- (a) List down the various purposes of vision and mission statements. (04)
- (b) Explain whether you agree with Shanzeh's approach of developing mission and vision statements similar to those of MEL Limited. (03)

Q.4 (a) What do you understand by 'virtual supply chain'? Also mention the benefits of virtual supply chain. (04)

(b) Al-Zamin (AZ) is a producer of cement and related products. In a recent evaluation of the existing operations, the management of AZ is considering to adopt virtual supply chain. In the first phase, AZ would implement e-procurement system where focus would be on e-sourcing, e-purchasing and e-payment. If process runs smoothly, AZ would adopt a comprehensive virtual supply chain.

**Required:**

- (i) Briefly describe the terms 'e-sourcing', 'e-purchasing' and 'e-payment'. (03)
- (ii) Suggest any **two** examples of data validation checks that would assist the management of AZ to ensure that data input in the system is correct. (04)

Q.5 City Express (CE) operates inter-city passenger bus service over 20 districts of Sindh. It was incorporated in 2015 when Government of Sindh (GoS) awarded the company exclusive road permits to operate in distant areas of Sindh. CE was an instant success because of wide area coverage, low ticket pricing and large fleet of state-of-the-art buses. In view of the encouraging response from general public, GoS is also considering to introduce a new inter-city train service.

GoS has been providing subsidies, granting various tax exemptions and promoting services of CE by extensive coverage in the electronic and social media to encourage CE to operate in areas with low profit margins. Still, certain routes are not profitable. In these routes, buses often depart late and schedules are cancelled frequently. The management of CE is considering to negotiate with GoS to relax restrictions on fixation of fare rates to counter increasing fuel costs.

**Required:**

- (a) Perform SWOT analysis for CE. (06)
- (b) Suggest any **eight** non-financial performance indicators for CE. (04)

Q.6 (a) Entities are regarded as citizens of the society in which they exist and operate. As corporate citizens, they owe certain responsibilities to society similar to that of individual citizens. One of the ways to fulfill this responsibility is to follow a corporate social responsibility (CSR) policy that aims to ensure that entities conduct their businesses in the common interest of society at large.

**Required:**

Briefly discuss some of the basic principles that an entity may keep in perspective while formulating its CSR policy. (05)

(b) Corruption among government officials could have devastating effects on society and these effects can be multi-dimensional.

**Required:**

Briefly discuss how corruption by the government officials of a country may result in the country's failure to achieve its economic objectives. (05)

- (c) Mr. Faysal Adil (Faysal) is an experienced chartered accountant. He is on the board of directors of Aitmaad Builders & Contractors (ABC). Government has recently invited tenders for construction of country-wide hospitals. The successful bidding on these tenders would give ABC a considerable competitive advantage.

Faysal's younger brother is an influential member of a committee responsible for awarding the contract. Faysal is under the pressure of the management to influence his brother to obtain favour for ABC in the tendering process.

**Required:**

Identify and briefly discuss how the fundamental principles of Code of Ethics of ICAP may be compromised if Faysal proceeds with the management's advice. (06)

- Q.7 Mr. Iqbal Qureshi (Qureshi) owns and operates two retail outlets under the name of Comfort Feet (CF) that offers variety of footwear including shoes, sandals and chappals. CF is gaining recognition and has potential to expand but due to financial constraints, it is not possible for Qureshi to set-up new outlets. Therefore, he is considering to start offering products by developing an e-business store to reach wider audience. However, one of his friends has suggested that he should register CF's products with an e-intermediary instead of developing his own e-business store.

**Required:**

- (a) Briefly discuss the barriers that CF may encounter if Qureshi develops his own e-business store. (06)
- (b) Briefly discuss the benefits that could accrue to CF if it gets associated with an e-intermediary to sell its products. (03)
- (c) Give **four** examples of e-intermediaries that CF can approach. (02)

- Q.8 (a) An effective recruitment and selection process is likely to result in hiring of individuals that best fit with organization structure and needs. List the factors that may hinder an organization from carrying out effective recruitment and selection. (04)
- (b) School of Leaders (SoL) is one of the largest school networks in the city. The management of SoL often fills up the key positions externally as it believes that external recruitment could bring fresh thinking and ideas. It has recently hired Ms. Shireen Qadir (Shireen) as Chief Administration Officer who had previously worked with an IT company.

Shireen has noticed that student intake has been declining and staff turnover is relatively high. She believes that training and development of teaching staff is imminent. She has contacted 'Shape Your Future' (SYF), a firm of trainers that used to train staff of the company in which she was previously employed. As part of the proposal, SYF has designed a 100 hours training program stretched over a period of 30 days. 50 hours would be allotted for in-house training and remaining 50 hours would be self-learning for which manual and online material would be provided.

The training would be conducted on weekends.

**Required:**

- (i) Identify and discuss the factors that might act as barriers to achievement of objectives of the training program of SoL. (08)
- (ii) Explain whether you agree with the management's policy of giving preference to external recruitment. (04)

(THE END)