AJA Commerce Academy
CA - Intermediate
***Test Series* – STRATEGIC MANAGEMENT**

Time Allowed – 1.5 Hours | Maximum Marks – 50

Section A – Multiple Choice Questions (10 Marks)

Case Scenario: Strategic Management at XYZ Ltd. (6 Marks)

Scenario:
XYZ Ltd. is a mid-sized organization competing in the dynamic electronics market. The company has been facing challenges from emerging competitors and changing customer preferences. The senior management has decided to implement strategic management practices to strengthen their market position. They have outlined a vision to be a market leader in sustainable electronics and aim to achieve a 20% market share in five years.

Questions:

1. Strategic management involves which of the following activities?
   (a) Planning, Organizing, Staffing
   (b) Formulating, Implementing, and Evaluating Strategies
   (c) Resource Allocation, Employee Training, Performance Monitoring
   (d) None of the above
2. What does the company's vision statement represent?
   (a) The company's current market position
   (b) The company's desired future state
   (c) The company's short-term objectives
   (d) The specific tasks for each department
3. Which level of strategic management focuses on the allocation of resources among business units?
   (a) Corporate Level
   (b) Business Level
   (c) Functional Level
   (d) Operational Level
4. A reactive strategy is one that:
   (a) Focuses on long-term planning
   (b) Adapts to unforeseen market changes
   (c) Implements proactive measures
   (d) Avoids competition
5. Which of the following is NOT a component of strategic intent?
   (a) Vision
   (b) Goals
   (c) Values
   (d) Organizational Structure

6. The main purpose of strategic management is to:
   (a) Ensure short-term profitability
   (b) Achieve sustainable competitive advantage
   (c) Focus solely on cost reduction
   (d) Simplify management decisions

General MCQs (4 Marks)

7. Which statement about strategic vision is correct?
   (a) It is a short-term action plan.
   (b) It defines the current goals of the company.
   (c) It guides the company's future direction.
   (d) It is only relevant for top-level managers.
8. Which of the following is a limitation of strategic management?
   (a) It is expensive and time-consuming.
   (b) It always guarantees success.
   (c) It ignores market trends.
   (d) It eliminates all uncertainties.
9. What is the key difference between vision and mission?
   (a) Vision is for internal stakeholders; mission is for external stakeholders.
   (b) Vision focuses on the future; mission focuses on the present.
   (c) Vision is short-term; mission is long-term.
   (d) Vision emphasizes tasks; mission emphasizes values.
10. A well-defined mission statement primarily:
    (a) Focuses on employee training
    (b) Explains the company's goals and activities
    (c) Ensures profitability
    (d) Describes competitors' weaknesses

Section B – Practical and Descriptive Questions (40 Marks)

Question 1: Strategic Intent (10 Marks)

Scenario:
ABC Ltd. is a leading FMCG company with the following details:

- **Vision Statement:** "To be a global leader in sustainable and innovative consumer products."
- **Mission Statement:** "To deliver quality and eco-friendly products that enhance customer lifestyles while ensuring long-term value for stakeholders."
- **Goals:**
  - Achieve a 30% market share in the next five years.
  - Reduce carbon footprint by 20% within three years.

(a) Discuss the relationship between vision, mission, and goals in strategic management. (5 Marks)
(b) Evaluate how the goals align with the company's vision and mission. (5 Marks)

Question 2: Strategic Levels in Organizations (10 Marks)

Scenario:
XYZ Ltd. is a diversified conglomerate operating in three major industries: healthcare, real estate, and retail. The company's top management has identified the following tasks for its strategic levels:

- **Corporate Level:** Identifying new business opportunities and allocating resources.
- **Business Level:** Designing strategies for each industry to improve market position.
- **Functional Level:** Implementing business-level strategies through marketing, operations, and customer service.

(a) Explain the roles of corporate, business, and functional-level managers. (6 Marks)
(b) How do these levels interconnect to achieve the organization's overall objectives? (4 Marks)

Question 3: Importance and Limitations of Strategic Management (10 Marks)

Scenario:
Tech Solutions Ltd. implemented strategic management two years ago. While they saw growth in profitability and employee satisfaction, they also faced challenges such as high implementation costs and unanticipated external changes.

(a) List and explain three benefits of strategic management observed by Tech Solutions Ltd. (6 Marks)
(b) Discuss two limitations of strategic management evident in this scenario. (4 Marks)

Question 4: Proactive and Reactive Strategies (10 Marks)

Scenario:
PQR Ltd., a startup in the food delivery industry, adopted a proactive strategy by investing heavily in drone delivery technology. However, due to regulatory hurdles, they shifted to a reactive strategy, focusing on partnerships with local delivery agents to maintain operations.

(a) Define proactive and reactive strategies with examples. (6 Marks)
(b) Analyze how PQR Ltd.'s shift from a proactive to a reactive strategy impacted its competitiveness. (4 Marks)