

**GUJARAT NATIONAL LAW UNIVERSITY  
GANDHINAGAR**  
Course: **Business Policy and Strategic Management**  
Semester-VI (Batch: 2016-21)

End Semester Examination: April-May 2019

Date: 11<sup>th</sup> May, 2019

Duration: 3 hours

Max. Marks: 50

**Instructions:**

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write anything on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.

**Part-A**

Marks

Answer **any two** of the following questions:

- Q.1 One simple way to think about relatedness is to look at the products or services a firm manufactures or renders. The more similar these products or services are, the more related is the firm's diversification strategy. However, will firms that exploit core competencies in their diversification strategies always produce products or services that are similar to each other? Why or why not? (05)
- Q.2 If adverse selection, moral hazard, and holdup are such significant problems for firms pursuing alliance strategies, why do firms even bother with alliances? Why don't they instead adopt a "go it alone" strategy to replace strategic alliances? (05)
- Q.3 Explain managerial hubris as the source of motivation to engage in mergers and acquisitions. (05)

**Part-B**

Answer **any four** of the following questions in detail:

- Q.4 How can strategic alliances help firms in improving the performances of their current operations? (10)
- Q.5 Explain vertical integration. How can vertical integration be a source of sustained competitive advantage? (10)
- Q.6 What is economies of scope? How can economies of scope create value for the organization through corporate diversification? (10)
- Q.7 What is differentiation strategy? How can firm create successful differentiation of their products in the market? (10)
- Q.8 Why should corporation be seen as a set of core competencies and not as a set of strategic business units? (10)

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