

**MANAGEMENT PROGRAMME**

**Term-End Examination**

**June, 2014**

07929

**MS-91 : ADVANCED STRATEGIC  
MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage 70%)*

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*Note : (i) There are **two** Sections : A and B.*

*(ii) Attempt **any three** questions from Section-A which carry **20** marks each.*

*(iii) Section-B is **compulsory** and carries **40** marks.*

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**SECTION - A**

1. Discuss in detail how corporate policy is classified on the basis of various criteria.
2. (a) "The sense of purpose and direction of the Board will lead to good governance." Do you agree with the above statement ? Why or why not ?  
(b) Discuss the managerial role of Board of Directors.
3. What are the characteristics of a dynamic market ? Discuss briefly the strategic choices in a dynamic environment.
4. Discuss the various techniques for building creative organizations citing examples.

5. Write short notes on **any four** of the following :
- (a) Ethics in market place
  - (b) The role of a CEO
  - (c) Knowledge management
  - (d) Partial Social Audit
  - (e) Narayana Murthy Committee

### SECTION - B

6. Read the following case situation and answer the questions given at the end.

Autonomous business units and specialized knowledge communities.

In Swed-Truck, which sold, rented, and serviced fork lift trucks, work had historically been organized into small, discrete business units, which had responsibility for all business within specific geographic regions. Within this structure, there was little need for interaction between business units, and they operated as virtual stand-alone businesses. While each business unit in principle sold the same range of products and services, in reality they had significant autonomy over how they did this. This was because both the nature of the market and character of customers varied significantly for each business, and also that management in each business unit offered different levels of service and support. The autonomy of the business units was such that the evolution of their working practices, the upgrading of their IT systems etc., was done purely on the basis of local considerations. Thus, discrete and specific knowledge communities developed, with staff in each business unit possessing substantial amounts of specialized

knowledge, relevant to their own localized working practices, and customer demands, which had limited transferability and relevance, in other business units.

**Questions :**

- (a) Is the existence of such specialist communities, with their own knowledge bases and ways of working necessarily a problem for organizations ?
- (b) To what extent is it possible in multidivisional corporations to balance the conflicting demands of providing divisions the autonomy to work independently and have some level of standardization across the corporation ?

7. Read the illustration given below and answer the questions given at the end.

Interactive innovation in the energy industry

Jacquier-Roux and Bourgoois investigated innovation activity in the energy production industries and found that in the period between 1985 and 1998, paradoxically, as the R&D spending of the main oil and electricity production companies went down, there was a simultaneous overall increase in the production of knowledge in these sectors (measured in terms of number of patents granted). This was explained by the change in these sectors towards more interactive-based innovation processes, where the level of collaboration in innovation activity between the main oil and electricity production companies and equipment suppliers increase markedly. During the period examined significant changes had occurred in these sectors which encouraged the

main producers to reduce their R&D spending. Primarily, deregulation and privatization, combined with a process of globalization in these industrial sectors, significantly increased the pressure on the main oil and electricity production companies to focus on short-term economic performance, which encouraged them to reduce their levels of R&D spending. Simultaneously these companies started developing innovation partnerships with equipment suppliers as a way to sustain their R&D efforts and outputs. Prior to this, the main oil and electricity production companies had undertaken virtually all their R&D activity totally in-house.

Thus the strategy change undertaken by the main oil and electricity production companies resulted in the level of interaction between users and suppliers during innovation activities increasing significantly, and with equipment suppliers playing a greater role in such activities than had historically been traditional. These changes were visible in the evolving number of patents granted to these companies, with the patent activity of the main oil and electricity production companies declining, while the number of patents granted to equipment suppliers increased significantly. While these changes gave equipment suppliers a more important role in innovation activities a power asymmetry still existed which favoured the main oil and electricity producers. This was related to both their size (they were typically large multinational companies), and also their ability to be able to switch their business to different equipment suppliers if so desired.

**Questions :**

- (a) What diverse factors, in your opinion are most important in making innovation process more interactive ?
  - (b) Explain, what kind of asymmetry exist in the innovation practices followed by energy industry.
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