

# Birla Institute of Technology and Science, Pilani (Rajasthan)

Second Semester 2016-2017

Mid Semester Examination (Closed Book)

Course No.	: MBA G506	Max. Marks	: 40
Course Title	: Negotiation Skills & Techniques	Weightage	: 20%
Date	: 10/03/2017	Duration	: 90 min.

**My father said: 'You must never try to make all the money that's in a deal. Let the other fellow make some money too, because if you have a reputation for always making all the money, you won't have many deals.'**

**– J. Paul Getty**

*Note:* Be brief and specific while providing answers

1. Do you agree or disagree with the following statements? Support your answer with justification? **(4.0 x 2 = 8.0 Marks)**

A. "A negotiator should never make the first offer/demand, it is often considered as a sign of weakness"

B. "Negotiation plan should be in-depth and firm"

2. Differentiate "Proposal and Bargain". **(4.0 Marks)**

3. Briefly explain the four unilateral negotiation strategies? Depict the same in a schematic representation. **(6.0 Marks)**

4. Jaya and Bunty is responsible for cleaning up the work area that they share. They both are accountable to their supervisor to keep the work area clean, orderly, and safe. They were arguing over whose turn it is to clean up the work area. Jaya says she did it yesterday, so it's Bunty's turn. Bunty says he did an extra turn last week, so it's Jaya's turn. It has to be either Jaya's or Bunty's turn. Assume Jaya and Bunty enter into a negotiation, will it be a distributive bargaining or integrative bargaining? Justify your answer? **(4.0 Marks)**

5. Shilpa is very happy at work; however she is not getting along well with Tarun, a coworker in the marketing department. She tried talking to Tarun about the problem, but Tarun refuses to respond. Finally, Shilpa asks Ashwini (a common friend to both Tarun and Shilpa) if she can assist Shilpa in resolving their differences. Ashwini approaches Tarun about a meeting with Shilpa and herself. Tarun agrees. The three meet in Ashwini's office. Ashwini asks each to explain what is going on. Tarun explains that he resents Shilpa getting a reserved parking place after being at work only for seven months, while he has worked five years without a designated space. Shilpa explains that she didn't ask for the space and doesn't even need it. Tarun did not know that Shilpa never asked for the space. Shilpa says she is happy to give up the space and Tarun could have it if he wanted it. Tarun says he really doesn't need it either, but feels better now knowing that Shilpa hadn't asked for it and was willing to give to him. Both Shilpa and Tarun shake hands and thank Ashwini for her assistance in resolving the issue that had come between them at work. Ashwini acknowledges Tarun and Shilpa's willingness to be open about what was bothering them. Soon all three are back at work.

Identify the 'type' of role played by Ashwini as a third party? Support your answer by quoting facts from the case? **(4.0 Marks)**

6. Suresh and Cindujha are thinking of buying a new car. They have looked around a bit at cars their friends and neighbors are driving and have checked the local paper for advertisements. They think they will want to trade in their current noisy old car, a twelve year old vehicle that consumes fuel inefficiently with over 1,60,000 kilometers. Suresh and Cindujha care a lot about the car's mileage, because of the cost and because they worry about the environmental damage that burning fuel causes. Suresh and Cindujha are expecting to have a child sometime in the next couple of years, and they would like a practical and safe car in which they could put infant restraints\* when the time comes. Because they commute to work together (Cindujha drops Suresh off and parks at an uncovered lot near her office) and use that time to chat, they don't care much about the car's sound system, but they do care about the car's appearance and its ability to stand up to the weather year-round. Finally, being relatively ignorant about automotive mechanics, they would prefer a car that would not give them much trouble and a reliable, convenient service center to take it to when necessary. The dealer closest to their home, and therefore the most convenient is called "Mahindra First Choice", a Multi-brand certified used car company. Suresh and Cindujha are expected to interact/negotiate with the salesperson of Mahindra First Choice.

\*These seats are designed specifically to protect children from injury or death during collisions. Automobile manufacturers may integrate child safety seats directly into their vehicle's design. Most commonly, these seats are purchased and installed by consumers.

- A. List down the key interests of Suresh and Cindujha. **(2.0 Marks)**
- B. If an agreement is not reached during the negotiation with the salesperson at Mahindra First Choice, what alternatives might be available to Suresh and Cindujha? Briefly explain the pros and cons of these alternatives? **(4.0 Marks)**
- C. Assume you are Suresh and you are interested in knowing the interests of salesperson. Which technique would you use to identify these interests? By using this technique identify the interests of the salesperson. **(4.0 Marks)**
- D. Assume you are Suresh and you are preparing for the forthcoming negotiation. Identify possible alternatives available to salesperson if the current negotiation fails? List down the pros and cons of the same. **(4.0 Marks)**

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