**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

**SIXTH TRIMESTER (Batch 2020-22)**

**END TERM EXAMINATION, MAY-2022**

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| Course Name | **Negotiation Skills** | Course Code | **BC 40621** |
| Max. Time | **2 Hours** |  Max Marks | **40** |

**Instruction(s)**: All questions are compulsory and carry equal marks

**Q1.** “One of the most difficult lessons we will have to learn in negotiation is that, in order for a lasting agreement to be reached, we may need to concede valuable things to people whom we do not necessarily like. This is not simply because of the power exerted by those people, or because they would have been able to extract those concessions from us anyway. That is, we may have to give to get.” Do you agree with the above-mentioned statement? Expound your viewpoint with the help of illustrations. **(10 marks)**

**Q2.** Using the critical shift in negotiation approach how can you transform a power-based negotiation to an interest-based negotiation. **(10 marks)**

**Q3**. A consulting firm was interviewing a candidate to do hourly but high-level work in an emerging field. The interviewer thought INR 500/hour sounded about right but she was not sure. Rather than blurting out an offer, she asked the candidate to name his price. He suggested INR 250/hour and they settled on INR 240/hour. To his detriment, the candidate unwittingly dropped a very low anchor. What strategy would have helped the candidate avoid such a mistake? **(10 marks)**

**Q4.** Shikha tried to stifle her joy. Chirag, the majority owner of the boutique hotel she managed in Mysore, had just told her he wanted to sell the business to her. “I am ready for a new challenge,” he said from his usual seat at the bar, where he had spent the evening drinking wine and doing Sudoku puzzles. “Can we make a deal?” **(10 marks)**

After acquiring the hotel from his ex-wife during their divorce, Chirag had put himself on salary as the marketing manager. Since he hired Shikha to manage the hotel six years ago, its reputation and bookings had steadily climbed. Chirag was nice enough, but Shikha had grown increasingly frustrated with his habit of blocking key improvements and neglecting his duties. He was holding the business back, she believed.

Shikha knew the deal was possibly once in a lifetime opportunity. Chirag offered to be bought out at a bargain price, stressing that she was the only person he’d entrust with the hotel. Nervous and excited, Shikha spent the next month lining up an investor. Lawyers wrangled over the details for another month.

The night before the deal was to be inked, Chirag called Shikha over to his bar stool “I have a bad feeling about your investor,” he said. “I am withdrawing my offer. I am going to rededicate myself to the business. Shall we pop open some champagne?” Infuriated and crushed, Shikha stopped just short of quitting on the spot. She knew she needed to think through the situation before making any rash decisions.

*Source: Program on Negotiation (2008). Bring your deal back from the brink, Program on Negotiation Newsletter, 11(8), 1-4.*

We have all faced the unpleasant task of negotiating with people we view as irrational, incompetent and downright aggravating. When such individuals say no to a beneficial deal, walking away may be the path of least resistance. Yet giving up could mean accepting a least desirable outcome. What can you do when a difficult person is the main obstacle to a promising deal? Using the 7 elements of negotiation how would you increase the size of the pie for both Shikha and Chirag.

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