

NAVRACHANA UNIVERSITY
School of Business & Law- BBA Program
End-Semester Examination May-2017
TYBBA- Semester-VI
Small and Medium Enterprise Management- MG304

Date: 11th May 2017
Time: 1:00 – 3:00 PM

Marks: 40

Instructions:

This is an open-book examination. You may only refer to the written/printed material which you bring along with you. Sharing and exchange of books/reading material is not allowed. Use of mobiles and laptops is also not allowed.

All the Best!!!

1. Ravish is a mechanical engineer with 20 years experience of working in small as well as big firms. He has developed a unique design for packaging bottles with mechanism to open bottles without any external tool. Being the innovator, he has high competitive edge over the existing packaging companies. If marketed well, he may also fetch orders from some big brands in the FMCG sector. He wants to start his own business but has no prior experience of business neither he has undertaken any management education. He foresees the following challenges in starting the business. (15)
- (a) *How to assure big FMCG companies about the quality of packaging product manufactured by him?*
 - (b) *Risk of copying of design by the competitors post product launch thereby losing competitive edge.*
 - (c) *For establishing the business, he is estimating investment of Rs. 2.5 crores in land and building and 30 lakhs in plant and machinery. He doesn't possess that much funds and will have to depend on external source. He is not well aware of external sources.*

Based on your knowledge and expertise, suggest how Ravish should deal with the above challenges. Is he eligible for taking advantage of various MSME schemes by GoI? Why or why not? If eligible, suggest the particular schemes which may be helpful to him in setting up of business and in combating the above challenges.

2. Coffee Cult, specialty coffee company has been growing for last 20 years but the organization is now facing some 'growing pains'. The revenue of the company has crossed 25 crores mark. Mr. Talwar, the founder and owner of the company finds that his decisions that worked well in the past are inadequate now. For years, he himself has been the sole decision maker for the major strategic choices of the company, but with increasing line of product offerings leading to more complicated supply chain and increasing competition, he is no longer able to operate with earlier efficiency though the profitability of the company is still good. He plans to review the current operations and strategies of the company to ascertain the right path for the future of the company. (25)

Coffee Cult (CC) is a privately held small specialty coffee company located in