

MTP_Final_Syllabus 2008_Jun2014_Set 1

Paper – 13: Management Accounting –Strategic Management

Time Allowed: 3 Hours

Full Marks: 100

Answer question No.1 and Question No.6, which are Compulsory and any three Questions from Section I and another two question from Section-II.

Working Notes should form part of the answer

“Wherever necessary, suitable assumptions should be made and indicated in answer by the candidates.”

Question.1

(a) Choose the most appropriate one from the stated options and write it down: [1x5=5]

- (i) What are the enduring statements of purpose that distinguish one business from other similar firms?
(a) Policies
(b) Mission statements
(c) Objectives
(d) Rules
- (ii) Brand names such as Coca-Cola, Sony, McDonald's and Nike are a source of competitive advantage as :
(a) They are owned by global firms
(b) They are more than 50 years old
(c) They are well managed brands
(d) They are highly innovative firms
- (iii) Mckinsey's T-s framework consists of:
(a) Structure, strategy, software, skills, styles, staff and supervision.
(b) Structure, strategy, systems, skills, styles, syndication and shared values,
(c) Structure, strategy, systems, skills, steering power, styles and shared values.
(d) None of the above
- (iv) Successful differentiation strategy allows the company to:
(a) Gain buyer loyalty to its brands
(b) Charge too high a price premium.
(c) Depend only on intrinsic product attributes
(d) Have product quality that exceeds buyers' needs
- (v) Intensity of competition is in low return industries
(a) Low
(b) Highest
(c) Non-existent
(d) Not important

(a) State whether the following statement are 'True' or 'False' with justification for your answer. [1x5=5]

- (i) Performance measures for monitoring strategies cannot be mainly financial.

MTP_Final_Syllabus 2008_Jun2014_Set 1

- (ii) 'Long Range planning' focuses on forecasting the future by using economic and technical tools.
- (iii) The acquisition of Hutch by 'Vodafone' is an example of Horizontal integration.
- (iv) 'Repositioning' does not involves moving the product or brand into a different market segment.
- (v) 'Dogs' are the products in a high-growth market but where they have a low market share.

(b) Define the following terms in not more than two sentences: **[1x5=5]**

- (i) Stake-holder
- (ii) Conglomerate diversification
- (iii) Harvest
- (iv) Values
- (v) Merger

Section I

Question.2

- (a) What are the different policies taken by the Government of India to improve the productivity and competitiveness of the Indian economy? [10]
- (b) Write a short note on Horizontal Integration. [5]

Question.3

- (a) Unrelated Diversification can sometimes work well. When is unrelated diversification a good strategy? Illustrate. [6]
- (b) What are the different strategies of "Joint Venture". [3]
- (c) Demand forecasting can be done using (i) Delphi technique, (ii) Time-series analysis and (iii) Regression analysis. Explain the strengths of these techniques and also indicate the situations where these techniques would be relevant. [2+2+2=6]

Question.4

- (a) "A Dog (in respect of BCG matrix) need not be divested always. Someone can acquire a Dog." State. [3]
- (b) What are the different factors about which firms can become complacent at each stage of the life-cycle and the dangers that this can pose. [6]
- (c) Differentiate between:
 - (i) Products & Brands
 - (ii) Above-the-line & Below-the-line Advertising. [3+3]

Question.5

- (a) Discuss the ways by which companies can achieve a cost advantage by reconfiguring their value chains. [7]
- (b) Difference between 'Marketing' and Societal Marketing' concepts. Why is the 'Societal Marketing' concept so important? [4+4=8]

Section II

Question.6

(a) Choose the most appropriate one from the stated options and write down: [1x5=5]

(i) The most commonly used techniques for measurement of liquidity risk is.....

- (a) The gap analysis of maturing assets to the maturing liabilities
- (b) The financial analysis
- (c) The audit of maturing assets
- (d) The gap analysis of current assets to the maturing liabilities

(ii) SCO means

- (a) Successful competitor outcome
- (b) Successful customer outcomes
- (c) Successful commercial organization
- (d) None of the above

(iii) MTO stands for

- (a) Mark to order
- (b) Move to order
- (c) Move to open area
- (d) None of the above

(iv) Life Insurance do not include

- (a) Whole life
- (b) Pension
- (c) Motor vehicle
- (d) Endowment

(v) MTS stand for

- (a) Make to sell
- (b) Make to stock
- (c) Move to sell
- (d) Move to store

(b) State whether the following statements are 'True' or 'False'. [1x5=5]

- (i) Capital Assets Pricing Model attempts to measure the risk of capital assets of a company.
- (ii) The concept of certainty equivalent coefficient does not represent the computation of a certain amount equivalent to a probable income or loss.

MTP_Final_Syllabus 2008_Jun2014_Set 1

(iii) Product Liability Policy is not one of the products of "Industrial Insurance".

(iv) VAR means Value at Risk.

(v) Portfolio Management increases Systematic Risk.

Question.7. Write short notes on:

[5×3=15]

(a) Catastrophic Losses

(b) Utility Theory

(c) Impact of Macro Economic Factors and Risk

Question.8

(a) Why is Risk Reporting considered to be an important step in Risk Management? [7]

(b) Role of Insurance Industry in Service Sector. Explain. [4]

(c) State asset liability model and its utility for managing liquidity risk. [2+2]

Question.9

(a) Discuss 'pricing' in relation to an insurance product. [7]

(b) What is Insurance? What are the requirements & characteristics of an insurance contract?
[2+2+4=8]