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| **Name:**<br><br>**Enrolment No:** | |

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End-Semester Examination, **December 2020**

Programme : BBA OG — Semester: V
Course: Business Policy and Strategy — Course Code: **STGM3002**
Time: 03 Hours — Max. Marks : 100
Instructions: Attempt all sections and questions

## SECTION A

| Q.1. | Multiple choice questions : Make correct choice with explanation | Marks | CO |
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| | **i. Switching costs refer to the:**<br>a. cost to a producer to exchange equipment in a facility when new technologies emerge.<br>b. cost of changing the firm's strategic group.<br>c. one-time costs suppliers incur when selling to a different customer.<br>d. one-time costs customers incur when buying from a different supplier<br>**ii. Upper limits on the prices a firm can charge are impacted by:**<br>a. expected retaliation from competitors.<br>b. the cost of substitute products.<br>c. variable costs of production.<br>d. customers' high switching costs<br>**iii. A major department store chain has a strict policy of banning photographs of its sales floor or back room operations. It also does not allow academics to include it in research studies for publication in research journals. In fact, some of its own top managers refer to the store policies on secrecy as "verging on paranoid." These policies indicate that the top management of the firm believes the organization's core competencies are:**<br>a. causally ambiguous.<br>b. unobservable.<br>c. imitable.<br>d. valuable.<br>**iv. Which of the following is not among the disadvantages and managerial problems encountered by companies pursuing unrelated diversification strategies?**<br>a. Being without the added source of competitive advantage that cross-business strategic fit provides<br>b. Spreading corporate resources too thinly over too many different lines of business<br>c. The strain it places on corporate-level management in trying to stay on top of fresh industry developments and the strategic progress and plans of each business subsidiary | 5X6=30 | CO1 |

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| | d. Ending up with too many cash hog businesses (as compared to related diversification strategies where cash hog businesses are rare)<br>**v. Assuming a company elects to use the Internet as its exclusive channel for accessing buyers, then which of the following is not one of the strategic issues that it will need to address?**<br>a. Whether to pursue a competitive advantage based on low-costs, differentiation or more value for the money<br>b. How to deliver unique value to buyers<br>c. How to draw traffic to its Web site and then convert page views into revenues<br>d. Whether to employ a forward integration strategy<br>**vi. First-mover disadvantages arise when**<br>a. The costs of pioneering are much higher than being a follower and only negligible buyer loyalty or cost savings accrue to the pioneer<br>b. Technological change is rapid and following rivals find it easy to leapfrog the pioneer with next-generation products of their own<br>c. The pioneer's skills, know-how and products are easily copied or even bested by late movers<br>d. All of these | | |
| **SECTION B** | | | |
| | **Write short answers** | Marks<br>10X5=50 | CO |
| Q2 | Can Oil and Gas companies follow differentiation strategies? if yes suggest means and modes of differentiation to apply on various petroleum products. If no, then justify your views with logical arguments | 10 | C02 |
| Q3 | What do you understand by the term “deemed to be registered trademark”. Also explain various forms of trademarks with suitable examples | 10 | C02 |
| Q4 | Comment on suitability of mode of international growth of strategies like countertrade and piggybacking for oil and gas companies. Explain with relevant examples. | 10 | C03 |
| Q5 | Examine the valuability of “Economic deterrence” as resource for oil and gas companies while explaining VRIO/VRIN framework | 10 | C03 |
| Q6 | Structure follows strategies . Comment on the statement while enunciating and enumerating structures suitable for different strategies | 10 | C03 |
| | **Section-C**<br>**Case/ application based questions** | | |

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| | Oklahoma Gas Company (OGC) is a medium-sized private company that has a rich history of drilling and producing natural gas wells in the state of Oklahoma. They possess a diverse, and they believe valuable, set of land assets where more natural gas wells could be drilled. The company OGC is well capitalized, but profits have been falling in the last few years and are projected to be negative next year. One of the key drivers in the drop in profitability is the price of natural gas, which has dropped substantially, thanks in part to companies like OGC, that have perfected unconventional drilling techniques and have subsequently oversupplied the North American natural gas market. Natural gas prices are currently at a five year low. Recently, a larger competitor has approached the management of Oklahoma Gas Company about acquiring OGC for $250 Million. | | CO4 |
| Q7. | As a strategic consultant , comment on nature of the acquisition bid. Also suggest the various acquisition strategies available for competitors | 10 | CO4 |
| Q8. | Now you are supposed to help targeted company by suggesting various strategies to foil acquisition bid. | 10 | CO4 |