

**GUJARAT NATIONAL LAW UNIVERSITY  
GANDHINAGAR**

Course: **Business Policy and Strategic Management**  
Semester- VI (Batch: 2020-25)

**End Semester Examination: May 2023**

**Date: 12<sup>th</sup> May, 2023**

**Duration: 3 hours**

**Max. Marks: 50**

**Instructions:**

- Read the questions properly and write the answers in the given answer book.
- Do not write anything on the question paper.
- The respective marks for each question are indicated in-line.
- Indicate correct question numbers in front of the answer.
- No questions or clarification can be sought during the exam period, answer as it is, giving reason, if any.
- Word limit: 5 Marks: 350-400 words, 10 Marks: 600-650 words.

- Q.1 What is the relationship between operational effectiveness and strategy? How do these concepts complement or conflict with each other? Can a company achieve sustained competitive advantage through operational effectiveness alone, or is a well-crafted strategy necessary? Provide examples to illustrate your answer and explain the importance of balancing operational effectiveness and strategic planning in achieving long-term success in today's competitive business environment.

**Marks  
(10)**

**OR**

Using the information in the Table given below, critique the adequacy and merit of the following vision statements, listing effective elements and shortcomings. Rank the vision statements from best to worst once you complete your evaluation.

Name of the Company	Vision Statement
American Express	We work hard every day to make American Express the world's most respected service brand.
Hilton Hotels Corporation	Our vision is to be the first choice of the world's travellers. Hilton intends to build on the rich heritage and strength of our brands by: <ul style="list-style-type: none"> <li>• Consistently delighting our customers</li> <li>• Investing in our team members</li> <li>• Delivering innovative products and services</li> <li>• Continuously improving performance</li> <li>• Increasing shareholder value</li> <li>• Creating a culture of pride</li> <li>• Strengthening the loyalty of our constituents</li> </ul>
BASF	We are "The Chemical Organization" successfully operating in all major markets. <ul style="list-style-type: none"> <li>• Our customers view BASF as their partner of choice.</li> </ul>

	<ul style="list-style-type: none"> <li>● Our innovative products, intelligent solutions and services make us the most competent worldwide supplier in the chemical industry.</li> <li>● We generate a high return on assets.</li> <li>● We strive for sustainable development.</li> <li>● We welcome change as an opportunity.</li> <li>● We, the employees of BASF, together ensure our success.</li> </ul>
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Q.2 Analyze the Indian Airlines Industry using Porter’s Five Forces Framework. (10)

Q.3 Answer the following questions: (5x2= 10)

a) Read the given facts and answer the question given below:

“Toyota for its Lexus line of motor vehicles has designed an array of high-performance characteristics and upscale features into its Lexus models to make them comparable in performance and luxury to Mercedes, BMW, Audi, Jaguar, Cadillac, and Lincoln models. To further draw buyer attention, Toyota established a network of Lexus dealers, separate from Toyota dealers, dedicated to providing exception customer services. Most important, though, Toyota has drawn on its considerable know-how in making high-quality vehicles at low cost to produce its high-tech upscale-quality Lexus models at substantially lower costs than other luxury vehicle makers have been able to achieve in producing their models. To capitalize on its lower manufacturing costs, Toyota prices its Lexus models below those of comparable Mercedes, BMW, Jaguar, and Audi models to induce value-conscious luxury car buyers to purchase a Lexus instead.”

Explain the competitive strategy adopted by Toyota for its Lexus models. What are the common pitfalls of adopting the strategy that Toyota has adopted for its Lexus models?

b) “A company must guard against outsourcing activities that hollow out the resources and capabilities that it needs to be a master of its own destiny.” Explain the statement with appropriate reasoning.

Q.4 Answer **any two** of the following questions: (5x2= 10)

a) In the food products industry when companies try to venture out in international markets, what strategy they largely prefer to compete in international markets? Why?

b) Assume you are in charge of developing the strategy for an international company selling products in some 50 different countries around the world. One of the issues you face is whether to employ a multi-domestic strategy, a global strategy, or a transnational strategy.

i. If your company’s product is mobile phones, which of these strategies do you think it would make better strategic sense to employ? Why?

ii. If your company’s product is dry soup mixes and canned soups, would a multi-domestic strategy seem to be more advisable than a global strategy or a transnational strategy? Why or why not?

c) Johnson & Johnson’s businesses are given below. Identify the synergies that could be drawn through the value chain relationships among these business. In particular



you should consider whether there are cross-business opportunities for (1) transferring skills and technology, (ii) combining related value chain activities to achieve economics of scope, and/ or (iii) leveraging the use of a well-respected brand name or other resources that enhance differentiation.

Businesses of J&J:

- Baby products (powder, shampoo, oil, lotion)
- Band-Aids and other first-aid products
- Women's health and personal care products (Stayfree, Carefree, Sure & Natural)
- Neutrogena, Lubriderm, and Aveeno skin care products
- Prosthetic and other medical devices
- Surgical and hospital products
- Acuvue contact lenses

Q.5 Answer **any two** of the following questions:

(5x2=  
10)

- a) "A company's organizational structure should be matched to the particular requirements of implementing the firm's strategy." Explain the statement with appropriate reasoning.
- b) "Wide-scale use of best practices across a company's entire value chain promotes operating excellence and good strategy execution." Explain the statement with appropriate reasoning.
- c) Valve Corporation has hundreds of employees but no managers or bosses at all. Valve's gaming success hinges on innovative and completely original experiences like Portal and Half-Life. Does it seem that Valve's corporate structure uniquely promotes this type of gaming innovation? Why or why not? How would you characterize Valve's organizational structure? Is it completely unique, or could it be characterized as multidivisional, matrix or functional structure? Explain your answer with appropriate reasoning.

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