QP CODE: 24802927

24802927

Reg No : ....

Name : ....

MBA DEGREE EXAMINATION, MAY 2024

Fourth Semester

Faculty of Management Science

Master of Business Administration

Core Courses - MB010401 - STRATEGIC MANAGEMENT

2019 Admission Onwards

4A2AD99C

Time: 3 Hours　　　　Maximum Marks: 60

Part A

*Answer any **five** questions. Each question carries **2** marks.*

1. Define vision.
2. Define CSF.
3. Explain resource based view of a firm.
4. Define BCG matrix.
5. What is outsourcing strategy.
6. Explain managing change in strategic implementation.
7. What is strategy canvas?

(5×2 = 10 Marks)

Part B

*Answer any **five** questions. Each question carries **6** marks.*

8. Discuss the important steps involved in strategic management process.
9. What is the significance of environmental analysis in strategic management.
10. What is value chain analysis? Explain.
11. Discuss strategic formulation process.
12. What are the reason for organization to pursue stability strategy.
13. What is strategy implantation? What is the inter-relationship between strategy formulation and implementation?

14. How are Companies fulfilling their Social responsibility?

(5×6 = 30 Marks)

Part C

*Answer any **two** questions. Each question carries **10** marks.*

Question number 17 is compulsory .

15. Explain in details each of the following business level strategies with suitable example.
    (a) Cost leadership
    (b)Differentiation
    (c) Focus

16. What is blue ocean economy ?Explain with suitable Indian example.

Compulsory Question

17. Coca Cola and CSR Policies:Coca-Cola's profile Coca-Cola started its business in 1886 as a local soda producer in Atlanta, Georgia (US) selling about nine beverages per day. By the 1920s, the company had begun expanding internationally, selling its products first in the Caribbean and Canadian markets and then moving in consecutive decades to Asia, Europe, South America and the Soviet Union. By the end of the 20th century, the company was selling its products in almost every country in the world. In 2005 it became the largest manufacturer, distributor and marketer of non-alcoholic beverages and syrups in the world. Coca-Cola is a publicly-held company listed on the New York Stock Exchange (NYSE). In India, the Coca-Cola system comprises of a wholly owned subsidiary of The Coca-Cola Company namely Coca-Cola India Pvt Ltd which manufactures and sells concentrate and beverage bases and powdered beverage mixes, a Company-owned bottling entity, namely, Hindustan Coca-Cola Beverages Pvt Ltd; thirteen licensed bottling partners of The Coca-Cola Company, who are authorized to prepare, package, sell and distribute beverages under certain specified trademarks of The Coca-Cola Company; and an extensive distribution system comprising of brand customers, distributors and retailers. Coca-Cola India Private Limited sells concentrate and beverage bases to authorized bottlers who use these to produce portfolio of beverages.As part of Coca-Cola's CSR policies and reporting In 2007 Coca-Cola launched its sustainability framework live Positively embedded in the system at all levels, from production and packaging to distribution. The company's CSR policy positively establishes seven core areas where the company sets itself measurable goals to improve the business' sustainability practices. The core areas are beverage benefits, active healthy living, the community, energy and climate, sustainable packaging, water stewardship and the workplace.Coca-Cola has a Code of Business Conduct which aims at providing guidelines to its employees on – amongst other things – competition issues and

anti-corruption. The company has adopted international CSR guidelines such as Global Compact and Ruggie's Protect, but these guidelines do not seem to be integrated into the Code of Business.Due to its relevance to Coca-Cola's business, the company also annually reports on the progress of the water stewardship programme's targets. Several campaigns and demonstrations followed the publication of a report issued by the Indian NGO Centre for Science and Environment (CSE) in 2003. The report provided evidence of the presence of pesticides, to a level exceeding European standards, in a sample of a dozen Coca-Cola and PepsiCo beverages sold in India. With that evidence at hand, the CSE called on the Indian government to implement legally enforceable water standards. The report gained ample public and media attention, resulting in almost immediate effects on Coca-Cola revenues. The main allegations made by the NGO against Coca-Cola were that it sold products containing unacceptable levels of pesticides, it extracted large amounts of groundwater and it had polluted water sources.The presence of pesticides Regarding the allegation about Coca-Cola beverages containing high levels of pesticide residues, the Indian government undertook various investigations. The government set up a Joint Committee to carry out its own tests on the beverages. The tests also found the presence of pesticides that failed to meet European standards, but they were still considered safe under local standards. Therefore, it was concluded that Coca-Cola had not violated any national laws. However, the Indian government acknowledged the need to adopt appropriate and enforceable standards for carbonated beverages.In 2006, after almost three years of ongoing allegations, the CSE published its second test on CocaCola drinks, also resulting in a high content of pesticide residues (24 times higher than European Union standards, which were proposed by the Bureau of Indian Standards to be implemented in India as well). CSE published this test to prove that nothing had changed, alleging that the stricter standards for carbonated drinks and other beverages had either been lost in committees or blocked by powerful interests in the government. Coca-Cola was also accused of causing water shortages in – among other areas – the community of Plachimada in Kerala, southern India. In addition, Coca-Cola was accused of water pollution by discharging wastewater into fields and rivers surrounding Coca-Cola's plants in the same community. Groundwater and soil were polluted to an extent that Indian public health authorities saw the need to post signs around wells and hand pumps advising the community that the water was unfit for human consumption. In 2000, the company established its production operations in Plachimada in Kerala. Local people claimed that they started experiencing water scarcity soon after the operations began. The state government initiated proceedings against Coca-Cola in 2003, and soon after that the High Court of Kerala prohibited CocaCola from over-extracting groundwater.In March 2010, a state government panel recommended fining Coca-Cola's Indian subsidiary a total of $47 million because of the damage caused to the water and soil in Kerala. Also, a special committee in charge of looking into claims by community members affected by the water pollution was set up. The long legal procedures against the Indian government that Coca-Cola had to face were not the only consequence of the conflict. The brand suffered a great

Turn Over

loss of consumer trust and reputational damage in India and abroad. In India there was an overall sales drop of 40% within two weeks after the release of the 2003 CSE report. The impact in annual sales was a decline of 15% in overall sales in 2003.Coca-Cola denied having produced beverages containing elevated levels of pesticides, as well as having over-exploited and polluted water resources. By denying all claims and trying to prove its integrity, instead of demonstrating concern towards the situation, Coca Cola failed to regain consumers' trust. The Indian population viewed Coca-Cola as a corporate villain who cared more about profits than public health.It appears that the company became aware that the conflicts experienced by the company in the US and Belgium were better handled because it included stakeholder engagement in its strategy. In 2008 Jeff Seabright, Coca-Cola's vice president of environment and water resources, recognized that the company had not adequately handled the controversy. He acknowledged that local communities' perception of their operation matters, and that for the company ' having goodwill in the community is an important thing.

Questions:

1. What do you understand about the CSR Policies of Coca Cola?
2. Does the operation of Coca Cola create sustainability issues? How?
3. Which were the stakeholders involved in the Coca Cola issue? How each one of them handled it?
4. What is your opinion about the importance given to the concept of triple bottom line of sustainable development in the business strategy of Coca Cola ?
5. What went wrong in the strategy of Coca Cola India Ltd?

(2×10 = 20 Marks)