Enrolment No. _____

AHMEDABAD UNIVERSITY

AMRUT MODY SCHOOL OF MANAGEMENT

GRADUATE PROGRAMMES

2023-2024 WINTER SEMESTER

END SEMESTER EXAMINATION

MGT542 STRATEGIC MANAGEMENT

Date: 22-04-2024
Time: 02.00 pm – 03.40 pm

Total Marks: 40
No. of printed pages: 02

Instructions:

- This is a closed book / closed notes examination
- There are three questions and all of them are compulsory
- Use appropriate framework/s wherever applicable
- Marks are indicated at the end of each question
- **Additional supplementary will not be provided**

1. ABC limited is a leading manufacturer of Precision and High-Quality Brick making machine. The company is active in the business since 2010, with our plant in Gurgaon, India. The company is engaged in manufacturing, exporting and supplying the finest quality range of Bricks Making Machines, Concrete Brick and Block Making Machines, Paver Block Making Machine, Material Handling Equipment, and related solutions. The company is an INR 100 Crore company and aims to achieve 5X revenue target in 2026-27.

   Additional information:

   - ABC Limited currently holds a 15% market share in the Indian brick-making machine market. There are a total of 4 leading companies in India.
   - The company has maintained an average annual growth rate of 15% over the past five years.
   - The company's product line includes five major models of brick-making machines, each catering to different scales of production needs and technological capabilities.
   - Their customer base includes large construction companies, SMEs in the building materials sector, and government contracts for infrastructure projects.
   - The company has a debt-to-equity ratio of 0.5, indicating a stable financial position with moderate leverage.

   Question:

   Generate the possible growth directions. From the generated options, recommend one option with your rationale. Also, for the recommended growth option, how should the company decide the appropriate method for growth? (15).

2. Orion Tech, a player in the tech industry, prides itself on its R&D department and innovative product lines. However, they have been struggling with operational inefficiencies and higher production costs. Orion Tech invests 15% of its annual revenue in R&D, which is 5% higher than the industry average. Their operational inefficiencies have led to a 25% higher production cost compared to competitors. Moreover, the company has witnessed high employee turnover in the operations department, averaging 20% annually.

   Moreover, their competitors have begun launching similar products at lower prices. The company has experienced a drop in market share over the last quarter - it held 30% market share one year ago, which has now declined to 22%. The competitors' products are priced 20% lower than Orion Tech's offerings. Moreover, there is a 10% increase in tariffs on imported solar panel materials affecting costs. Evaluate the market conditions thoroughly and suggest strategic actions they might consider to regain their market positioning. (15)

3. How does the BCG matrix align with the life-cycle model? What should be the ideal Balanced Score Card for each of the quadrants of the BCG matrix? Explain the scorecard by showing cause-and-effect linkages for each quadrant. (10)