



JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
POST GRADUATE DIPLOMA IN MANAGEMENT
THIRD TRIMESTER (Batch 2020-22)
END-TERM EXAMINATIONS, MAY 2021
SET-1

Course Name	Strategic Management GM301 Set 1	Course Code	GM 301
Max. Time	2 hours	Max. Marks	40

INSTRUCTIONS:

A. ALL Questions are COMPULSARY.

B. The institute expects the students to adhere to the utmost academic integrity. Plagiarism clause will apply beyond 15% as under:

>15% - 20%	minus 2
>20% - 25%	minus 4
>25% - 30%	minus 6
>30% - 40%	minus 8
>40%	'F' grade

Q1. Read the following article **“Razorpay gets \$160 million funding, valuation trebles in less than 6 months”** and answer the questions given at the end of the article:

(https://economictimes.indiatimes.com/tech/funding/razorpay-gets-160-mn-funding-valuation-trebles-in-less-than-6-months/articleshow/82136350.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23)

Razorpay spokesperson in April 2021 said that the company has raised \$160 million from Sequoia India and Singapore-based GIC in a funding round that has trebled the valuation of the payment gateway startup to \$3 billion in less than six months. Existing investors Ribbit Capital and Matrix Partners also participated in the funding round, underscoring the massive interest among risk investors in India’s fast-growing fintech and digital payments industry.

The Bengaluru-based company had joined the unicorn club of startups with over a billion-dollar valuation last October, when it raised \$100 million at a valuation of just over \$1 billion in a round co-led by Singapore’s sovereign wealth fund GIC and Sequoia Capital. Razorpay is among the fastest startups to see a meteoric increase in its valuation. Other fintech companies such as credit card payments platform Cred, merchant payments solutions company Pine Labs and stock broking app Groww have also registered rapid bump up in valuation.

The company, which offers payment, lending, and banking solutions for merchants and enterprises will use the newly infused capital to expand in South East Asian markets such as Malaysia, Indonesia and Singapore, Chief Executive Officer Harshil Mathur told ET. The company is also in the process of acquiring an enterprise Software-as-a-Service (SaaS) firm for merchant management and will hire about 600 people both in India and overseas to grow its neo-banking business, which in recent months has seen considerable traction, said Mathur.

Razorpay is a payment service provider that helps businesses automate collections through its gateway service, while helping small businesses manage money flow. Its clients include food delivery platforms Swiggy and Zomato, as well as Facebook, Cred, ICICI Prudential and Ola. In addition, the company said it provides payment solutions to over five million small merchants. While its neo-banking platform, Razorpay X, which helps merchants run current accounts and access credit from partner banks, processes loans worth Rs 700-800 crore every month. The company also offers corporate credit cards in tie-ups with licensed lenders to startups in need of working capital.

Commenting on the valuation boost, Mathur said that there is money aplenty for fintech startups that are managing their unit-economics well, but investors are steering clear of early-stage startups with riskier business models. Unlike peers Cred and Pine Labs, which also recently entered the unicorn club, Mathur said that Razorpay has no plans yet to apply for a lending licence. “We want to focus on our strengths which is a tech and platform solution for enterprises looking to solve their banking needs,” he said.

The company has already raised \$206.5 million in four investment rounds since its inception in 2014. It received \$75 million in series C funding in 2019 led by Ribbit Capital and Tiger Global. The fintech competes with BillDesk, CC Avenues, Paytm and PayU in the payment gateway business, and with others such as Jupiter, Niyu and Open in the business of neo-banking.

- A. Carry out a competitor analysis for Razorpay using Porter’s 5-Forces Model.
- B. Assess external environment factors and opine on factors affecting fintech industry in India?
- C. Outline the strategic objectives/ goals for the firm for the future. Analyze the circumstances defined above and propose strategic choices for Razorpay. You may use a Matrix of choice to generate the options available to Razorpay and justify? (5+5+10 Marks)

Q2. “HDFC Bank’s mission is to be a world class Indian bank. We have a two-fold objective: first, to be the preferred provider of banking services for target retail and wholesale customer segments. The second objective is to achieve healthy growth in profitability, consistent with the bank’s risk appetite. The bank is committed to maintaining the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance. HDFC Bank’s business philosophy is based on five core values: Operational Excellence, Customer Focus, Product Leadership, People and Sustainability”.
(<https://www.hdfcbank.com/personal/about-us/overview/who-we-are>)

- A. Analyze the mission statement of HDFC Bank, given above, with respect to the Nine Desired Components of a mission statement and comment on its relatedness with leadership style.
- B. Examine the role that leadership style plays during implementation of strategy? Suggest the type of leadership style that you would recommend for Capital Small Finance Bank Limited, a recently launched Jalandhar based small finance bank? (5+ 5 Marks)

Q3. Following are the Relative Market Share & Industry Growth Rate for a three-division/ SBU firm.

Division/SBU	RMS	Industry Growth Rate	Sales	Profits
A	0.8	+10	200	18
B	0.4	+15	100	09
C	0.6	-10	50	03

- A. Construct a BCG Matrix and offer your interpretations for the scores for the three divisions.
- B. Outline the tentative strategies that you may suggest to be followed by the three divisions based upon the interpretations? (5+5 Marks)