

Test Series: April 2021

MOCK TEST PAPER-II

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 and are based on the Case scenario given below.

GoCart is one amongst the popular e-commerce shopping portals delivering the products in India and SAARC nations with its head office in New Delhi. It recently entered into a Service Level Agreement (SLA) with Google, wherein Google would provide the necessary application framework, testing tools to GoCart to develop and deploy its application online. On successful deployment of its application and in order to get a competitive advantage over other e-Commerce providers, GoCart launched a multi-saver sale wherein huge discount on the best brands are available, complimentary gifts for purchases above a certain amount and express free delivery are also provided. All the revenue generated through the multi saver sale will be routed through a separate current account maintained with CSC Bank, from where GoCart has already taken a loan.

With the increase in the cybercrimes and misuse of customer data, GoCart has implemented stringent controls to prevent any unauthorized access to data and has opened up new job roles exclusively with objective of ensuring security at network and operating system levels. GoCart has also implemented certain controls to avoid the risk that prevent it from losses due to failure of internal processes, any criminal activity by an employee and product/service failure. Further to comply with the regulatory requirements, GoCart books of accounts are well maintained and subjected to annual statutory audit and the business reporting is done through XBRL.

1. GoCart has implemented certain controls to avoid the risk for prevention of losses due to failure of internal processes, any criminal activity by an employee and product/service failure. Which among the following risk would GoCart be subjected to in this case?
 - (a) Strategic Risk
 - (b) Operational Risk
 - (c) Financial Risk
 - (d) Residual Risk
2. For GoCart, the business reporting is done using XBRL. Identify the feature of XBRL which stops poor quality information being sent to a regulator, when the draft report is being run by one of its staff who had prepared the same?
 - (a) Clear Definition
 - (b) Multilingual support
 - (c) Strong Software Support
 - (d) Testable Business Rules

3. With the objective of maintaining utmost security, GoCart recruited Mr. Y to examine logs from firewalls, intrusion detection system and to issue security advisories to other members in IT department. Which of the following job roles best fits into job profile of Mr. Y?
 - (a) Operations Manager
 - (b) Network Architect
 - (c) Security Analyst
 - (d) Database Administrator
4. With the recently entered Service Level Agreement (SLA) with Google, GoCart successfully developed and deployed its new application. Identify the type of cloud service utilized by GoCart in the application which is developed online?
 - (a) Infrastructure as a Service
 - (b) Platform as a Service
 - (c) Software as a Service
 - (d) Network as a Service
5. In addition to routing the revenue in accounts maintained with CSC Bank, GoCart also has taken various loans and advances from CSC Bank. If CSC Bank faces the information security risk of non-establishment of user accountability for the accounts created for GoCart, which control would be best suggested for this?
 - (a) The identity of users is authenticated to system through password.
 - (b) System validations have been implemented to restrict set up of duplicate customer master records.
 - (c) All users are required to have a unique user id.
 - (d) Access for changes made to the configuration, parameter settings is restricted to authorized user.

Question Nos. 6 to 10 are independent questions of 1 mark each.

6. NMN Ltd. has its five branches in different cities of India. All branches are interconnected and use centralized mechanism for data sharing and storage. To have a secure communication between its various branches, the company has installed anti-virus software and intrusion prevention system. The installation of these systems is covered under which type of control?
 - (a) Detective Control
 - (b) Preventive Control
 - (c) Community Control
 - (d) Application Control
7. Which of the following term related to Risk refers to an action, device, procedure, technique or other measure that reduces the vulnerability of a component or system in an organization.
 - (a) Residual Risk
 - (b) Risk Management
 - (c) Threat
 - (d) Counter Measure

8. XYZ Ltd. provides Data Processing services to its clients. It has received a big contract from DEF Insurance Company for its data processing. With limited PCs at its office, XYZ Ltd. approached Amazon Web Services to hire and access Virtual Machines for data processing on pay-as per usage concept. Which Cloud Computing Service Model is being used by XYZ Ltd.?
- (a) Software as a Service (SaaS)
 - (b) Platform as a Service (PaaS)
 - (c) Infrastructure as a Service (IaaS)
 - (d) Network as a Service (NaaS)
9. M/s SS and Sons, a renowned chartered accountancy firm has many branch offices all over Madhya Pradesh. The management thought that as IT operations and the maintenance of hardware and software are not their core area, they decided to host its application on internet and outsource the IT functions. Through this initiative, firm provides online services to its clients regarding registration, trademark, and taxation through an online assistant. This is an example of which type of application.
- (a) Cloud based Application
 - (b) Built-in Application
 - (c) Installed Application
 - (d) Customer Application
10. VV designers, the manufacturers of bath accessories allow their customer to pay in cash only. Now, with the demand of cashless economy the company decided to allow its customers to pay either through cash or through credit/debit cards. The company uses the key control that transaction cannot be made if the aggregate limit of out-standing amount exceeds the credit limit assigned to customer. Identify the risk related to credit card processing for which this key control is applied.
- (a) Credit Line setup is unauthorized and not in line with the bank's policy.
 - (b) Credit Line setup can be breached.
 - (c) Masters defined are not in accordance with the Pre-Disbursement Certificate.
 - (d) Inaccurate reconciliations performed.

Part II: Descriptive Questions

1. (a) Identify the Logical Access Violators who exploit logical exposures in an organization. Briefly explain them. **(3 Marks)**
- (b) Write a short note on "Automated Teller Machine (ATM) Channel Server". **(2 Marks)**
2. (a) ABC Ltd., a soft drink manufacturing company was established in 2010. The company has implemented some modules of ERP and was managing good business in initial seven years of its establishment. After that, the customer's feedback indicated a decline in the sale and therefore, the targets could not be achieved. On analyzing the customers' feedback, the management decided to incorporate CRM Module of ERP System to improvise its relationship with existing customers, find new prospective customers and win back former customers. The company implemented CRM module and found acceleration in the growth of its sale for past four years. Discuss various key benefits of CRM module that the company may have availed after implementing CRM? **(6 Marks)**
- (b) Grid computing is a distributed architecture of large numbers of computers connected to solve a complex problem. With reference to this line, identify the application areas where this technology can be used effectively and efficiently. **(4 Marks)**

3. (a) As an internal auditor of an organization, Mr. Anil reviews various physical security controls implemented within his organization. Discuss various activities that he would perform while doing auditing these physical access controls? **(6 Marks)**
(b) Describe the Section 63 in prevention of Money Laundering that specifies the punishment for false implementation or failure to give information, etc. **(4 Marks)**
4. (a) Suppose you are an IT consultant of ABC enterprises. What general controls would you apply to all components of system, processes and data for ABC enterprises to ensure the security of information system and application program. **(6 Marks)**
(b) Mr. Rajesh joined as an assistant to Chief Manager of loan department in KK Financials. His job profile demands to provide an MIS report on every weekend to Chief Manager about the various details regarding customers' service calls. Discuss the various criteria that information in his report should meet, so that it should be useful to the chief manager. **(4 Marks)**
5. (a) Cloud computing is one of the emerging technologies used in several organizations, yet it has many pertinent issues. Discuss the major pertinent issues related to cloud computing. **(6 Marks)**
(b) Determine all the sub processes that are included under an Order to Cash Process. **(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) Amrutha, a third year computer science student living in Tamilnadu, realised that during covid-19 pandemic her mother was not able to buy the basic products that she used in her worship routine. As a result, many small vendors also went out of business during the lockdown. She started studying more about the market and observed that the way the business was conducted had many gaps and loopholes. She dedicated herself to develop a small market place where consumers like her mother and small vendors could meet and trade, and called it Saamagree.

Her interaction with small vendors was a success factor, where she was able to convince them to bring their business online and give them volume in sales. Vendors were hesitant early on, but followed suit when they saw the benefits coming in. Amrutha, being a student was happy with the growth and wanted to focus on studies more and let the business operate as usual.

To her surprise, her father's company which was a big FMCG brand took over her business within a year itself, and designated Ms. Srividya Rajanan, to lead the division with Amrutha. Amrutha, knew her customers and vendors very closely and Ms. Rajanan was an expansion expert. So their division was developed as a simple structure within the organisation as an experiment.

Ms. Rajanan's marketing team expanded swiftly to rope in vendors from areas far and beyond backed by their in-house distribution channels. However, the initial vendors and customers felt betrayed as their trust rested in Amrutha and her personalised touch to the business. It took the team months to build an identity that matched the sincerity of a one woman led brand.

The market segment has been a very niche one for the FMCG brand however the results have been satisfying. The plan is to go Pan-India in the coming years with Amrutha leading from the front and Ms. Rajanan exiting the division. New markets, new ways of business are inevitable and bring a freshness to business is what Saamagree has proven.

Based on the above Case Scenario, answer the Multiple Choice Questions.

1. Which of the following characteristics has been one of the biggest strengths of Saamagree's management?
 - (a) Induce and direct events
 - (b) Induce and direct people
 - (c) Influence process to make things happen
 - (d) Gain command over the phenomena (1 Mark)
2. The leadership team decided to keep the organisation structure straight and simple based on the intricacies of?
 - (a) Goals and objectives
 - (b) Vision statement
 - (c) Business definition
 - (d) Business model (1 Mark)

3. Before Ms. Srividya Rajanan joined the company, Amrutha's intent was inclined towards which of the following strategies?
- (a) Combination strategy
 - (b) Retrenchment strategy
 - (c) Expansion strategy
 - (d) Stability strategy
- (1 Mark)**
4. The marketing team of Saamagree could not gauge a very crucial aspect of markets that led to a temporary dent in its brand positioning. Which of the following is being mentioned in the above scenario?
- (a) Switching costs of products
 - (b) Distribution channel accessibility
 - (c) Retaliation from the market
 - (d) Political influence in the industry
- (1 Mark)**
5. The very ideation of the business was based on bringing about a change in existing ways of business. What can be said about the basis of building Saamagree?
- (a) Market penetration
 - (b) Business process reengineering
 - (c) Product differentiation
 - (d) Best cost provider strategy
- (1 Mark)**
- (B) A beverage company has more than 500 soft drink brands, but none of them is anywhere close to its premium brand *One Sip* in awareness, revenue and profits. As per BCG's Matrix, *One Sip* brand for the beverage company is?
- (a) Star
 - (b) Dog
 - (c) Cash cow
 - (d) Question mark
- (2 Marks)**
- (C) Davis and Lawrence have proposed three distinct phases for development of matrix structure. These phases are (1) Cross-functional task forces (2) Product/brand management and (3) _____.
- (a) Market/external management
 - (b) Functional matrix
 - (c) Mature matrix
 - (d) Internal management
- (2 Marks)**
- (D) A famous restaurant enjoys full occupancy during the lunch and dinner time for last few months. In fact, many customers go back as they have to wait for their turn. Between 15:00 hours to 18:00 hours, the occupancy rate is near to nil. To raise the footfalls of customers during this lean time, the owner offers a discount of 20% on total bill if a customer comes in these 3 hours. Which type of marketing strategy does the restaurant follow to attract the customers in the lean period?
- (a) Differential Marketing
 - (b) Synchro-marketing

- (c) Place Marketing
 - (d) Concentrated Marketing **(2 Marks)**
- (E) What is the first step in the comprehensive strategic-management model?
- (a) Developing vision and mission statements
 - (b) Performing external audits
 - (c) Measuring and evaluating performance
 - (d) Establishing long-term objectives **(1 Mark)**
- (F) Which strategy is implemented after the failure of turnaround strategy?
- (a) Expansion strategy
 - (b) Diversification strategy
 - (c) Divestment strategy
 - (d) Growth strategy **(1 Mark)**
- (G) A firm successfully implementing a differentiation strategy would expect:
- (a) Customers to be sensitive to price increases.
 - (b) To charge premium prices.
 - (c) Customers to perceive the product as standard.
 - (d) To automatically have high levels of power over suppliers. **(1 Mark)**
- (H) Which one is NOT a type of strategic control?
- (a) Operational control
 - (b) Strategic surveillance
 - (c) Special alert control
 - (d) Premise control **(1 Mark)**
2. Kamal Sweets Corner, a very popular sweets shop in Ranchi, was facing tough competition from branded stores of packaged sweets and imported goods. The owners realised that their business reduced by 50% in the last six months, and this created a stressful business environment for them. To find a solution, they consulted a business consultant to help them develop a strategy to fight competition and sustain their century old family business. The business consultant advised them to innovate a new snack for the public and market it as a traditional snack of the region. The owners liked the idea and developed a new snack called Dahi Samosa, which very quickly became popular amongst the public and it helped regain the lost business of Kamal Sweets Corner.
- One of the very crucial importance of strategic management was used by the business consultant to help the owners of Kamal Sweets Corner. Which one could it be? Also, was this strategy Reactive or Proactive? According to you who are more beneficial in general parlance? **(5 Marks)**
3. (a) The presence of strategic management cannot counter all hindrances and always achieve success for an organisation. What are the limitations attached to strategic management? **(5 Marks)**
- (b) What is a strategic group? Discuss the procedure for constructing a strategic group map. **(5 Marks)**

4. (a) Mission statement of a company focuses on the question: 'who we are' and 'what we do'. Explain briefly. **(5 Marks)**
(b) Differentiate between Divestment and Liquidation strategy. **(5 Marks)**
5. (a) Domolo is a premium cycles and cycling equipments brand which targets high spending customer with a liking for quality and brand name. Their cycles range from rupees fifteen thousand to rupees one lac. The recent trend of fitness through cycling has created humongous demand for cycles and peripherals like helmets, lights, braking systems, fitness applications, etc. The customer base has grown 150% in the last three months. Mr. Vijay, who is an investor wants to tap in this industry and bring about cheaper options to people who cannot spend so much. Which business level strategy would best suit for Mr. Vijay's idea and what are the major sub-strategies that can be implemented to capture maximum market? **(5 Marks)**
(b) State the factors of human resource that have influence on employee's competence. **(5 Marks)**
6. (a) Suresh Sinha has been recently appointed as the head of a strategic business unit of a large multiproduct company. Advise Mr Sinha about the leadership role to be played by him in execution of strategy. **(5 Marks)**
(b) Explain the various steps in Benchmarking process. **(5 Marks)**