

**Subject Code: MB932/R09**

**M B A - III Sem Regular & Supplementary Examinations, Apr/May-2014**

**STRATEGIC MANAGEMENT**

**Time: 3 hours**

**Max Marks: 60**

Answer any **FIVE** of the following

All questions carry equal marks. **Q.No.8 is compulsory**

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1. What are vision and mission? What is their value for the strategic management process?
2. What is important for a firm to study understand the external environment?
3. What is market commonality? What is resource similarity? What does it mean to say that these concepts are the building blocks for a competitor analysis?
4. What are acquisition strategies popular in many firms competing in the global economy?
5. What are traditional and emerging motives that cause firms to expand internationally?
6. What is an agency relationship? What is managerial opportunism? What assumptions do owners of modern corporations make about managers as agents?
7. What is strategic entrepreneurship? What is corporate entrepreneurship?
8. **CASESTUDY:**

Kiran Mazumdar Shaw steered the company through several reinventions, first moving from being an enzyme maker to stains (cholesterol busting drugs) and when prices crashed and Chinese competition intensified, she shifted focus to bio-pharma. Now she wants to unlock value from her three main businesses-Biocon, Syngene and Clinigene and the company as a major biopharma company. She expressed herself well: We keep reinventing ourselves. In the first 20 years we focused on enzymes, in the last 10 we focused on biopharma and services. We now want to get into the market with our own products. It was first about branded enzymes, now it is about branded biopharma.

While markets like China are good stepping stones, Kiran Mazumdar Shaw is aware that the real opportunity lies in the US and Western Europe, where hundreds of billions of dollars are spent on pharmaceuticals every year. However, she also realizes that such markets are difficult to enter as regulatory charges are high and there are many large competitors, much larger than Biocon. Hence, she feels, Biocon will not be able to make money for at least 4-5 years in the US Market, apart from facing tough competition from firms such as the US \$13 billion Amgen and Biogen, which may also foray into India. That leaves just one option-acquisitions. However, that too requires heavy investment of funds. Kiran is certain that they will not go to market to raise funds for future growth, but may think of leveraging the borrowings completely. Considering that Kiran has successfully steered her company through previous evolutions.

**Question:** Would you bet against her?

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