

POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

Year: 2025

Programme: BBA/BBA-BI/BCIS/BHCM/BHM

Full Marks: 100

Course: Strategic Management

Pass Marks: 45

Time: 3 hrs.

Candidates are required to answer in their own words as far as practicable. The figures in the margin indicate full marks.

Section "A"

Very Short Answer Questions

Attempt all the questions. [10×2]

1. Explain any two characteristics of strategic management.
2. Define strategic intent.
3. Write about unique resources.
4. Enlist any two conditions of success of cost leadership strategy.
5. Suggest the condition in which growth strategy of business can be suitable.
6. What do you mean by monitoring competition?
7. Differentiate between concentric and conglomerate diversification.
8. What do you mean by strategic implementation?
9. What is strategic surveillance?
10. Write short notes on budgeting and resource allocation.

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Describe the significance of strategic vision for the future prosperity of an organization.
12. How do political and legal factors influence the strategy formulation of an organization? Explain with examples.
13. What do you mean by strategic control? Write about different types of strategic control.
14. What is Porter's Five Forces Model? How do these forces shape the competitive position in the industry at the current changing scenario such as development of smart connected product?
15. Explain the concept of strategic leadership. Discuss the key roles and responsibilities of strategic leaders in the successful implementation of strategy.
16. Explain how an organization implements growth and expansion strategy with suitable example.
17. Do you agree that studying strategic management is important for student of business management? Justify.

Section “C”
Case Analysis

18. *Read the case situation given below and answer the questions that follow:*

Nepal Eco Motors (NEM) is a fast-growing domestic electric vehicle (EV) manufacturer based in Kathmandu. Launched in 2076 B.S., the company initially focused on small e-cars for urban commuting and now offers a range of EV products including scooters, three-wheelers, and commercial vans.

Due to rising global fuel prices, frequent fuel shortages in Nepal, and increasing environmental awareness, demand for EVs has grown significantly. In response, the Government of Nepal has introduced several EV-friendly policies such as customs duty exemptions, VAT discounts, and registration rebates to encourage EV production and consumption. Additionally, the country has signed international climate agreements and imposed stricter environmental regulations on fuel-based vehicle imports.

Despite this opportunity, NEM faces challenges. The economic environment remains unstable, with rising inflation and fluctuating exchange rates affecting the cost of imported components. Technologically, Nepal still lags behind in EV battery production and R&D capabilities. The charging infrastructure in Nepal is insufficient and largely limited to Kathmandu Valley. Culturally, urban consumers are more receptive to sustainable mobility, but rural populations still distrust EV performance and availability of maintenance services.

On the competitive front, NEM faces intense rivalry from global brands like Tata, BYD, and MG, which offer technologically superior EVs, strong brand value, and attractive financing options.

In light of these challenges, NEM has developed several strategic options: Expand sales into semi-urban and rural areas using mobile service units and awareness campaigns. Develop affordable e-bikes suitable for students and rural consumers with high mileage and longer battery life. Partner with a Chinese lithium-ion battery manufacturer to improve battery efficiency and reduce dependency on imports.

To support investment planning, NEM's management is using the BCG matrix. Its e-scooter line is classified as a "Star", while its commercial van line (with limited market share) is viewed as a "Question Mark". The company is debating whether to invest more in vans or divest from that line.

Questions:

- a. Based on PEST analysis, which two external factors most significantly impact the company's strategic choices and why? [5]
- b. Conduct value chain analysis to identify the competitive positions of NEM. In your opinion, which activity of value chain provides more competitive advantages? Why? [10]
- c. Using the BCG Matrix, NEM categorizes its e-scooter as a “Star” and its van as a “Question Mark.” What strategic actions should NEM take for each? [5]