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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 (2025 - 2026)

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. According to the agency theory, agency costs can be controlled through specific managerial practices. Unique competitive advantages of the family firm may include all of the following, except: (CO1,K1) 1
- (a) minimal turnover as both family and nonfamily employees tend to stay in positions longer.
- (b) maintenance of high quality in order to protect the family reputation
- (c) None of these
- (d) longer time horizons for measuring outcomes
- 1-b. The successor in family firms is usually: (CO1,K1) 1
- (a) Outsider by default
- (b) Selected purely on seniority
- (c) A family member or next generation leader
- (d) One with no knowledge of family traditions
- 1-c. The primary responsibility of shareholders in a family firm is to define: (CO2,K1) 1
- (a) Marketing strategies
- (b) Employee salaries
- (c) Daily production targets
- (d) Clear financial returns like ROE
- 1-d. A primary goal of family governance is to: (CO2,K1) 1
- (a) Merge family and business finances
- (b) Separate family emotions from business decisions
- (c) Increase personal loans to family members

- (d) Reduce transparency
- 1-e. Problems of succession in family businesses can be mitigated by: (CO3,K1) 1
- (a) making a decision quickly and announcing it early to give family members time to adjust
 - (b) dividing leadership among multiple immediate family members to reduce resentment
 - (c) Both by making a decision quickly and announcing it as well as by dividing leadership among multiple immediate family members to reduce resentment
 - (d) having an independent advisor make the decision without family interference.
- 1-f. A key outcome of cultivating affective commitment is: (CO3,K1) 1
- (a) Dependency on the firm
 - (b) Obligation-driven performance
 - (c) Enthusiasm and proactive contribution
 - (d) Financial motivation only
- 1-g. It is hard to transfer power in a family business (CO4,K1) 1
- (a) Because motivated leaders in a family hate to retire
 - (b) Because family businesses are resistant to change
 - (c) Both Because motivated leaders in a family hate to retire and Because family businesses are resistant to change
 - (d) Because of estate-tax laws and other legal challenges
- 1-h. A family business pursuing a niche specialization strategy is using Porter's: (CO4,K1) 1
- (a) Cost leadership
 - (b) Differentiation
 - (c) Focus
 - (d) Integration
- 1-i. Role of an Entrepreneurship in Economic Development (CO5,K1) 1
- (a) Promotes Balanced Regional Development
 - (b) Encourages Capital Formation
 - (c) None of these
 - (d) Both (a) and (b)
- 1-j. The Present State assessment requires: (CO5,K1) 1
- (a) Avoiding external input
 - (b) Ignoring family dynamics
 - (c) Eliminating dissatisfaction
 - (d) Honest evaluation of current reality
2. Attempt all parts:-
- 2.a. Define the term "stewardship" in the context of family businesses (CO1,K2) 2
- 2.b. Describe the relationship between governance structures and family harmony. (CO2,K2) 2
- 2.c. Define "upside-down thinking" in modern leadership models.(CO3,K2) 2
- 2.d. List the expectations of family shareholders from manager of business. (CO4,K2) 2

2.e. Describe the Future State in strategic planning.(CO5,K2) 2

SECTION-B 30

3. Attempt all parts:-

3.a. Answer any one of the following:-

3.a.(i) Explain how family businesses can professionalize while maintaining family values (CO1,K4) 6

3.a.(ii) Discuss strategies for building family businesses that last beyond three generations (CO1,K4) 6

3.b. Answer any one of the following:-

3.b.(i) Design a succession planning process that integrates leadership development, evaluation, and ownership transfer.(CO2,K6) 6

3.b.(ii) Assess the role of the Three-Circle Model in diagnosing and addressing overlap conflicts in family businesses.(CO2,K5) 6

3.c. Answer any one of the following:-

3.c.(i) Analyze the challenges and benefits of integrating in-laws into family business leadership and ownership.(CO3,K4) 6

3.c.(ii) Design an educational program for next-gen members that covers ownership, management, and family leadership from an early age.(CO3,K6) 6

3.d. Answer any one of the following:-

3.d.(i) Assess the impact of industry life cycle stages on strategic decision-making in a family business.(CO4,K5) 6

3.d.(ii) Analyze the relationship between strategic regeneration and transgenerational entrepreneurship.(CO4,K4) 6

3.e. Answer any one of the following:-

3.e.(i) Evaluate the statement: “Not everyone needs to be highly committed for change to succeed.”(CO5,K5) 6

3.e.(ii) Assess the role of leadership judgment in balancing change speed between stagnation and chaos.(CO5,K5) 6

SECTION-C 50

4. Answer any one of the following:-

4-a. Analyze the role of trust and relationships in family business performance and continuity (CO1,K4) 10

4-b. Evaluate how technology and digital transformation impact family business governance and succession (CO1,K4) 10

5. Answer any one of the following:-

5-a. Assess the challenges and opportunities of integrating non-family executives into senior leadership roles within a family-owned enterprise.(CO2,K5) 10

5-b. Analyze the relationship between ownership structure, governance effectiveness, and business performance in large, dispersed family firms.(CO2,K5) 10

6. Answer any one of the following:-

6-a. Design a multi-stakeholder engagement strategy for succession planning that includes family, management, board, and external advisors.(CO3,K6) 10

- 6-b. Design a next-gen leadership competency model that integrates integrity, strategic thinking, relational skills, and business acumen.(CO3,K6) 10
7. Answer any one of the following:-
- 7-a. Critically analyze how the Individual Axis (life stages of key members) influences succession timing and strategic regeneration.(CO4,K5) 10
- 7-b. Evaluate the long-term sustainability of family businesses that fail to rejuvenate their core competencies in line with customer perceptions.(CO4,K5) 10
8. Answer any one of the following:-
- 8-a. Critically examine the role of Commitment Planning in aligning family and business stakeholders during strategic transformation.(CO5,K5) 10
- 8-b. Critically evaluate the statement: “Family businesses compete on capabilities, not capital.”(CO5,K5) 10

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