

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM & ENERGY STUDIES
Online End Semester Examination – December 2020

Program: MBA AVM
Subject/Course: Strategic Management
Course Code:

Semester: 3rd
Max. Marks: 100
Duration: 3 Hours

SECTION A

1. All objective questions are compulsory

Q.No		Marks	COs					
	Section A							
1	List types of Strategy	3	1					
	True or False <table border="1" style="margin-left: 40px;"> <tr><td>2) Softbank is the new investor of Jet Airways</td></tr> <tr><td>3) BCG matrix was created by CK Prahalad</td></tr> <tr><td>4) Cost leadership companies focus on innovative products</td></tr> <tr><td>5) Mission Statement creation is under Strategic Execution</td></tr> <tr><td>6) Nikesh Arora was the CEO of Theranos</td></tr> </table>	2) Softbank is the new investor of Jet Airways	3) BCG matrix was created by CK Prahalad	4) Cost leadership companies focus on innovative products	5) Mission Statement creation is under Strategic Execution	6) Nikesh Arora was the CEO of Theranos	6*2=12	1
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7	Explain importance of BCG matrix	3	4					
8	Explain Difference between horizontal merger and vertical merger	3	4					
9	Explain 5 important factors for better strategy execution	3	1,2					
10	What do you mean by Resource Based View of the firm	3	1,2					

Section B

1. Each question will carry 5 marks
2. Instruction: Write short/brief notes (Any four)

1	Explain Airline Market in India, Do you think it's highly competitive	5	3
2	Explain Porter's Generic Framework with example	5	2
3	Explain 4As of Strategy	5	2
4	Explain the importance of vision and mission statement and explain its linkage with Organization objectives.	5	2

5	<p>You are the CEO of ABC Airlines, a major airline headquartered in Mumbai, India. Operating an extensive international and domestic network, ABC Airline is the world's largest airline by fleet size and revenue, and the second largest by number of destinations served, after British Airways.</p> <p>You are just informed that the price of oil has dropped to \$0. As a CEO what should be your next action plan.</p>	5	2 3
Section C (Any three questions)			
1	Explain Types of Strategies with case example	10	2,3
2	Explain Cost leadership and Differentiation with examples	10	3
3	Explain Swot analysis with case example	10	3
4	Explain features of an organization with good strategic execution environment	10	2,3
5	Explain Six Sigma methodology . Explain in detail each phases of Six Sigma principle.	10	2,3
Section D			
1) Short Case Study			
1	<p>Stock market investor Rakesh Jhunjhunwala-backed aviation venture SNV Aviation, which is planning an airline under the Akasa brand, has received a no-objection certificate from the Ministry of Civil Aviation. The airline, which is planning to operate as a low-cost carrier or an ultra low-cost carrier, expects to launch services by the summer of next year.</p> <p>The airline is being launched by Jhunjhunwala, who will hold a 40 per cent stake in the company. Jhunjhunwala has onboarded aviation industry veterans such as former Jet Airways CEO Vinay Dube and ex-IndiGo president Aditya Ghosh to run the airline. While Dube is the CEO of the company, Ghosh is expected to be on the board as Jhunjhunwala's nominee. The Mumbai-based investor will pump in \$35 million and is planning to have a fleet of 70 planes over the next four years. "Akasa Air will serve all Indians regardless of their socio-economic or cultural backgrounds...," Dube said in a statement. The airline said it plans to offer flights across India starting in the summer of 2022.</p>		3,4

	<p>In the ULCC (ultra low cost carriers) airline business model, the company focuses on keeping operating costs even lower than typical budget airlines like IndiGo and SpiceJet. In the low-cost model, airlines unbundle certain amenities that are usually associated with the full-service airline experience — like seat selection, food and beverages, etc. In the ultra low-cost model, there is an even further unbundling of services like checked-in baggage, cabin baggage, etc. Traditionally, while LCCs operate with significantly lower fares and only somewhat lower costs than full-service carriers, ULCCs operate with minimal costs to ensure profitability. However, experts have pegged that for a market like India, operating on a ULCC model is tough because of lack of availability of no-frill airport terminals from where the lower costs are derived. Examples of such terminals are prevalent across Europe, and are used by airlines such as Ryan Air, EasyJet, etc. With the 2019 closure of Jet Airways, the disinvestment of Air India to the Tata Group, and the weakened position of other existing players, the airlines industry is facing a threat of consolidation of market share with the major players. Additionally, with vaccination rollout gaining momentum, market participants expect the sector to bounce back. In an interview with Bloomberg TV, Jhunjhunwala said: “I’m very bullish on the Indian aviation sector in terms of demand and I think some of the increment players will not recover. Currently, InterGlobe Aviation Ltd-run budget airline IndiGo is India’s largest airline with over half the market share in the domestic passenger market followed by Air India, SpiceJet, GoAir, Vistara and AirAsia India. GoAir, which has filed papers for its initial public offering, recently rebranded itself to GoFirst and plans to revamp its business model to become a ULCC. The upheaval of the Indian airline industry has largely been on the back of deep losses reported in 2020-21 (April-March) because of Covid19 — a situation that has persisted with the second wave in the new fiscal. “Massive, perennial losses have created a debt trap which has resulted in most airlines having very limited means of recapitalisation. The Government of India is providing almost no direct support; lenders have by and large closed their doors to airlines, even for restructuring purposes; and lessors will soon have no option but to start applying pressure on defaulting airlines.</p>		
1	Explain the market of Ultra low cost airlines in the Indian context. Do you believe India can have market for ultra low cost airlines	15	3,4
2	Create a Strategic plan for AKASA airlines to create market dominance in next 2 years.	15	3,4

ANSWERS

