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B.B.A. T.Y. (Sem – VI)

Examination October-2023

Business Policy & Strategic Management
(601-Business Policy & Strategic Management)

Seat No:

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[Time: Three hours]

[Max. marks: 70]

Student's Signature

Q.1 Answer the following in Brief: (Any 7)**14**

1. What do you mean by Goal?
2. Define the word Policy.
3. What is ETOP?
4. List out the Process of Control.
5. What is Backward Linkage & Forward Linkage?
6. What is Strategic intent?
7. Define Value.
8. Define Distinctive Competence.
9. What is Forward Integration?
10. What is SAP?

Q.2 Explain Business Level Strategy in detail.**14****OR**

Explain Strategic Management Process with its Implications.

Q.3 Explain Corporate Parenting Analysis with diagram.**14****OR**

Discuss Functional Implementation in detail.

Q.4 Explain when and why the organisations adopt Stability Strategy? Discuss its variants.**14****OR**

Explain the Value Chain Approach of Organizational Analysis in detail.

Q.5 A. Write short note on Barriers in strategic Evaluation and Control.**06**

B. Read the following case and answer the questions.

08**Apple's i-Phone**

Apple computer Inc was a marginal player in computer industry till 1996. In 1998 Apple decided to establish itself as the maker of consumer durables rather than pure maker of computer. The launch of iPod in 2001 and iPod shuffle in 2005 became a defining moment as the company captured 58% of the flash player market in the US. In January 2007, the company announced the introduction of first mobile phone the 'iPhone'.

The i-Phone and its Price

The iPhone was a revolutionary mobile phone, the first from Apple, with advanced features like a multi touch screen and high memory capacity. This created a buzz among customers. The craze for the iPhone was evident from the fact that Apple's fans formed long queues outside Apple's stores to ensure that they got it immediately after the launch. On June 29, 2007 Apple launched its much hyped 'iPhone' in the US mobile phone market. The 4GB version of iPhone was priced at US \$499 and the 8GB version at US \$599. The iPhone was considered the most expensive mobile handset in the world at the time of its release.

One customer who bought the iPhone soon after it was launched remarked, "I'm going home to ring people just to say 'Guess what, I've got an iPhone, bye!'" Such was the frenzy that surrounded the launch of this new mobile phone.

In view of its high pricing, some analysts opined that Apple would face difficulties in penetrating the mobile phone market and in conquering its target of 1% market share because the mobile phone market was highly fragmented with hundreds of models catering to different types of users depending upon their affordability, needs and the features offered. Moreover, the market was dominated by established players like Nokia, Samsung, Sony Ericsson, LG and Motorola that provided various high end products at affordable prices. But, all records were broken when Apple sold 1389000 units between June 29, 2007 and September 29, 2007. It was unpredictable as far as electronic products were concerned.

Price Cut

In September 2007, barely ten weeks after the launch of the iPhone, the company announced a steep price cut for the iPhones. Accordingly the 4GB version was made inoperable while the price of 8GB version was slashed from US \$599 to US \$399 and a 16GB version was to be introduced at a price of US \$499. The price cut infuriated those who had bought the iPhone at the original price. Early adopters who had waited in long queues for buying the handsets were discontented and annoyed; some even took legal action against Apple. The company was flooded with angry mails by customers.

After critically analyzing the entire situation, the CEO posted a public apology on the company's official website and offered a credit of US \$100 to all the customers, who had bought the handset at the introductory price, to buy product at Apple Retail Stores.

Outlook

Apple's decision to go in for steep price cut left analysts and industry experts divided. Some believed that the price cut was nothing unusual in the intensively competitive telecom industry and felt the action was justified. According to analysts, companies adopt skimming strategies and go in for a higher price initially in order to recoup their expenditures related to research and development with higher margins. They considered it a smart strategy because the sales of iPhone had gone up from 9000 units per day to 27000 units per day after the price cut.

Others felt that the price cut had hurt customer's sentiments. "They've (the early adopters) gone

being envied to being labelled as losers for having paid too much for their iPhones". They believed that the strategy of reimbursing money would further dent the company's image since it was perceived as adding insult to injury.

Questions:

1. "Good timing is crucial for ensuring success of a business level strategy". Illustrate with the help of above case.
2. How technological factors provided competitive advantage to Apple despite threats from existing players in the field?