

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 3 – EXAMINATION – WINTER 2018

Subject Code:3539263**Date:11/12/2018****Subject Name: Family Business Management****Time:10:30am To 01:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

| Q. No. | | Marks |
|---------------|--|------------------------|
| Q.1 | Explain the following terms (a) Family Retreats (b) Social Capital (c) Hindu Undivided Family (d) Creative Flexibility (e) Innovation (f) Autonomy (g) Entrepreneurial commitment | 14 |
| Q.2 | (a) Explain the family business life cycle and life cycle stages. (b) For successful family business it is very important to manage conflicts in business “Explain”. | 07 07 |
| OR | | |
| | (b) What do you mean by the family employment policy? Explain guidelines for policy making. | 07 |
| Q.3 | (a) Explain the term “Family meeting” with its importance. (b) While working in family business, What are the things you should keep in mind? | 07 07 |
| OR | | |
| Q.3 | (a) Describe human resource management issues in family business (b) ‘A non family manages act as bridge between CEO and outside advisors’ Explain. | 07 07 |
| Q.4 | (a) “The external (non family) managers & executives can be motivated” Explain. (b) Explain the dilemmas and challenges faced by family business. | 07 07 |
| OR | | |
| Q.4 | (a) Discuss the role of founders and women’s in the family business. (b) Discuss in detail the term Family Business & shed light on successful sectors for family businesses. | 07 07 |

Q.5

CASE STUDY:

Murli and Mohan were the two sons of a businessman named Biswajeet—a famous builder. Biswajeet was a self-made man, he had risen from ‘rags to riches’ and had worked hard all his life to attain his current position of being one of the best builders in the town, both in terms of quality of construction and in public relations. His two sons also had an inclination towards the construction business and wanted to join their father after completing their Bachelors in Architecture and their Masters in Business Administration. They had happily returned home and expressed their wish of joining the family-owned business. But Biswajeet had different plans. The brothers were surprised when Biswajeet announced at the dining table, “Murli and Mohan, I have an important thing to discuss. As both of you know that I am a self-made man, I have gone my way and have taken no direction from anyone. In fact, I have taken the onus of all the decisions, good or bad. So now when both of you have armed yourself with formal education, I would like both of you to take over from me and run the show on your own”.

“But Dad your experience will only add to our education” exclaimed Murli. “And Dad, your vision will guide us towards greater success. Moreover, you have a good image in market and it will take ages for us to develop the same market image all over again”, retorted Mohan. “Son, I want you to be on your own. I have performed all the duties of a father till now and now I want you to take over the show. You are right that I have experience and an image which can be built only over period of time, but remember, I have done it all by myself and without even financial backing. Believe me, my sons, the kind of self-respect that you would gain for yourself and the kind of business acumen you would evolve on being on your own is not possible under my umbrella.”, replied Biswajeet. “Let me correct you here again. It’s not we but I want both of you to takeup independent charge of your fortune and hence I have decided to divide my entire property into two equal halves and transfer it to both of you.

I wish that both of you work independently for your own good and also for a good relationship between brothers. In a way, both of you would become business rivals but then there would be not just one but many more business players in the field. So get yourself charged and start drawing your independent business plans,” said Biswajeet.

- (a) What is your opinion on Biswajeet decision of dividing the business? **07**
- (b) What are the hurdles both of them may face due to this division? **07**

OR

Q.5

- (a) What innovation can they bring in this family business **07**
- (b) Is the decision right to turn the brothers into competitors? **07**