

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**
Course: Business Policy and Strategic Management
Semester-VI (Batch: 2014-19)

Mid Semester Test: Feb-Mar. 2017

Date: 4th March, 2017

Duration: 2 hours

Max. Marks: 30

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 any thing 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.

Answer the following questions.

Marks

- Q.1 Your former college roommate calls you and asks to borrow \$10,000 so that he can open a pizza restaurant in his hometown. He acknowledges that there is a high degree of rivalry in this market, that the cost of entry is low, and that there are numerous substitutes for pizza, but he believes that his pizza restaurant will have some sustained competitive advantages. For example, he is going to have sawdust on his floor, a variety of imported beers, and a late-night delivery service. Will you lend him the money? Why or why not? (05)
- Q.2 Perform a five forces analysis on the pharmaceutical industry. The facts regarding this industry are given below. (05)
- “The pharmaceutical industry consists of firms that develop, patent, and distribute drugs. Although this industry does not have significant production economies, it does have important economies in research and development. Product differentiation exists as well, because firms often sell branded products. Firms compete in research and development. However, once a product is developed and patented, competition is significantly reduced. Recently, the increased availability of generic, non branded drugs has threatened the profitability of some drug lines. Once an effective drug is developed, few, if any, alternatives to that drug usually are available. Drugs are manufactured from commodity chemicals that are available from numerous suppliers. Major customers include doctors and patients. Recently, increased costs have led the federal government and insurance companies to pressure drug companies to reduce their prices.”*
- Q.3 ‘Aspirations and strategy are complementary’. Explain the statement with proper reasoning in detail. (05)
- Q.4 Explain the Porter’s Generic Value Chain in detail. (05)
- Q.5 ‘A well conceived business model invariably demands trade-offs’. Explain the statement. (05)
- Q.6 Assume that Oil and Natural Gas Corporation (ONGC), an upstream oil & gas exploration and production major, merges itself with the Hindustan Petroleum Corporation Ltd which is having presence across the midstream (refining) and downstream (distribution of finished petroleum products) sector. (05)