

lucrative offer some of the large shareholders of Chilliano reveal their interest for selling their stakes. On the other hand, promoters maintained their position on this matter. Through the process of buying of shares in the market the Tangy spices Ltd. gradually consolidated its holding in Chilliano to 45%. Being a major shareholder they were ready for a takeover. At the same time, Tangy spices Ltd. was trying hard to improve their position so that they do not leave any space for Chilliano's promoters in future.

Questions :

- (a) What strategic alternative is followed by Tangy spices Ltd?
- (b) Is the hostile takeover by an Indian company appropriate?
- (c) Why the Tangy Spices Ltd. is interested in this takeover?
- (d) Why the promoters are reluctant to transfer the shares after the agreement?

**MBAC 2005/MBLF 3001**

M.B.A. DEGREE EXAMINATION,  
DECEMBER 2015/JANUARY 2016.

Second Semester

General/Marketing/Finance/IB/HRM/RM/Tourism

**STRATEGIC MANAGEMENT**

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions out of Eight questions.

1. What are the 5 Ps of a strategy?
2. What factors in India are responsible for growing importance of strategy?
3. How do strategists look at environment and take decisions?
4. Why do you think balanced score card is a better techniques of scanning?
5. Explain horizontal and vertical integration strategies.
6. What is financial strategy and what is its necessity?

7. Outline the steps in planning process.

8. What size of span is ideal — wide or narrow?  
Justice your answer

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of Eight questions.

9. "Corporate strategy making is an on going process"  
—Discuss.
10. Describe the strategic management process with examples.
11. Examine the impact of changing technology on business.
12. How can value — chain analysis help identify a company's strengths and weaknesses?
13. In the globalization era, which form of alliances work?
14. Examine the stages of strategic planning.
15. Examine the problems in resource allocation and how companies overcome the problems.
16. Identify the use of qualitative standards in strategy evaluation.

PART C — (1 × 20 = 20 marks)

Case Study (Compulsory)

17. Tangy spices Ltd, the countries' biggest spices marketer has decided to launch a hostile bid for Italy's major spice marketer Chilliano, This is a rare case of an Indian company making an unsolicited hostile bid for a foreign company. The Tangy Spices Ltd. has competencies in Indian spices. The major destination markets for the Tangy spices Ltd. exports have been the Europe and America. The competencies of Chilliano lie in Italian herbs and spices. The Indian company with the takeover wishes to synergies its operations in the world market. It also wants to take advantage of the reach enjoyed by the Italian company in several countries where its products are not being sold presently. The move of hostile takeover follows Chilliano's rejection to an agreement entered a year back. At that time Chilliano was suffering losses and it offered majority shares at a price of € 2.25. A total of 20% shares were transferred at that time. In one year Chilliano was able to turnaround its operations and the company made handsome profits in the last quarter. The promoters who have residual holding of 35% in the company are reluctant to transfer the shares now. They have rejected the agreement with a plea that the earlier offer price was not sufficient. Tangy spices Ltd has revised its offer to € 2.95. By this