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III Semester M.B.A. (Day & Evening) Degree Examination, April/May - 2026

MANAGEMENT

Management of SMEs and Family Business

(CBCS Scheme 2019 Onwards)

ACHARYA INSTITUTE OF GRADUATE STUDIES
LIBRARY
Date:
BANGALORE-107

Time : 3 Hours **Maximum Marks : 70**

SECTION - A

Answer any **Five** questions from the following. Each question carries **5** marks. **(5×5=25)**

1. Discuss the key tasks, and skills required by Small and Medium Enterprises (SMEs).
2. Explain the importance of effective communication during a crisis.
3. Explain the role of production planning and control in productivity enhancement in MSMEs.
4. What is industrial sickness? Briefly explain its major causes and remedial measures.
5. Identify the major pitfalls in family businesses and suggest measures to overcome them.
6. Explain the importance of professionalizing management and the role of external resources such as professional advisors and consultants in family business.
7. Explain the issues related to growth and legal aspects with reference to Small and Medium Enterprises (SMEs).

SECTION - B

Answer any **Three** questions from the following. Each question carries **10** marks. **(3×10=30)**

8. Explain the marketing aspects of MSMEs with reference to market studies.
9. Explain the social, economic, political, and technological aspects influencing MSMEs.
10. Discuss the new government policies for promoting entrepreneurship, with reference to initiatives taken by the Central and State Governments in India.
11. Describe the crisis management in entrepreneurship with reference to challenges faced during the start-up phase.

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SECTION - C

12. Compulsory Case Study: **(1×15=15)**

Shivam Engineering Works is a small manufacturing enterprise operating in an industrial cluster in India. Established as a family-run SME, the firm initially experienced steady growth due to consistent orders from large OEM clients. However, as competition increased and market conditions became volatile, the enterprise began facing multiple operational and financial challenges.

One of the major issues was poor communication and time management within the organization. Delays in internal coordination resulted in missed delivery deadlines, leading to strained relationships with key customers. Negotiations with suppliers were largely informal and reactive, often resulting in unfavorable credit terms and higher input costs. The absence of structured negotiation strategies further weakened the firm's bargaining power.

As the business expanded, growth-related and legal issues emerged. The firm lacked clarity on statutory compliances related to labor laws, taxation, and contracts. This led to penalties and legal notices, worsening financial strain. Cash flow problems intensified due to delayed receivables, inefficient inventory management, and rising operating costs, pushing the firm towards industrial sickness.

Recognizing the seriousness of the situation, the promoters sought revival support. They initiated structured negotiations with suppliers and lenders to reschedule payments and improve credit terms. Professional consultants were engaged to address legal compliance, streamline processes, and develop a turnaround strategy. Emphasis was placed on developing a problem-solving attitude, strengthening communication with employees and stakeholders, and improving time management practices.

Through corrective measures such as cost control, renegotiation of contracts, better communication, and legal compliance, Shivam Engineering Works gradually stabilized operations. The case highlights the critical role of negotiation, communication, and strategic intervention in preventing sickness and enabling the revival of SMEs.

Questions:

a) Examine the importance of negotiation in managing supplier relationships and financial constraints in small and medium enterprises.

b) Analyze the role of effective communication and time management in addressing operational challenges faced by SMEs, as highlighted in the case.

c) Explain how developing a problem-solving attitude and ensuring legal compliance can support the growth and revival of SMEs

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