



**CA Intermediate – Group II (New Scheme)**

**SM SAMPLE TEST PAPER 1**

**Introduction to Strategic Management**

**Course: CA Intermediate**

**Paper: 6B**

**Total Marks: 50**

**Name: .....**

**Reg. No.: .....**

**Date: .....**

Attempt all the questions.

Answer to all the questions is to be given only in English.

**PART 1: MCQs**

**(5 Marks)**

**1. What is a core competency?**

- a) A unique capability that gives a company a competitive advantage.
- b) A set of skills that an individual possesses.
- c) The ability to handle difficult situations.
- d) A quality that every employee must possess.

**2. Which of the following is not a core competency?**

- a) Customer service
- b) Innovation
- c) Administrative tasks
- d) Strategic planning

**3. OTC Virtuals is a one-stop online learning platform that provides modern and effective quality education for CA, CS, CMA, and commerce aspirants. Founded in 2017 by Prof. Om Trivedi, an IIM-C alumnus, ICAI visiting faculty, and external subject expert, OTC Virtuals offers the best professionals and professors for professional degrees like CA, CS, and CMA. We ensure that students “learn concepts with fun through innovations”. How can OTC Virtuals identify its core competencies?**

- a) By conducting a SWOT analysis
- b) By asking customers for feedback
- c) By looking at its financial statements
- d) By reviewing its mission statement

**4. Which of the following is an example of a core competency?**

- a) Having a strong social media presence

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- b) Offering low prices
- c) Providing excellent customer service
- d) Having a large physical store network

**5. How can an organization like OTC & Sons leverage its core competencies?**

- a) By outsourcing them to third-party vendors
- b) By investing in them to make them even stronger
- c) By ignoring them and focusing on other areas
- d) By using them to copy competitors' strategies

**PART 2: Case Based Questions**

**(25 Marks)**

**Question 1:** SJM Enterprises deals in a wide range of businesses which includes lifestyle products, processed food items, fashion, furniture, electronics items, real estate, jewellery and gardening tools. CA Sameer Jhunjhunwala is one of the important persons in SJM Enterprises. In an informal discussion with his friend, he shared that he has to move very cautiously in his organisation as the decisions taken by him have organisation wide impact and involve large commitments of resources. **He also said that his decisions decide the future of his organisation.**

**Required:**

- i.** Where will you place CA Sameer Jhunjhunwala in organizational hierarchy?
- ii.** In your opinion, what is the name of the strategic level CA Sameer Jhunjhunwala belongs to?
- iii.** Enlist the activities involved with the role of CA Sameer Jhunjhunwala at his strategic level.
- iv.** Enlist and describe the strategy adopted by CA Sameer Jhunjhunwala.

**(10 Marks)**

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**Question 2:** OTC Retail Venture Pvt. Ltd. operates some of India's most popular retail chains that inspires trust through innovative offerings, quality products and affordable prices that help customers achieve a better quality of life every day. It serves millions of customers in more than 515 cities in every state of the country through digital platforms and over 3580 stores that cover over 21 million square feet of retail space with an income of Rs 20,185.37 crore in FY19 and Rs 15,717.09 crore in FY20.

**However, OTC Retail Venture Pvt. Ltd. Has a consolidated debt of ₹ 12,778 crore as of Sep. 2019. OTC Retail Venture Pvt. Ltd. had a gross debt of ₹ 2,657 crore as of March 2019. It had been in financial difficulty since the nationwide lockdown started hurting its businesses. OTC Retail Venture Pvt. Ltd.'s net profits declined to ₹ 164.56 crore on a consolidated basis in Q3-FY20 from ₹ 197.60 crore in the year-ago period. Revenue from operations decreased to ₹ 5,193.19 crore in Q3-FY20 compared to ₹ 5,368.46 crore in Q3-FY19.**

OTC Retail Venture Pvt. Ltd. Is a strategically managed enterprise. It takes all decisions through a **strategy group** formed at the top of the hierarchy. However, the presence of **strategic management** and **strategy group** could not stop the continuing losses and acquisition of **OTC Retail Venture Pvt. Ltd. by Prathama Retail Venture Pvt. Ltd.**

**Required:**

- i. In your opinion, what are the major reasons of the above situations?
- ii. Discuss with reason and suitable examples.

**(5 Marks)**

**Question 3:** Bittoo Tikkiwala and Tittoo Tikkiwala are successfully competing in the business of ready to eat snacks in Delhi NCR. Bittoo Tikkiwala has been pioneer in introducing innovative products. These products will give them good sale. However, Tittoo Tikkiwala will introduce similar products in reaction to the products introduced by the Bittoo Tikkiwala taking away the advantage gained by the former.

**Required:**

- i. Discuss the strategic approach of the two companies.

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- ii. Which one of the approaches is superior in terms of strategic moves and why?
- iii. Discuss with suitable examples.

**(5 Marks)**

**Question 4: Retailco** is the leading supermarket Indian retailer and one of the top seven Indian retailers. The pursuit of this strategy has meant Retailco diversifying into growing emerging markets which bring opportunities and threats. Diversifying reduces Retailco's reliance on few business areas but also increases its risks since the 'industry life cycle' is less well understood in emerging markets.

**Retailco's core business is significant within the group, with over 1,00,000 employees and over 14000 stores. Nearly 80 per cent of group sales and profits come from the India business.** Growth in India business comes from new space, extensions to existing stores and multi-format approach. Sales of non-food which are growing at around twice the rate of food, also contribute to the overall growth picture.

In 2020, Retailco reported a 17 per cent increase in group profits before tax. Its group sales were a staggering 2.5 Lakh Crores, representing an increase of 14 per cent on the previous year. Its share in the market is 32 per cent well ahead of its nearest rivals Big Bazar and Easy Day.

**Required:**

- i. Keeping the Essentials of a strategic vision in mind, articulate the strategic vision of Retailco.
- ii. Do you think that Retailco must write its mission statement. If yes, then why do you believe so?

**(5 Marks)**

**PART 3: Descriptive Questions**

**(20 Marks)**

**Question 1:** What do you mean by the values of an organization? Do you also think that values create a sense of shared purpose to build a strong foundation and focus on longevity of the company's success. If yes, then Explain.

**(5 Marks)**

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**Question 2:** Organizations sustain superior performance over a long period of time, in spite of the rapid changes taking place continually in its competitive environment if they implement strategic management successfully.' discuss.

**(5 Marks)**

**Question 3:** A Good strategy execution involves creating strong "fits" between strategy and organisational capabilities, between strategy and the reward structure, between strategy and internal operating systems, and between strategy and the organisation's work climate and culture. It also entails vigilantly searching for ways or continuously improve and then making corrective adjustments whenever and wherever it is useful to do so. In the light of the above statement, discuss the principal aspects of strategy implementation and control process with a suitable example.

**(5 Marks)**

**Question 4:** FMSM Ltd. is a large enterprise dealing in pharma, chemical, petroleum, retail and insurance products and services. It is a multinational, multi-brand, multi-division, multi-business enterprise. It has huge value chain that has huge value creation capability. However, it has its own set of competitors and FMSM Ltd. is capable to deal with its competitors. FMSM Ltd. hires Mr. Om Trivedi, an IIM Alumnus, as its strategic advisor and chief strategist. According to Om Trivedi, it seems impractical for FMSM Ltd. to provide strategic planning treatment to each of its subsidiaries, brands and businesses spread all across the globe.

**Required:**

- i.** Do you also think that the strategic management approach followed by Om Trivedi for Strategic Planning of each of FMSM subsidiaries, brands and businesses spread all across the globe is correct? Support your opinion with reason.
- ii.** Suggest the most suitable strategic level and its strategy and major strategic concerns of FMSM Ltd.

**(5 Marks)**