

to decide its future investment and growth priority sectors." Conduct a BCG matrix evaluation of Patanjali's businesses and suggest a direction forward to Patanjali. (10)

(b) "Keeping a strategy on track is more difficult than actually creating it." Explain this statement in the light of strategic control and evaluation. (5)

5. Write short notes on **ANY THREE** of the following :

(a) Balanced Scorecard

(b) Characteristics of a mission statement

(c) Experience Curve

(d) Turnaround Strategies (3×5=15)

(500)

14/5/19 (M)
[This question paper contains 6 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 2864

Unique Paper Code : 61011601

Name of the Paper : Business Policy & Strategy

Name of the Course : **Bachelor of Management Studies (BMS), 2019 (CBCS)**

Semester : VI

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. **All** questions are compulsory.
3. **All** questions carry equal marks.

1. Read the case below and answer the following questions.

Coca-Cola is to produce the first alcoholic drink in its 132-year-history, with plans to launch an alcopop in Japan. The world's biggest soft drinks company said it would start making a version of "Chu-Hi" (An

P.T.O.

alcoholic canned drink originated in Japan). Sales of the drink-Chu-Hi, which ranges in alcohol content from 3-8%, have surged over the past five years in Japan and it is particularly popular with female drinkers.

The company, famous for its red label and secret Coca-Cola recipe, hopes to capitalize on the increase in popularity in Japan of Chu-Hi alcopops. Coca Cola has recently announced to launch a drink with alcohol content of 3-8%. The initial target is to capture the share in Japanese market to tap the expanding market of *Chu-Hi*.

Sales of fizzy drinks are in decline worldwide as young people become more health conscious, cutting down on sugar consumption. Coca-Cola has branched out into water, coffee and tea to plug the sales shortfall.

In the last year Coca-Cola presence in the UK market has seen a number of changes. Despite the UK's sugar tax coming into effect next month, Coca-Cola has no plans to change its sugar-laden recipe for its flagship drink. It has said "people love the taste ... and have told us not to change". The group will use smaller bottles and sell at higher prices to offset the impact of the soft drinks tax.

(b) Do you think that Value Chain analysis can help with creating a competitive advantage for an organization? If yes, then how? (5)

3. Answer **all** parts :

(a) Why is analysing the environment in which the company operates important? (5)

(b) Conduct a PESTEL analysis of India as a market for a company that wishes to sell female sanitary products. Mention specific instances of each PESTEL factor. (10)

4. Answer **both** parts :

(a) "Over the past 5 years, Patanjali has taken the FMCG sector in India by storm. It has launched numerous products across multiple categories. It is currently offering products under Natural Health Care, Digestives, Natural Food Products, Biscuits and Cookies, Ayurvedic Medicines, Herbal Home Care, Agarbatti and Dhoops, Natural Personal Care, Skin care, Publications and Swadeshi Samridhi SIM Card among others. However not all products are doing equally well. Patanjali is now facing a growth decision moment and needs

The company is also launching three new drinks in the UK this year – the ice tea drink Fuzetea, ready-to-drink cold coffee Honest Coffee, and the dairy-free smoothies brand AdeZ.

Last year a report from the analysts IRI showed sales of bottled water exceeded cola for the first time as many UK consumers turned to healthier options.

Howard Telford, head of soft drinks at Euromonitor International, a market research firm, said: “This is a departure for Coca-Cola, but I think this reflects the way that changing consumer tastes are pushing the company into less familiar areas like premium dairy, coffee, tea and now low-alcohol flavoured drinks.

“While I don’t think this represents a global shift in company strategy, I do think we can expect Coca-Cola and its competitors to continue looking for new opportunities.”

According to Euromonitor, global consumption of fizzy cola drinks fell 3.1% between 2012 and 2017, with double-digit declines in the US and Brazil. Coca-Cola controls 56.5% of the global market.

He said: “The Chu-Hi category is found almost exclusively in Japan. Globally, it’s not uncommon for non-alcoholic beverages to be sold in the same system

as alcoholic beverages. It makes sense to give this a try in our market.”

Jorge Garduño, Coca-Cola’s Japan president, said: “We haven’t experimented in the low-alcohol category before, but it’s an example of how we continue to explore opportunities outside our core areas.” Garduño said Coca-Cola would probably sell its alcoholic drinks only in Japan, because of the “unique and special qualities” of the domestic market.

- (a) What are the factors that have prompted Coca-Cola to seek diversification; particularly in the Chu-Hi category in Japan? (10)
- (b) Identifying competitors is a milestone in the development of strategy. What common mistakes do strategic executives often make in this process? (5)

2. Answer **both** parts :

- (a) “Mergers and Acquisitions are a complicated process and should be undertaken only after a thorough analysis. The record of M&A world over isn’t impressive.” What are primary drivers for M&As? Suggest some of the basic due diligence that any company should undertake before going for mergers and acquisitions. (10)