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M. B. A. (Fourth Semester) Examination, 2020

APR-MAY

(New Scheme)

(Management Branch)

(Specialization : Human Resource Management)

NEGOTIATION & COUNSELLING

Time Allowed : Three hours

Maximum Marks : 80

Minimum Pass Marks : 32

Note : There are four questions in Section-A. Each contains two parts (a) and (b) out of which attempt any one. Section B is a Case study. All questions carry equal marks.

Section-A

1. (a) What is Negotiation? Explain strategy of Negotiation. 16

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Or

(b) Explain the planning for negotiation.

2. (a) How people communicate in negotiation? 16

Or

(b) Explain fundamental structure of Negotiation

3. (a) What do you understand by Counselling? Discuss in brief the various approaches of providing counselling. 16

Or

(b) Discuss in detail about the task of counselling.

4. (a) Write short note on : (any two) 16

(i) Cognition and Emotion

(ii) BATNA

(iii) Perception

Or

(b) Describe model of counselling

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Case Study : Distributive Negotiation

A distributive negotiation will focus on the division of a set amount of resources, largely determined by the aspiration price (the maximum that party A would like to get, and which is also the least amount that party would like to pay), and the reservation price (the least amount that party A would accept, and the maximum that party B would prepared to pay). Well over 90% of all civil law suits in the America are settled out of court, and most are largely resolved through the application of a distributive negotiation.

On a dreary, rainy night in October of 1968, a young woman was driving behind a lorry truck in the U.S. perhaps impatient with the speed of the transport in front of her, the young woman by the name of Ms. Anderson steered her vehicle to peer around the lorry driver's side to see if the way was clear. Before she could react, she was struck head on from an oncoming vehicle from the opposite direction. Ms. Anderson sustained permanent and debilitating injuries as a result of this horrific crash. Just recently, she had retrieved her vehicle from Sorensen Chevrolet which she had been

having some repairs completed. Unbeknownst to her, Ms. Anderson did not notice that her front driver's side headlight was malfunctioning. The oncoming driver who had struck her had not seen her on that dark misty night when the accident occurred.

Mr. Miller, lawyer representing Ms. Anderson, held Sorenson Chevrolet as being liable for the accident and subsequently filed a \$1,633,000.00 law suit against Sorensen. Sorensen had a faulty repair policy with an insurance company (which shall be called ABC Insurance). The policy had a ceiling of \$500,000.00. Sorensen made it very clear to ABC Insurance that they would readily sue ABC if they settled for anything over the half million limit of the policy, urging them to settle out of court.

Miller, the plaintiff's lawyer countered that he would not accept an out of court settlement for anything less than the maximum half million allowed under Sorensen's insurance policy. ABC went to court and won a summary judgement where the decision rendered entailed that the plaintiff had no legal basis for a trial. ABC made a tentative offer of \$25,000.00. Miller countered this with a demand for \$400,000.00 and had in the interim, appealed the court's decision not to hear the case.

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ABC upped their offer to settle at \$50,000.00. In December of 1973, the appeal was heard. The Appellate court reversed the decision and the summary judgement was overturned. The case could now be heard before a jury which turned the game around. Miller, once again demanded the full half a million. It was not until February of 1973 that ABC upped their offer to \$200,000.00. Which was rejected and then upped their offer to \$250,000.00. Miller lowered his demand to \$400,000.00, as a counter offer. This was rejected by ABC, and he then lowered it again to \$350,000.00. The time factor was beginning to play on the plaintiff, and Ms. Anderson was becoming risk averse to the whole negotiation process.

In January of 1975, Miller told ABC that the 'bottom line' settlement that he would accept would be \$325,000.00. ABC said they would go to trial over the difference. It was virtually on the court steps that ABC discovered that Miller had been replaced as Ms. Anderson's counsel. Her new attorney offered ABC another 'bottom settlement' of \$300,000.00. ABC agreed to the settlement.

Questions :

Discuss the facets on how most out court settlements are resolved through Distributive Negotiation style.