



The Institute of Chartered Accountants of India

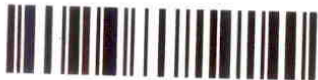
Code: IN6BS619073
Subject : 06B Strategic Management

Total Marks: 35
Marks Obtained : 17

Subject : Strategic Management

Number of Answer Books used : Main + 0 additional sheets

For use by ICAI only
619073



Q.No.	To be ticked (✓) by the candidate against the Questions answered	Marks Awarded (To be filled by Examiner)					Total
		a	b	c	d	e	
1							
2							
3							
4							
5	✓						
6	✓						
7							
8	✓						
9							
10							
11							
12							
13							
14							
Total							

If the Candidate attempts answers of Section - A in this answer book and vice versa, the same shall not be evaluated.

B



17 MAY 2024

Total Marks awarded (in words) _____

Examiner's Signature _____



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INSTRUCTIONS TO THE CANDIDATE

are not to be written on this page



1. Answers should be written in figures and words in the allotted space at the right hand corner of the answer book and nowhere else including additional answer book/s and graph paper.
2. Answers should be written in the box in numbers and darken the appropriate circles of the OMR provided in the right hand corner of the cover page with **Black / Blue** ball point pen.
3. Particulars such as name of Examination, Paper No. and subject at the appropriate space in the left hand upper corner.
4. Remove the Bar Code sticker of the particular paper from the Attendance sheet and affix the same on the box provided in the right hand corner of the cover page.
5. Since a machine will read the Roll no., please check and ensure that Roll number written in numbers, words and circles darkened are correct. In case any candidate fills this information wrongly, Institute will not take any responsibility for rectifying the mistake.
6. The answers should be written neatly and legibly
7. The answer to each question must be commenced on a fresh page and question number prominently written at the top of each answer. Alternatively, the question number should be distinctly written in the margin.
8. The answer to each question in all parts should be fully completed in one page or in a consecutive set of pages, before the next question is taken up.
9. **The candidates are required to write answers of Section A in the answer booklet with the marking (A) on the cover page and answers of Section B in the answer booklet with the marking (B) on the cover page. In case a candidate writes the answers in wrong set of answer books the same will be not be valued and no correspondence in this regard will be entertained.**
10. Writing of Roll number in place/s other than the space provided for the purpose or writing distinguishing mark, symbols like "OM", "Sri", "Jesus", "786", etc., will tantamount to adoption of "unfair means"
11. Before submission of answer book to the invigilator take care to score out (X) blank pages, if any, that you might have left.



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03



Q 5

(9)

The strategic Model used here is
McKinsey 7S model.

It depicts as follows.

Hard Elements (Hard S)

- ① Structure : The various financial, organisation structure, centralisation decentralisation.
- ② Strategy : The blueprint of company's success.
- ③ System : The day to day operations & efficiencies.

Soft Elements: (Soft S)

④ Shared Value : The values shared & core values to the organisation.



⑤ Skill : The competency of various persons.

⑥ Staff : The talent pool of organisation.



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04

✓

5aStep1 ✓ 1.5

① Synt Style: The Leadership style followed

Limitations:

→ This model does not give an external analysis.

→ It is Rigid & inflexible.

→ It does not provide any meaningful insights.

5aStep2 ✓ 1

5a ✓ 2.5

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05

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Q5 (b)

The strategic level of Responsibility is of functional manager,
as he is responsible for ~~day to day~~ functions such as sales & marketing.

5bStep1

1

Benefits of strategic management:

→ Strategic
It acts as a corporate defence mechanism against mistake & pitfall & help organisation avoid costly mistake.

→ It helps organisation build certain core competency & competitive advantages to move ahead in competition.

→ It helps organisation be proactive instead of being reactive.
It helps them be initiators rather than spectators.

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06



→ It enhances credibility of the business.



→ It guides through difficult times
Act as a pathfinder for the
company.

→ It gives direction to the company to
define its goals, mission & vision.

5bStep2



1.5

5b



2.5

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07

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Q5
(1)

Business environment refers to the sum total of all external & internal forces in an organisation's periphery.

It consists of Macro & Micro variables.

Macro

Macro = Variables outside direct control & influence of organisation but effect it.

5cStep1

0

In given case Yash has following macro variables.

- Subsidies & tax benefits:

It is a ~~good~~ political environment which focuses on various tax policies, etc.

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08



→ Micro elements in an environment consist of those elements within immediate periphery of the organisation & those which it can control & influence.



eg: customers, employees, etc

Interaction of a Business with its environment helps it to :-

① Identify threat & opportunity.



② Stay proactive & Reactive.

③ Adapt to new changes.

④ Environment analysis such as SWOT can help it know strengths, weaknesses, opportunity & threat.

5cStep2



0.5

It helps firms to know competitive forces using porter's 5 forces model.

5c



0.5

5



5.5

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09

Q 6
(a) "Innovation leads to unnecessary expenses that do not give as many returns",

I do not agree with the statement.

6aStep1 1

- Innovation leads to creating value for customers, shareholders, etc.
- Innovation is a necessity in today's age.
- It also aims at improving facilities, production, etc to create more value.

Benefits of Innovation:

① Helps to solve complex problems.

Business strive to solve complex problems & innovation help them solve it.,

If they find problems in society & give 'Customer Centric Sustainable Solutions'.



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Example: Environment hazard are solved by many companies.

② Helps increase productivity:

Business strive to be productive & efficient.

Innovation helps increase productivity by repetitive process & automation by technology.

Business spend millions to increase productivity.

Eg: MS Excel helps repetitive task done faster.

③ ^{Helps} Gaining competitive advantage:

Business strive for competition.

Innovation helps attract customers & maintain brand loyalty.

Thus, customer get not only



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6a Step 2 ✓ 1.5

6a ✓ 2.5

Q6(b)

Strategic uncertainties are the unpredictability or unpredictability of Business environment. ~~are~~

Strategic uncertainties threaten Business and are important to deal with.

A Business may deal with Strategic uncertainty as follows:-

① Building Resilience

Building internal Resilience helps organisation deal with Strategic uncertainty.

② Continuous Monitor: Monitoring the Business environment helps organisation be ready for any changes.

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(B) Flexibility:

having a flexible structure helps organisation change / adapt to changes quickly.



(6) Collaborating:

collaborating with other organisation, partnering helps business share Resources, Risks, etc

6bStep1



1.5

6b



1.5

6



4

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X



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14

Q8
(a)

Channels are the distribution systems from which organisations make their products reach the end consumer.

8aStep1



0.5

- Channel analysis is important as organisation should know where its major customers buy goods (services).

- Eg: for a company with major customer as youngster, a good channel may be e-commerce.

But a company having senior citizen as customer may have other physical channel.

8aStep2



0.5

- Channel can be such as - stores, supermarkets, e-commerce, etc.

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15

Types of channels:

① Sales Channel:

These are intermediaries involved in selling the product to the end consumer.

If answers, who needs to sell ^{to} ~~your~~ product to reach end consumer.

Eg: BOAT sells headphones through amazon.

② Product Channel:

These are series of intermediaries involved in physically handling the goods from producer to consumer.

This is true of Australia post that it delivers with very fast time.



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@ Service channel:

Two are enterprises that support sales channel & after sales services.



for eg: Booth ~~an~~ washing machine may be sold at showroom,

but a technician is outsourced to install it.

8aStep3



2.5

8a



3.5

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17

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Q8 (b) The competitive position of Rivals in an industry may be analysed by "Strategic Group Mapping"

- Strategic group mapping consist of identify the competitive position of various Rivals.
- A strategic group consists of Rival firms that are similarly positioned & have a having competitive approach & similarly position.
- A group can be made on Product Quality Range, geographical coverage, product-time width, distribution channel etc.

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A strategic group mapping can be done as follows.

① Identify the differentiating characteristics of firms:

The firms may be differentiated on - Product Quality Range (High/Low/Med)

- Geographical coverage (Local/Regional/Global)

- Product line width (wide/narrow)

- Integration (vertical)

- Services (some/full)

- Distribution channel (one/all/many)

② Plot two firms on a two variable map using such differentiated characteristics

③ Assign the firms that fall in a same strategic ^{space} group to a same strategic group.

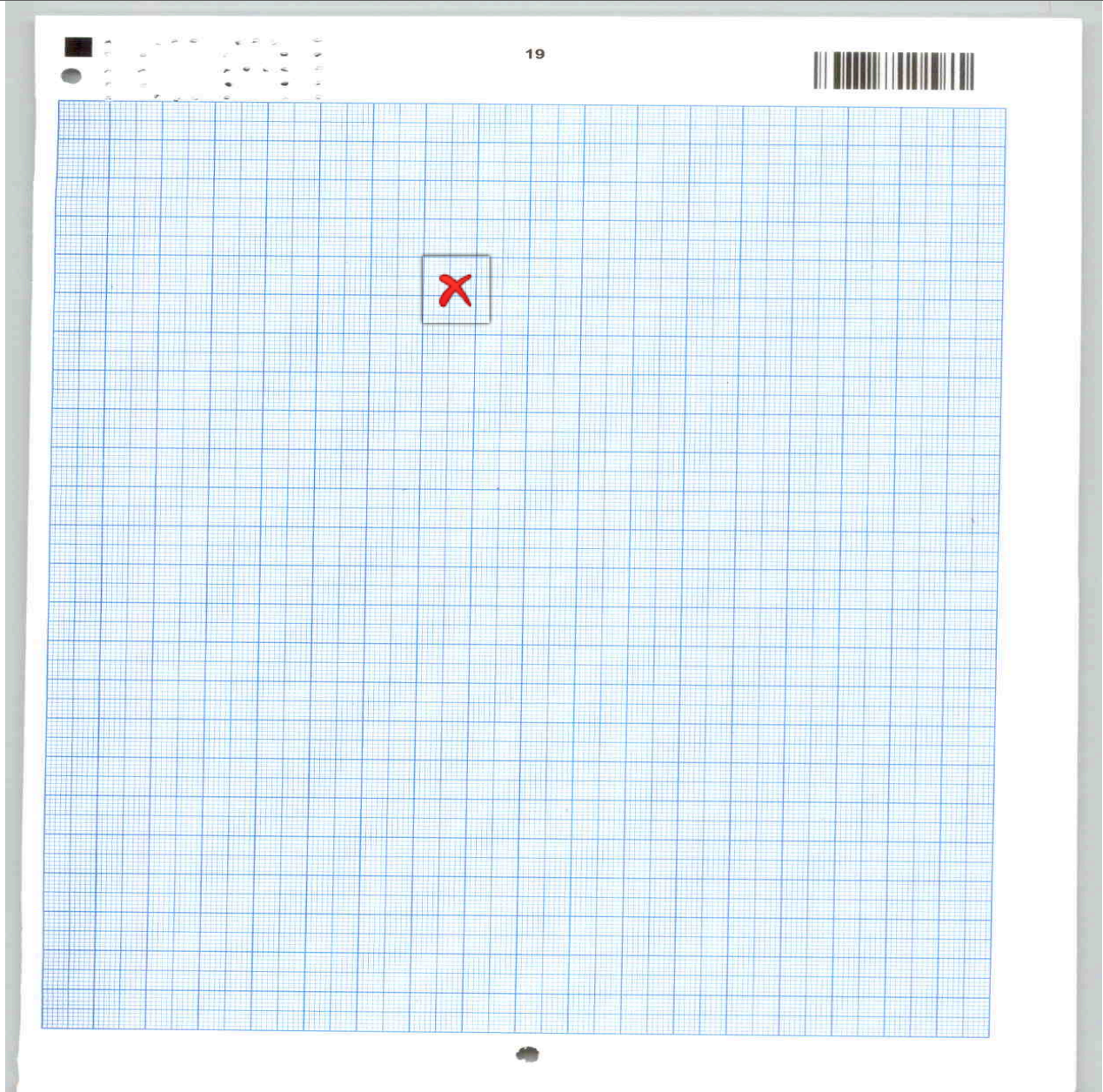
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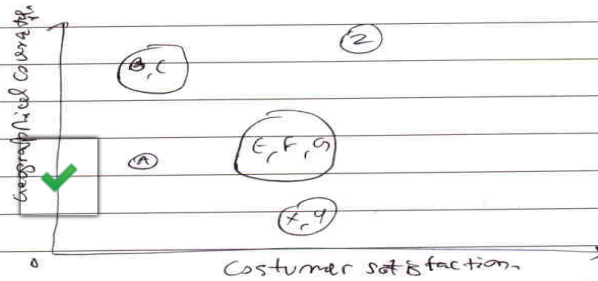


20



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4) Draw circles around strategic groups Relative to its proportionate size of industry Revenue



8bStep1



4

8b



4

8



7.5



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Result Overview

Awarded Marks: 17

Max Marks:35

NA Not Attempted

O Optional

M Marked

Q5_Compulsory (Score: 5.5/15)

Question No	Awarded Marks	Maximum Marks	Status
5	5.5	15	M
5a	2.5	5	M
5b	2.5	5	M
5c	0.5	5	M

Q6_Q8 (Score: 11.5/20)

Question No	Awarded Marks	Maximum Marks	Status
6	4	10	M
6a	2.5	5	M
6b	1.5	5	M
7	0	10	O
7a	0	5	O
7b	0	5	O
8	7.5	10	M
8a	3.5	5	M
8b	4	5	M