

SECTION-B

- Q2. Discuss the development of mission statement citing mission statements and their impact on strategic intent in different organizations from corporate world.
- Q3. What do you understand by strategic planning process? Explain the various stages of strategic planning process from Indian industry.
- Q4. Environmental scanning is the most crucial step to determine strategy. Elaborate the pestle method of external environment scanning.
- Q5. Discuss grand strategy planning matrix model for choice of strategy .
- Q6. Write detailed notes on a) McKinsey 7s framework b) balanced score card
- Q7. What are the various issues involved in strategic control? What are symptoms of malfunctioning of strategy?
- Q8. Write notes on :
- a) Conflict management
 - b) Matrix structure of an organisation.

SECTION-C

Q9. Case Study :

IDFC Bank and non-banking financial company (NBFC) Capital First have announced completion of their merger, creating a combined loan asset book of Rs.1.03 lakh crore for the merged entity IDFC First Bank. “IDFC Bank and Capital First merged effective 18th December 2018. Merged entity to be called IDFC First Bank On the face of it the merger between IDFC Bank and Capital First looks complimentary in nature. IDFC Bank being a wholesale funded bank and Capital First a retail lender they have different profiles. In the light of rising interest rate scenario, it would also lower the cost for Capital First since it is merging with a bank compared to other standalone NBFCs who could see their cost of borrowing go up.

IDFC First Bank (merged entity) will now offer a wider array of retail and wholesale banking products, services and digital innovations, to a greater number of customer segments. The bank will serve 7.2 million customers through its 203 bank branches, 129 ATMs, 454 rural business correspondent centres across the country's urban and rural geographies. Infrastructure lender IDFC, which entered the banking space in 2015, has been on the lookout to grow its retail portfolio. Post the merger, the share of retail loans for the consolidated entity would stand at 45%. In addition, the target customer segment of CAFL is complementary to that of IDFCB - CAFL targets predominantly the SME/MSME space, while IDFCB targets the rural population through its 'Bharat Banking' model and the affluent urban population.

The biggest task for the merged entity will be scaling up the liability base to be able to enjoy the lower cost of funds as a universal bank. Capital First, being a non-banking finance company, currently does not have access to low-cost liability (read CASA).

IDFC Bank has also been struggling to garner a favourable liability base since its de-merger from the parent, IDFC. Deposits form only 39 percent of IDFC Bank's borrowings and the current and savings accounts ratio is 8.2 percent. Further, the retail and SME loan book of the merged entity will get restricted to 47 percent (balance being wholesale), according to financial advisory services firm Jefferies.

IDFC Bank, which is more dependent on wholesale lending as of now, has been struggling to grow its retail loan book as well. The bank's retail portion of funded credit book is only 27.5 percent, while 93 percent of Capital First's AUM comprise retail loans like loan against property, SME loans, two-wheeler and consumer durable financing.

Meeting priority sector lending requirements (30-35 percent of Capital First's portfolio qualifies for PSL), employee/key management exits, cultural synergies, timely execution and desired benefits are other risks to the merger.

Question :

Discuss synergies and dysergies in above merger.

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