

**K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH**  
**Program: PGDM Executive – II TRIM (2016-17)**  
**Subject: Strategic Management**  
**(Final examination)**

**Maximum Marks: 50**

**Duration: 3 hours**

**Date: 27<sup>th</sup> March 2017**

**Notes:**

- 1. Answer 4 questions**
- 2. Question 1 is compulsory**

**Based on your analysis of the Michelin case, please answer the following question.**

**Question 1 (40 marks)**

1. Perform an industry analysis of the Indian tire industry (**NOT COMPANY**) using the Porter model. Is this an attractive/unattractive industry? Explain clearly. Please structure your answer using bullets and/or paragraphs, and use concepts wherever required.

**Answer any 3 questions (20 marks each)**

2. What are the four strategies available to firms in a declining industry? Explain each one, and how you would choose which one to adopt.
3. You are interviewing for a position in the Strategy area of a firm. The interviewer tells you that the strategy of the firm is to be more operationally effective than competitors by performing similar activities better than them. You are an expert on Porter's *What is Strategy* article in HBR and know, therefore, that the essence of strategic decisions is to be unique rather than similar, and that there are **three** fundamental elements in all strategic decisions. How would you explain this to the interviewer?
4. Explain how you will use the following tools in implementing a competitive strategy: a) Experience curve, b) Analysis of relative costs, c) Analysis of relative WTP. Please use diagrams/graphs in your answer.

5.
  - a. Explain the concept and purpose of strategic group analysis.
  - b. According to Porter, what are the actions that firms can take to deal with each of the five forces that is constraining profitability?
  
6. Explain the strategies that firms use to manage price rivalry among incumbent firms in the maturity stage of the industry life cycle. How do they manage non-price rivalry using the Ansoff matrix?