Paper – 13: Management Accounting –Strategic Management

Time Allowed: 3 Hours **Full Marks: 100**

Answer Question No.1 and Question No.6, which are Compulsory and any three Questions from Section I and another two Questions from Section-II.

Working Notes should form part of the answer
"Wherever necessary, suitable assumptions should be made and indicated in answer by the candidates."

Question.1
(a) Choose the most appropriate one from the stated options and write it down: [1x5=5]

(i) Marketing mix" is a general phrase used to describe the different kinds of choices organizations have to make in the whole process of bringing a product or service to market. The 4Ps is one way—probably the best-known way—of defining the marketing mix, and was first expressed in 1960 by
A. Boom and Bitner
B. Lauterborn
C. Borden
D. McCarthy

(ii) The role of leadership can be best evaluated by looking at
A. Mission
B. Strategy
C. Communication
D. All of the above

(iii) As per Peter F. Drucker, father of management principles, mission to give answers to following except
A. Present business
B. Present customer
C. Values to be delivered to customers to secure their delight
D. Business our competitor want to develop

(iv) The following is not a Primary Measure in a balanced score card.
A. Customer Perspective
B. Competitor Perspective
C. Internal Perspective
D. Learning and Growth Perspective

(v) Offensive Strategy is a strategy
A. For small companies that consider offensive attacks in the market.
B. For those companies that search for new inventory opportunities to create competitive advantage.
C. For the market leader who should attack the competitor by introducing new products that makes existing ones obsolete.
D. For those companies who are strong in the market but not leaders and might capture the market share from the leader.

(b) State whether the following statement are 'True' or 'False' with justification for your answer. **[1x5=5]**

(i) A 'Cost-Plus' policy can lead to inflexibility in a firm's pricing decisions.

(ii) Performance measures for monitoring strategies cannot be mainly financial.

(iii) 'Dogs' are the products in a high-growth market but where they have a low market share.

(iv) 'Merger' is the purchase of controlling interest of another company.

(v) 'Repositioning' does not involves moving the product or brand into a different market segment.

(c) Define the following terms in not more than two sentences: **[1x5=5]**

(i) Barriers to entry
(ii) Non-price competition
(iii) Conglomerate diversification
(iv) Values
(v) Going-rate pricing method

Section I

Question.2
(i) Explain how different Forecasting Models assist in management decisions. [10]

(ii) Define e-business as per in Judy Strauss and Raymond Frost's E-marketing model. [5]

Question.3
(a) Why New Products Fail? [5]

(b) Discuss the different policies taken by the Government of India to improve the productivity and competitiveness of the Indian economy. [10]

Question.4
Write short note on the followings: [3x5= 15]
(a) Horizontal Integration.
(b) DMAIC (define, measure, analyse, improve, control) Six Sigma Approach.
(c) Public-Private Partnership (PPP).

Question.5
(a) State the term Corporate Mission. List out the benefits of Mission Statement. [2+5=7]

(b) Difference between 'Marketing' and Societal Marketing' concepts. Why is the 'Societal Marketing' concept so important? [4+4=8]

Section II

Question.6

(a) Choose the most appropriate one from the stated options and write down: [1x5=5]

(i) Unsystematic risk relates to
- **A.** Market risk
- **B.** Beta(β)
- **C.** Inherent risk
- **D.** Inflation risk
- **E.** All of the above

(ii) Life Insurance do not include
- **A.** Whole life
- **B.** Pension
- **C.** Motor vehicle
- **D.** Endowment
- **E.** None of the above

(iii) MTS stand for
- **A.** Make to sell
- **B.** Make to stock
- **C.** Move to sell
- **D.** Move to store

(iv) ECOR in risk management means
- **A.** Expected cost of ruin
- **B.** Expected cost of opportunity loss
- **C.** Economic cost of ruin
- **D.** Economic cost of opportunity loss
- **E.** None of the above

(v) Physical Risk includes
- **A.** Natural calamities: fire, tsunami, floods, earthquake, etc.
- **B.** Factory accidents due to fire, mishandling of equipment, breakdown and explosions
- **C.** Occupational hazards
- **D.** Both b and c
- **E.** All of the above

(b) State whether the following statements are 'True' or 'False'. [1x5=5]

(i) VAR means Value at Risk.

(ii) Product Liability Policy is one of the products of "Industrial Insurance"

(iii) MTS stands for "Make to assembly".

(iv) The concept of Pooling risk is the process of identification of separate risks and put them all together in a single basket, so that the monitoring, combining, integrating or diversifying risk can be implemented;

(v) RAROC in Risk Analysis means Risk and return on capital.

Question.7

(a) Why is Risk Reporting considered to be an important step in Risk Management? [7]

(b) Role of Insurance Industry in Service Sector. Explain. [4]

(c) State asset liability model and its utility for managing liquidity risk. [2+2]

Question.8

(a) "Mathematical Models as well as Statistical analysis have been helpful in risk assessment/evaluation". Recognize the models and measures and discuss them. [3+4=7]

(b) State the term Insurance. Describe the requirements & characteristics of an insurance contract. [2+2+4=8]

Question.9

Write short notes on the following: [3x5=15]

(a) Agro and Bio liabilities,
(b) Corporate Risk Governance,
(c) Performance related measure,