MAY 2012 **P/ID 77559/PMBN3**

Time : Three hours Maximum : 100 marks

PART A — ($5 \times 6 = 30$ marks)

Answer any FIVE questions.

1. Explain the main characteristics of strategic management.

2. State the benefits of Multi National Corporations.

3. Explain the basic dimensions of strategies decisions.

4. Explain the prospects and pattern of international strategic alliance.

5. Define environmental scanning and planning.

6. How would you design the appropriate organizational strategy?

7. Explain the American organisational design of MNCs.

8. Explain the need for strategic adaptation to local conditions.

PART B — ($5 \times 10 = 50$ marks)

Answer any FIVE questions.

9. "The purpose of strategy is to define the nature of relationship between firm and its environment". Elucidate.

10. Discuss the different aspects of environmental scanning necessary for identifying opportunities and threats in a company's environment.

11. Point out the problems of different ownership strategy with suitable examples.

12. What is joint venture? What are the various strategic issues involved in joint venture decisions?

13. Explain BCG Matrix highlighting its merits and demerits.

14. Discuss briefly about the business ethics and social responsibilities of MNCs.

15. Give an instance of any Indian company following suicidal strategy in marketing their products. Give reasons as to how their strategies are suicidal?

16. Compare and contrast the organization structure of America and Europe.

PART C — (1 × 20 = 20 marks)

(Compulsory)

17. Case Study: THE SWAP

Recently the Reliance Industries entered into a swap deal for the export and import of 36 cargos of naphtha over the next six months. Accordingly, three cargos of 50,000 tones each were to be imported every month from Reliance Industries' Hazira facility. The deal was done through Japanese traders Mitusbishi, Marrubeni, Itochu, IdCmitsu and Shell. The export was done at around Arabian Gulf prices plus $ 22.

Reliance needs petrochemical grade naphtha for its Hariza facility which is not being produced at Jamnagar. Therefore, its cracker at Hazira gets petrochemical grade naphtha from its Jamnagar refinery to the international oil trade.

If RIL imports naphtha for Hazira petrochemical plant, the company does not have to pay the 24 percent sales tax, which it will have to pay on a local purchase, even if it is from Reliance Petro. Besides, Reliance Petro will also get a 10 percent duty drawback on its crude import, if it exports naphtha from the refinery at Jamnagar.

The export of naphtha with Japanese traders is being looked as a coup for Reliance as it gives the company an entry into the large Japanese market. Indian refineries have a freight advantage over the Singapore market and can quote better prices.

Questions :

(a) Examine the internal and external factors behind Reliance's decision for the swap deal.

(b) Could there be any strategic reason behind the decision to import and export naphtha?