

Test Series: March, 2021

MOCK TEST PAPER - 1

INTERMEDIATE (IPC): GROUP – II

PAPER – 7: ENTERPRISE INFORMATION SYSTEMS AND STRATEGIC MANAGEMENT

SECTION – A: Enterprise Information Systems

Time Allowed – 1½ Hours

Maximum Marks: 50 Marks

Part I : Multiple Choice Questions

Total Marks: 15 Marks

Question Nos. 1 to 5 carries 2 marks each.

M/s TAS & Sons is an automobile manufacturer of spare parts of four wheelers in India. The company has four manufacturing units in various locations across the country. It also has two branch offices located in Pune and Hyderabad to handle activities like orders, delivery, complaints and stock operations. The company maintains its account with ABC Bank from where it also has taken various loans and advances.

Sometime ago, the company's business processes like accounting, purchase, sales and inventory were maintained in manual mode. The management of the company observed that the manual processing of these activities hinder the overall working of the business related daily operations. This resulted in huge gap in the flow of information, pending orders, delayed deliveries, and delayed decision making due to lack of business reports and therefore overall non-performance. Thus, the management committee decides to adopt the process of automation for its various business operations so that information flow would be timely and consolidated within its branches and manufacturing units. To attain this objective, the service models of Cloud Computing are proposed to be adopted so that the branches and manufacturing units are interconnected with centralized mechanism of data sharing and storage. The proposed system with well-implemented access controls will provide robust data security among its systems of branches and manufacturing units. Not only the record keeping, but also data maintenance and reports generation would become simpler after the implementation of proposed system. The management is also looking for better prospects of adhering to the legal compliances of the country and also to initiate its business operations through online mode.

Subsequently, the company hires a consultant Mr. Sumit to carry out the feasibility study of its proposed system who prepares a feasibility report and submits to the management. Based on the go ahead report of Mr. Sumit's report, a project team is scheduled to be constituted who will work under him to execute the project and ensure its delivery on time.

1. The Management committee of M/s TAS & Sons decides to automate its entire business processes anticipating reaping better benefits for the company. Which of the following does not come under the category of benefits of Automation?
 - (a) Consistency of automated processes
 - (b) Automating Redundant processes
 - (c) Reduction of turnaround time
 - (d) Better utilization of employees' time

2. In purview of above case scenario, the management of M/s TAS & Sons decides to adopt the process of automation for its various business processes so that information flow within its units and branches would be timely and consolidated. The data is centralized and in case of loss of any set of data from this location, whole business may come to stand still. Identify from the following controls that may be useful to overcome the aforementioned risk.
 - (a) It can be controlled by removing redundant data.
 - (b) Back up arrangement needs to be strong.
 - (c) To allocate some funds in case of contingencies.
 - (d) Overhauling of organizational structure is required.
3. If the company hires XYZ Ltd. as its Cloud Computing service provider, which of the following model of Cloud Computing would be useful for M/s TAS & Sons if XYZ Ltd. proposes to host company's application at its data center over the internet to make it accessible to the customers of M/s TAS & Sons?
 - (a) Infrastructure as a Service
 - (b) Platform as a Service
 - (c) Software as a Service
 - (d) Database as a Service
4. In purview of the above case scenario, the company decides to install various internetwork processors like routers and firewalls etc. for its business application through online mode in order to make its whole network secure. Which type of control the company is planning to work on?
 - (a) Corrective Control
 - (b) Preventive Control
 - (c) Network Control
 - (d) Detective Control
5. M/s TAS & Sons maintains its account in ABC Bank which faces the application risk of incorrect classification and provisioning of Non Performing Asset (NPA) resulting in financial mismanagement, of company's account. Which control would be best suggested to take care of this?
 - (a) Access for changes made to the configuration, parameter settings should be restricted to authorized user.
 - (b) Unique Id should be created for each asset.
 - (c) The system parameters need to be set up as per business process rules of the bank.
 - (d) To ensure existence of configuration/customization in the application to perform NPA classification as per relevant RBI guidelines.

Question No(s) 6 to 10 carries 1 mark each.

6. Except one, following are the means through which protection can be achieved in case an internet connection exposes an organization to the harmful elements of the outside world. Identify it.
 - (a) Security of network services
 - (b) Call back devices

- (c) Access Token
 - (d) Segregation of Networks
7. A company on the occasion of Diwali offers to provide an additional discount of 15% to its customers on online bulk purchase of products worth Rs. 5,000 through its website. Which of the following business model of e-commerce is being followed in this?
- (a) Consumer to Business e-Commerce
 - (b) Business to Consumer e-Commerce
 - (c) Business to Business e-Commerce
 - (d) Consumer to Consumer e-Commerce
8. Money Laundering is commonly used by criminals to make dirty money appear legitimate. In this context, which stage of Money Laundering involves the bank transfers between different accounts in different names in different countries making deposit and withdrawals?
- (a) Placement
 - (b) Layering
 - (c) Integration
 - (d) Financing
9. Which of the following statement is not correct for eXtensible Business Reporting Language (XBRL)?
- (a) XBRL runs on XML technologies such as XML schema, and ensures that financial and non-financial data is tagged to form a comparable reporting format.
 - (b) XBRL has the capability to allow the tagging of transactions that can themselves be aggregated into XBRL reports.
 - (c) To publish performance information and allow straight through information processing are key features of XBRL.
 - (d) XBRL is an open standard reporting language which is governed by XBRL, a non-profit organization.
10. In the office of HNK Ltd., a master swipe access card is maintained at the front desk to enter into executive's cabin, in case of any emergency. In this case, the possibility of same may be misused by an unauthorized employee to gain unauthorized access of the executive's cabin would be categorized as:
- (a) Asset
 - (b) Vulnerability
 - (c) Accepted residual risk of exposure to potential risk of data theft
 - (d) Likelihood of compromise on CIA (Confidentiality, Integrity and Availability)

Part II: Descriptive Questions

Total Marks: 35 Marks

Question No. 1 is Compulsory.

Attempt any three questions out of remaining four questions.

1. (a) Banking has played a vital and significant role in development of economy. In the light of this statement, explain the key features of banking business. **(3 Marks)**

- (b) Identify the disadvantages of Database Management System. **(2 Marks)**
2. (a) ERP system integrates all business components and updates the data between related business functions. However, its implementation is a huge task that may require lot of time, money and energy and its success majorly depend upon issues related to factors like people, process, and technology. Briefly explain other implementation risks, if any, apart from the issues related to the factors mentioned above. **(6 Marks)**
- (b) With promotion of cashless economy, most of the businesses are using e-commerce and m-commerce transactions. Enlist the commercial laws that are applicable to these transactions. **(4 Marks)**
3. (a) ABC Ltd., a Delhi based financial consultant company has huge clientele having crucial data about its clients. Therefore, the company has robust implementation of Logical Access Controls to ensure that access to its systems, data and programs is restricted to authorized users to safeguard information against unauthorized use. Describe all the technical exposures against which these Logical Access Controls provide security to the data and software of the company. **(6 Marks)**
- (b) XYZ Ltd. is the manufacturer of herbal medicines which is under the process of implementing Enterprise Resource Planning (ERP) in its head office and various manufacturing units located across the country. Explain the technological risks related to the implementation of ERP. **(4 Marks)**
4. (a) During the pandemic Covid 19, the Government of India emphasized on the usage of various digital mode of payments by the public at large. In light of this statement, explain various types of cards that are provided to the account holders by the banks or companies to be used as digital payment mode. **(6 Marks)**
- (b) Though Business Process Automation (BPA) provides many benefits to companies which tend to automate their business processes, however automation of the business processes is susceptible to many challenges. Discuss these challenges. **(4 Marks)**
5. (a) Mr. Amar is the chief IT manager of a company who designed a new advisory for all employees mentioning the various cyber-crimes which may attract prosecution as per penalties and offences prescribed in Information Technology Act, 2000. Describe the various cybercrimes that Mr. Amar could have incorporated in his advisory. **(6 Marks)**
- (b) DFK corporative bank of Uttar Pradesh decided to implement Core Banking System (CBS) to facilitate integration of its entire business applications. Briefly explain how the deployment and implementation of CBS can be controlled at various stages to ensure that objectives of DFK corporative bank are achieved. **(4 Marks)**

SECTION – B: STRATEGIC MANAGEMENT

Time Allowed – 1½ Hours

Maximum Marks – 50

Question 1 and 2 are compulsory.

Attempt any **three** questions out of remaining **four** questions.

1. (A) Rohansh Bakshi a 22-year-old from Maharashtra, started a gaming equipment company called TEEMOX, which specialises in gaming chairs, gaming consoles, controllers, wireless keyboard, and touchscreen mouse pads. Rohan has been an innovator and loves building products. Hence, to prioritise his time more on development, he insisted Mr. N. Muniyappa, his mentor, to be the CEO of the company and spearhead business from the front.

Rohansh has always believed in bringing something new to the consumer and that is clearly projected in the products offered by TEEMOX. His designs reflect youth with exciting colors and comfort, and they match the quality of global big brands. However, to make his products worth the money that his customers are paying, the procurement is done from Indonesia and Vietnam, where the materials are easily available at low costs.

Interestingly, Rohansh's AI based gaming chairs have been a huge hit for the company, bringing in the maximum revenue and margins. The business has gone from 200 units sold to over 5000 units sold in just six months. To add to it, a famous FMCG Brand approached TEEMOX to collaborate for a sports drink focused on gamers. The team is excited about this collaboration as the deal shall bring in more awareness and open newer markets for them. But Mr. Muniyappa insists that this might as well displease the existing consumers who relate to TEEMOX as a customer-oriented brand rather than yet another money minting business.

Nonetheless, the plans seem to be working in the company's favour for now and the future seems bright. To put in context, the gaming industry is booming with a Compound Annual Growth Rate (CAGR) of 190%, adding over 20 million new customers every quarter. Clearly, opportunities are enormous, and the brand is on track. A well-established vision and mission for the company could be a strong strategic advantage for challenging times to come.

Based on the above Case Scenario, answer the Multiple-Choice Questions which are as follows:

1. Based on the above case which of the following seems true about the Strategy of TEEMOX?
 - (a) Strategy was unified and comprehensive.
 - (b) Strategy was comprehensive and integrated.
 - (c) Strategy was integrated and unified.
 - (d) Strategy was integrated, unified and comprehensive. **(1 Mark)**
2. Gaming chair business of TEEMOX is a cash cow. Which of the following strategies helped it become such an influential business?
 - (a) Organisation differentiation
 - (b) Product differentiation
 - (c) Focused differentiation
 - (d) Low-cost product provider **(1 Mark)**

3. By routing its products from Indonesian and Vietnam, TEEMOX was able to achieve which of the following strategies on the holistic level of business?
- (a) Product differentiation
 - (b) Horizontal integration of business
 - (c) Best cost provider in the industry
 - (d) Globalisation of business **(1 Mark)**
4. With the appointment of Mr. N. Muniyappa, Rohansh can be designated as which of the following?
- (a) Vice President
 - (b) CEO Emeritus
 - (c) Chairman
 - (d) Functional Head **(1 Mark)**
5. Which Ps of marketing have been the winning Ps for TEEMOX?
- (a) Product and Place
 - (b) Promotion and Price
 - (c) Price and Product
 - (d) Promotion and Place **(1 Mark)**
- (B) The Specialist Clothing Company (SCC) is a manufacturer of a wide range of clothing. Fashion is one of the five divisions of SCC. Fashion is operating in a market with high growth and is a market leader. By the next year, it is predicted to have 10% of the market share in a growing market. Fashion should be classified as which of the following according to the BCG matrix.
- (a) Star
 - (b) Dog
 - (c) Cash cow
 - (d) Question mark **(2 Marks)**
- (C) Beta Company, a car manufacturer is buying up a supplier so that it gets a dedicated supplier with both guaranteed quality and price. The material could be manufactured when required by Beta Company leading to lower inventory levels. Which strategy has Beta Company adopted?
- (a) Backward integration
 - (b) Forward integration
 - (c) Conglomerate diversification
 - (d) Horizontal integrated diversification **(2 Marks)**
- (D) Developing vision and mission, identifying an organisation's external opportunities and threats, and determining internal strengths and weaknesses are:
- (a) SBU planning
 - (b) Strategy formulation

- (c) Strategy implementation
 - (d) Business process reengineering **(2 Marks)**
- (E) As the head of an MNC, you have been asked to bring in radical changes in your organisation through BPR. Which of these is the thrust area you would focus on reducing:
- (a) Total cycle time
 - (b) Total order time
 - (c) Total inventory time
 - (d) None **(2 Marks)**
- (F) Which of the following is correct?
- (a) Strategy is always pragmatic and not flexible
 - (b) Strategy is not always perfect, flawless and optimal
 - (c) Strategy is always perfect, flawless and optimal
 - (d) Strategy is always flexible but not pragmatic **(1 Mark)**
- (G) A corporation organized in network structure is often called
- (a) Virtual organization
 - (b) Hierarchical organization
 - (c) Structured organization
 - (d) Simple organization **(1 Mark)**
2. X-Olympus is a gaming software company specializing in developing games for ZBox and GameStation-4. The company is facing stiff competition due to saturation of market and price wars, which has excessively favor and highlight their dependence on gaming console manufacturers. Thereby, the company desires to establish a competitive advantage over industry rivals by enhancing the gaming experience by expanding into Edge-Cloud Gaming Service on a monthly subscription basis. This service offering does not require dedicated gaming consoles yet provide customers game streaming in 4K resolution with an ample range of games to select from. This move is expected to insulate X-Olympus from price wars and provide a competitive advantage. Identify and explain the generic strategies adopted by X-Olympus? **(5 Marks)**
3. (a) "Strategy is partly proactive and partly reactive." Elaborate. **(5 Marks)**
- (b) Examine the significance of KSFs (Key Success Factors) for competitive success. **(5 Marks)**
4. (a) Shri Alok Kumar is having his own medium size factory in Aligarh manufacturing hardware consisting handles, hinges, tower bolts and so on. He has a staff of more than 220 in his organisation. One of the leading brand of Hardware seller in India is rebranding and selling the material from his factory. Shri Alok Kumar, believes in close supervision and takes all major and minor decisions in the organisation.
- Do you think Shri Alok should take all decisions himself? What should be the nature of decisions that should be taken by him. **(5 Marks)**
- (b) How can management communicate that it is committed to creating a new culture assuming that the old culture was problematic and not aligned with the company strategy? **(5 Marks)**

5. (a) Justify the statement "Stability strategy is opposite of Expansion strategy". **(5 Marks)**
(b) Explain the three major R & D approaches to implement strategic decisions. **(5 Marks)**
6. Distinguish between the following:
- (a) Market Development and Product Development under Ansoff's Product Market Growth Matrix. **(5 Marks)**
(b) Distinguish between Strategy Formulation and Strategy Implementation. **(5 Marks)**