[This question paper contains 4 printed pages.]

Your Roll No...............

Sr. No. of Question Paper : 7539 **L**

Unique Paper Code : 2923100024

Name of the Paper : Strategic Management

Name of the Course : **B.A. (H) Business Economics (2026)**

Semester : VIII

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Question **1** is compulsory. Attempt any **four** questions from the rest.
3. **All** questions carry equal marks.
4. Sub-part marks have been indicated along with the question, wherever applicable.

Q1. CASE STUDY (Compulsory)

NovaTech Appliances Ltd., an India-based consumer durables company, has grown steadily over the past 15 years. The company is known for producing affordable washing machines, air conditioners, and kitchen appliances targeted at middle-income households. Its strong dealer network in semi-urban and rural markets, along with cost-efficient production, has helped NovaTech establish a solid domestic presence.

However, in recent years, the Indian consumer durables market has become highly competitive. Multinational brands and aggressive pricing strategies by new entrants have reduced NovaTech's margins. Additionally, customers are increasingly demanding technologically advanced and energy-efficient products, an area where NovaTech has limited capabilities.

To sustain growth, NovaTech's leadership began exploring international expansion. After evaluating several regions, the company identified Latin America—particularly Brazil and Mexico—as promising markets due to rising urbanization and growing demand for affordable home appliances.

P.T.O.

To enter the market quickly, NovaTech considered acquiring CasaMundo Appliances, a mid-sized Brazilian company with an established brand name and widespread retail presence. CasaMundo had strong customer loyalty and distribution channels but struggled with outdated manufacturing processes and declining profitability.

NovaTech initially proposed a joint venture, aiming to combine its low-cost manufacturing expertise with CasaMundo's market reach. However, CasaMundo's management rejected the proposal, fearing loss of control and brand dilution.

In response, NovaTech adopted a more aggressive strategy and began purchasing CasaMundo's shares through the stock market. Within a short period, it acquired a 38% stake, signaling its intention to pursue a hostile takeover. This move created tension, as CasaMundo's management opposed foreign ownership and sought support from local investors and government bodies.

Meanwhile, NovaTech faced internal disagreements. Some executives supported the acquisition, believing it would provide immediate global exposure and economies of scale. Others argued that NovaTech should instead invest in R&D and organic growth, warning that a hostile takeover in a culturally different market could backfire.

As the situation escalated, NovaTech had to decide whether to proceed with the takeover, negotiate a compromise, or withdraw and pursue alternative strategies. The outcome would significantly impact its future as a global competitor.

Read the case carefully and answer the following:

Questions

(i) Identify the strategic option adopted by NovaTech Appliances Ltd. Evaluate its effectiveness in the given scenario. *(4 marks)*

(ii) Examine the internal conflict among NovaTech's management. Which strategic direction would you suggest? Justify your answer. *(4 marks)*

(iii) What potential synergies could NovaTech gain from acquiring CasaMundo? Explain with respect to production, market access, and competitiveness. *(4 marks)*

(iv) Discuss the key challenges NovaTech may encounter during post-acquisition integration in an international environment. *(6 marks)*

Q2. Zenova Foods Pvt. Ltd. is a fast-growing packaged food company in India. Over the years, it has invested heavily in production facilities, marketing campaigns, and distribution networks. Despite having strong financial and physical resources, the company has been facing inconsistent growth, frequent changes in product lines, and confusion among employees regarding organizational priorities.

Different departments seem to be working with their own goals—marketing focuses on premium branding, while production emphasizes cost reduction. The leadership team has also been unable to clearly communicate the company's long-term direction.

A recently appointed CEO observed that the company lacks a clearly defined vision, mission, and strategic intent, leading to misalignment across the organization.

Questions

(i) Identify the core problem faced by Zenova Foods. How is it affecting the organization's performance? (6 marks)

(ii) Explain how a well-defined vision, mission, and strategic intent can help Zenova Foods overcome its current challenges. (6 marks)

(iii) Even after implementing strategic management practices, what limitations might Zenova still face? Explain. (6 marks)

Q3. "Industry structure plays a more significant role than firm-level strategies in determining a company's profitability."

Critically examine this statement using Porter's Five Forces Model. Also discuss whether firms can overcome adverse industry conditions through effective strategic decisions. *(18 marks)*

Q4. "External opportunities may enable growth, but it is an organization's internal strengths that ensure long-term success."

In this context, explain the concept of core competencies and how they contribute to sustainable competitive advantage. Also analyze their relationship with value chain activities and their role in maintaining strategic flexibility in a dynamic business environment. *(18 marks)*

Q5. "Organizations operating in unfavorable market conditions and weak competitive positions must adopt bold and aggressive strategies to sustain themselves."

Discuss this statement with reference to the Grand Strategy Matrix. Explain the strategic options available to firms in different quadrants. *(18 marks)*

Q6. Write short notes on any three of the following:

a. BCG Matrix

b. PESTLE Analysis as a scanning tool

c. Balanced Scorecard

d. SWOT analysis

e. Relationship between Organisational Culture and strategy implementation

(6,6,6 Marks)