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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA - IEV

SEM: III - THEORY EXAMINATION (2024 - 2025 )

Subject: Family run Businesses and Succession Planning

Time: 3 Hours

Max. Marks: 100

General Instructions:

IMP: Verify that you have received the question paper with the correct course, code, branch etc.

1. This Question paper comprises of three Sections -A, B, & C. It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.

2. Maximum marks for each question are indicated on right -hand side of each question.

3. Illustrate your answers with neat sketches wherever necessary.

4. Assume suitable data if necessary.

5. Preferably, write the answers in sequential order.

6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

**SECTION-A**

20

1. Attempt all parts:-

- 1-a. The most important practice in using family meetings to resolve internal conflicts is (CO1,K1) 1
- (a) . Avoiding secrecy to make sure that conflict doesn't arise from lack of information
- (b) Reminding all family members to manage their emotions and act objectively for the good of the whole
- (c) Both (a) and (b)
- (d) Active, two-way communication to address the sources of conflict
- 1-b. How can a family business help its members stay committed to stewarding the family business? (CO1,K2) 1
- (a) Pay the family management less than market value to maintain high dividends for all family members
- (b) Make sure that the business stays liquid and provides individual gain for members
- (c) Both (a) and (b)
- (d) Being scrupulously fair because of the zero-sum dynamic
- 1-c. Explain ,Should a family constitution include for effective governance and unity (CO2,K1) 1
- (a) is unnecessary in well-established family businesses
- (b) has binding legal status.
- (c) Both (a) and (b)

- (d) should outline the policies and guidelines used between family members and family/nonfamily shareholders
- 1-d. A good way to maintain unity and continuity in a family business is (CO2,K3) 1
- (a) using a family council to pass on family identity and values.
  - (b) creating a restrictive trust to keep the family vision the same between generations.
  - (c) Both (a) and (b)
  - (d) regularly publicizing the family's guiding mission and purpose.
- 1-e. In which of the following is not usually a challenge for a later-generation family business leader. (CO3,K4) 1
- (a) Difficulty maintaining family continuity while still leaving their own mark
  - (b) The expectation that they already know how to do things from growing up in the company
  - (c) Both (a) and (b)
  - (d) Plateauing or stalled careers
- 1-f. Determine the kind of experience do current second- and later-generation family leaders generally have. (CO3,K4) 1
- (a) An MBA or other relevant degree, commitment to the founder's vision, close relationships to family members, and a calm personality
  - (b) Close relationships with family members, good working connections to outsiders, evidence of focus on the business from a young age, and commitment to the founder's vision
  - (c) Both (a) and (b)
  - (d) Hard evidence of sacrifice and intensive work ethic, experience outside the company business, professional education, and relationships with key stakeholders outside the family
- 1-g. A spouse who mostly maintains a separate work life and identity from the business is considered (CO4,K5) 1
- (a) free agent spouse
  - (b) a keeper of family values
  - (c) Both (a) and (b)
  - (d) a business partner
- 1-h. What is the most common role played by the CEO spouse? (CO4,K5) 1
- (a) Providing a balance to the CEO's focus on the business
  - (b) Connecting family members and ensuring continuity of the family legacy
  - (c) Both (a) and (b)
  - (d) Acting as spokesperson or helping with external relations
- 1-i. A developing trend in family businesses is that young people (CO5,K4) 1
- (a) offer an executive position to their parents in their company in return for funding.
  - (b) are not interested in continuing the work of their parents

- (c) show a great amount of enthusiasm in financing their own business enterprises.
- (d) are not interested in gaining experience by working part-time
- 1-j. A limitation of a small family-owned business is that a family manager may (CO5,K3) 1
- (a) refuse to hire family members who want to enter the business.
- (b) lack general management skills in spite of specializing in a specific activity
- (c) ignore top family members when a matter needs to be cleared
- (d) give more importance to a family member's ability rather than his or her age
2. Attempt all parts:-
- 2.a. Explain the concept of family council. (CO1,K4) 2
- 2.b. There is a common statement that family business is history. Do you agree with this ? Support your answer with brief reasons. (CO2,K4) 2
- 2.c. Explain advantages or disadvantages of family business. (CO3,K3) 2
- 2.d. Explain what kind of structures do we have in place to deal with conflicts. (CO4,K2) 2
- 2.e. Explain how will you develop future leaders in the family. (CO5,K2) 2
- SECTION-B** 30
3. Answer any five of the following:-
- 3-a. Explain the importance of family meeting. (CO1,K1) 6
- 3-b. Define benefits of conducting family assembly . (CO1,K2) 6
- 3-c. Explain the characteristics of next generation leaders. (CO2,K4) 6
- 3-d. Explain the formal roles family members to play in the system. (CO2,K5) 6
- 3.e. Business families need the ability to manage the wealth they hold out. (CO3,K5) 6
- 3.f. Explain the role of strategic planning for family business. (CO4,K4) 6
- 3.g. Explain any success stories of family businesses that have successfully implemented leadership training and development programs. (CO5,K4) 6
- SECTION-C** 50
4. Answer any one of the following:-
- 4-a. Explain the family values and traditions influence the culture and decision-making processes in family businesses (CO1,K1) 10
- 4-b. Describe how can a family business balance the need for innovation and tradition in its operations. (CO1,K2) 10
5. Answer any one of the following:-
- 5-a. Explain the potential risks of not having a well-defined family governance structure in place for a family-owned business . (CO2,K3) 10
- 5-b. Discuss the importance of conflict resolution mechanisms within family governance structures. (CO2,K4) 10
6. Answer any one of the following:-

- 6-a. Discuss the impact of cultural diversity and globalization on the values and personalities of the next generation of business management. (CO3,K2) 10
- 6-b. Explain the concept of "self-branding" and its role in the online personas and self-identities of the family business. (CO3,K4) 10
7. Answer any one of the following:-
- 7-a. Explain the role of a strategic planning committee or team within an organization, and how should they be structured for family business. (CO4,K5) 10
- 7-b. Define how can organizations use strategic planning to promote sustainability and social responsibility in their operations and decision-making processes (CO4,K2) 10
8. Answer any one of the following:-
- 8-a. Define the organizational culture and climate impact the success of family business. (CO5,K3) 10
- 8-b. Explain the best practices can businesses adopt to ensure that their efforts to develop organic competencies are aligned with their long-term strategic goals and objective. (CO5,K5) 10

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