Printed Page:-4 **Subject Code:- CMBIE0213**

Roll. No:

NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA IEV

SEM: II - THEORY EXAMINATION (2025 - 2026)

Subject: Family-Run Business 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:-

(1.1) Identify the role of external advisors in succession. (CO1 - K1) 1

(a) Replace family entirely

(b) Ignore family completely

(c) Provide objective guidance on legal financial and family dynamics

(d) Manage daily operations

(1.2) Identify a key success factor in family business succession. (CO1 - K1) 1

(a) Secrecy from successors

(b) Sudden decision

(c) No external help

(d) Clear communication shared vision and professional advice

(1.3) Identify the recommended external work experience for successor. (CO2 - K1) 1

(a) No external experience needed

(b) 1 month

(c) 3 months

(d) 2-5 years in another company or industry

(1.4) Identify a key success metric for leadership development program. (CO2 - K1) 1

(a) Number of training days

(b) Training cost

(c) Employee satisfaction only

(d) Successor's readiness and successful transition to leadership role

(1.5) Identify the governance requirement for related party transactions. (CO3 - K1) 1

(a) No disclosure needed
(b) Only verbal approval
(c) Only founder approval
(d) Disclosure to board approval by independent directors arm's length pricing

(1.6) Identify typical clauses in family shareholder agreement. (CO3 - K1) 1

(a) Only dividend policy
(b) Only voting rights
(c) Restrictions on share transfer to outsiders pre-emptive rights buy-sell provisions
(d) Only meeting schedule

(1.7) Identify benefit of using trust for ownership transfer. (CO4 - K1) 1

(a) Increases taxes
(b) Complicates succession
(c) No benefit
(d) Avoids probate provides privacy and continuity

(1.8) Identify the Hindu Undivided Family (HUF) as legal entity for ownership. (CO4 - K1) 1

(a) Corporate entity
(b) Partnership firm
(c) Traditional Indian family business structure governed by Hindu Succession Act
(d) Sole proprietorship

(1.9) Identify the role of regular family meetings in conflict prevention. (CO5 - K1) 1

(a) Waste time
(b) Increase conflict
(c) Replace legal system
(d) Provide open communication forum to address issues before they escalate

(1.10) Identify the best time to address potential conflicts in family business. (CO5 - K1) 1

(a) After conflict explodes
(b) Never
(c) Only during crisis
(d) Proactively before conflicts arise, through clear policies and communication

2. Attempt all parts:-

(2.1) List two Indian family businesses with successful succession. (CO1 - K2) 2

(2.2) List and explain two governance responsibilities of family business leader. (CO2 - K2) 2

(2.3) Explain the role of external auditors in family business governance. (CO3 - K2) 2

(2.4) Explain family settlement agreement. (CO4 - K2) 2

(2.5) Briefly explain the cost of unresolved conflict in family business? (CO5 - K2) 2

SECTION-B 30

Answer any one of the following:-

(3.1) Describe the different ownership structures for family business succession. (CO1 - 6

K3)

(3.2) Explain the importance of documenting succession plan including timelines and contingencies. (CO1 - K2) 6

Answer any one of the following:-

(3.3) Describe the mentorship strategies for multi-generational leadership transfer. (CO2 - K3) 6

(3.4) Describe the characteristics of a strong leadership pipeline that ensures long-term stability. (CO2 - K3) 6

Answer any one of the following:-

(3.5) Describe the role of next-generation in family business governance boards and councils. (CO3 - K3) 6

(3.6) Suggest mechanism to measure governance effectiveness in family business. (CO3 - K3) 6

Answer any one of the following:-

(3.7) Explain the process of creating a family trust for business succession including required documents. (CO4 - K2) 6

(3.8) Explain the role of power of attorney in succession planning. (CO4 - K2) 6

Answer any one of the following:-

(3.9) Explain the role of external facilitators (mediators, therapists, coaches) in resolving deep-seated family business conflicts. (CO5 - K2) 6

(3.10) Describe the concept of "fair process" and its role in preventing family business conflicts. (CO5 - K3) 6

<u>SECTION-C</u> 50

4. Answer any <u>one</u> of the following:-

(4.1) Draft a communication script for announcing the successor to three stakeholder groups: family members (confidential family meeting), employees (town hall), and customers (email). (CO1 - K6) 10

(4.2) Evaluate a real Indian family business succession success story. Extract a 10-point best practice checklist that other family businesses can adopt. (CO1 - K5) 10

5. Answer any <u>one</u> of the following:-

(5.1) Develop a 3-year job rotation schedule for a successor including departments duration, learning objectives and mentors. (CO2 - K6) 10

(5.2) Design a reverse mentoring program where a 28-year-old successor mentors the 60-year-old founder on digital transformation which includes mentoring topics and success measures. (CO2 - K6) 10

6. Answer any <u>one</u> of the following:-

(6.1) Design a code of conduct for a family business covering key areas: integrity, conflict of interest, confidentiality, fair dealing etc.(CO3 - K6) 10

(6.2) Analyze the board composition of a listed Indian family business of your choice. Evaluate independence, diversity, and expertise. (CO3 - K4) 10

7. Answer any <u>one</u> of the following:-

(7.1) Draft a family settlement agreement clause for division of business assets between 3 10 siblings where one wants to exit and two want to continue, including valuation method, payment terms, and non-compete. (CO4 - K6)

(7.2) Draft a special power of attorney for a family business owner traveling abroad for 6 months, authorizing her daughter to sign documents and manage routine decisions, but not sell major assets. (CO4 - K6) 10

8. Answer any <u>one</u> of the following:-

(8.1) Compare and contrast the effectiveness of family council, mediation, arbitration, and litigation for different types of family business conflicts. (CO5 - K2) 10

(8.2) Design a conflict resolution training program for family business members including modules on active listening, interest-based negotiation, and emotional regulation considering 2-day agenda. (CO5 - K6) 10