

Test Series: March 2023

MOCK TEST PAPER-I

INTERMEDIATE 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 No(s). 1 to 5 carries 2 marks each.

The ABC Ltd. is a pharmaceutical company that conducts the studies on diseases, research, invent and manufacture new drugs/medicines. The company requires medical data and reports of patients for researching and discovering new drugs.

Under Pharmaceutical manufacturing, the process of drug manufacturing comprises of a series of unit operations such as milling, granulation, coating, tablet pressing, and others. For better coordination between these multiple operations, the management decided to implement customized ERP systems so as to prepare a unified system that could control, connect, and integrate all the departments, and internal processes, and automate all the key functions such as planning, procurement, inventory, and manufacturing. The ERP system shall enable ABC Ltd. in remotely assessing the demand, operations management, manufacturing related work-in-progress and tracking the final delivery of the product and at the same time ensuring the standard quality check mode.

Furthermore, to speed up the drug discovery and research processes, the Cloud Computing combined with the power of emerging technologies like Artificial Intelligence (AI) and Machine Learning (ML) has opened a plethora of opportunities for ABC Ltd. to speed up its commercial results and save costs.

The ABC Ltd. speculates that the implementation of robust ERP system shall evolve a strategy for them in revamping its supply chain strategies to avert any unfavorable situation in near future. Also, the company acknowledges the fact that in today's dynamic environment, there will always be certain risks that would evolve with ERP implementation and therefore it needs to adopt different strategies to manage various risks based on their nature and criticality.

As the audit is an annual compliance requirement under the Act and Company Law Rules, ABC Ltd. hired CA. Suraj to audit its ERP system to determine how adequately individual ERP modules are solving problems and streamlining workflows, with a view to make improvements and sure-up the system.

Attempt the Q. No(s) 1 to 4 based on the above case scenario. Question no. 5 is independent.

1. The ABC Ltd. has contracts with some other pharmaceutical manufacturers who in case of high demand, shall help the ABC Ltd. in scaling up their manufacturing to meet the higher demands. Choose the risk management strategy adopted by ABC Ltd. in this case.
 - (a) Transfer the risk
 - (b) Terminate the risk
 - (c) Tolerate the risk
 - (d) Treat the risk

2. Due to the implementation of Quality Management Module of ERP system, the ABC Ltd. can ensure the standard quality check mode of its entire range of products. The implementation of the Quality Management module requires following steps:

- (i) Set quality targets to be met.
- (ii) Take the actions needed to measure quality.
- (iii) In case any change is needed in the product, change requests are sent.
- (iv) Report on the overall level of quality is achieved.
- (v) Master data and standards are set for quality management.
- (vi) Quality management plan is prepared.
- (vii) Identify quality issues and improvements and changes to be made.
- (viii) Quality is checked at multiple points.
- (ix) Define how those quality targets will be measured.

Choose the correct sequence of the implementation.

- (a) (ii) – (i) – (iv) – (v) – (ix) – (viii) – (iii) – (vi) – (vii)
 - (b) (v) – (i) – (vi) – (ix) – (ii) – (vii) – (iii) – (iv) – (viii)
 - (c) (v) – (i) – (iv) – (ix) – (vii) – (viii) – (iii) – (vi) – (ii)
 - (d) (v) – (i) – (vi) – (ix) – (iv) – (viii) – (iii) – (vii) – (ii)
3. To audit the implementation of Security Management Controls in ERP environment of the ABC Ltd., CA. Suraj shall investigate the following aspects except one. Pick the odd one option.
- (a) He must evaluate whether security administrators in the ABC Ltd. are conducting ongoing, high quality security reviews or not.
 - (b) He shall check whether the ABC Ltd. has appropriate, high quality disaster recovery plan in place or not.
 - (c) He might employ test data to evaluate whether access controls and update controls in ABC Ltd. are working or not.
 - (d) He shall check whether ABC Ltd. has opted for an appropriate insurance plan or not.
4. The statement related to Cloud Computing environment of the ABC Ltd. are described below:
- (i) To store data on storage services provided by service provider on pay-as-per need basis.
 - (ii) The failure of server is completely isolated.
 - (iii) A single physical server partitioned into multiple logical servers.
 - (iv) The ability to expand and reduce resources according to the specific service requirement.

The one word referring to each of these statements is as follows:

- (A) Resiliency
- (B) Virtualization
- (C) Infrastructure as a Service
- (D) Elasticity and Scalability

Choose the correct match of the word defining the statements:

- (a) (i) – (C), (ii) – (A), (iii) – (B), (iv) – (D)
 - (b) (i) – (A), (ii) – (B), (iii) – (C), (iv) – (D)
 - (c) (i) – (D), (ii) – (A), (iii) – (B), (iv) – (C)
 - (d) (i) – (A), (ii) – (C), (iii) – (D), (iv) – (B)
5. OPQ Ltd. has a reputation in the construction industry majorly focusing on the ideation, creation, and maintenance of residential, commercial, and industrial buildings. The company prepared a USB Pen Drive to store highly confidential data related to the new tender of XYZ group of housing society. Mr. Smith stole the USB with the purpose to access that confidential information and shared the same with the rival company. Under which section of Information Technology Act, 2000; will Mr. Smith be held punishable?
- (a) Section 66C
 - (b) Section 66B
 - (c) Section 66D
 - (d) Section 43

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

6. To avoid any discrepancy in the calculation of the salary based on number of working days of each employee, a company has implemented Biometric Attendance System for employees in its working environment. Which of the following control is applied by company in this case?
- (a) Preventive Control
 - (b) Detective Control
 - (c) Corrective Control
 - (d) Manual Control
7. From the following information pertaining to an individual, which does not fall under the category of 'Sensitive Personal information'?
- (a) Educational Qualification
 - (b) Financial information
 - (c) Medical history
 - (d) Email Password
8. Which of the following voucher is used to record the adjustments without involving the cash or bank accounts?
- (a) Payment
 - (b) Contra
 - (c) Journal
 - (d) Receipt

9. ABX is a new startup that provides financial advising, services, and consultation to its clients. Being a startup, the ABX does not wish to invest in procuring its own systems and therefore approached FGH, a Cloud Computing Service Provider seeking access to few virtual machines for its seamless operations. Which service model of Cloud Computing is being used by ABX startup in this case?
- (a) Infrastructure as a Service (IaaS)
 - (b) Platform as a Service (PaaS)
 - (c) Network as a Service (NaaS)
 - (d) Software as a Service (SaaS)
10. Mr. Amit applied for a loan of ₹ 50 lakhs from ABC corporate Bank for the construction of his house by mortgaging his land near National Highway 24. After two months, he again applied to the bank for additional amount of ₹ 5 Lakh. Under which category of Mortgage Loan, will his loan application fall?
- (a) Home Loan
 - (b) Loan for under Construction Property
 - (c) Top up Loan
 - (d) Personal Loan

Part II: DESCRIPTIVE QUESTIONS

Question No. 1 is compulsory. Attempt any three out of remaining four questions.

1. (a) Describe any three advantages of Database Management System (DBMS). **(3 Marks)**
(b) Write the factors that affect the success of Business Process Automation. **(2 Marks)**
2. (a) APC Ltd. is a garment manufacturing company established in the year 2000. For so long, the company has been successfully running its business. With sustainability at the forefront, APC Ltd. is now focusing more on meeting increasing customer demands with recycled, biodegradable, and bio-based materials. The company speculates that with this new initiative, the company may face business risks that may lead to serious loss of profits. Explain various business risks that company may face. **(6 Marks)**
(b) Nowadays, Core Banking System (CBS) has become a mandatory requirement to provide a range of services demanded by customers and the competitive banking environment. All the Front-end and Back-end applications of CBS relate to the Central server. Briefly discuss various Back-End applications of CBS whose related transactions are interfaced with central server. **(4 Marks)**
3. (a) In an ERP system, there exists a module that does not exchange transactions with any other module. Identify the module and explain the key benefits of that module. **(6 Marks)**
(b) Undoubtedly, the Digital payments have gained momentum in today's e-Commerce world. However, there exists certain drawbacks of Digital payment due to which some set of people have their inhibitions in using this mode of payment. Discuss them. **(4 Marks)**
4. (a) A seminar has been conducted by JKG Ltd., an e-Commerce Hosting Provider for small and medium-sized business owners/sellers. Mr. Anil, the manager of JKG Ltd. has prepared a detailed presentation to make the participants understand about various benefits of using e- business. What do you think shall form part of Mr. Anil's presentation? **(6 Marks)**

- (b) Mr. Rajesh has a saving bank account in DEF co-operative bank since December 2017. He wants to setup his new business venture and therefore he applied for the loan of ₹ 5 lakhs in his bank. Discuss various risks that should have been controlled by Core Banking System (CBS) of DEF co-operative bank before disbursing the loan and advances to Mr. Rajesh. **(4 Marks)**
5. (a) Ms. Puja has been appointed as an IS auditor by DSS Ltd. To ensure that the management of the company is managing well, and operation and maintenance of information system is in controlled and planned manner in DSS Ltd., she needs to examine the performance of various controls implemented on the information system. While auditing the information systems, explain the concerns specific to auditing Programming Management Controls that she should address. **(6 Marks)**
- (b) Data Analytics initiatives can help the businesses to increase revenues, boost business performances, improve operational efficiency, and gain a competitive edge in the market. Discuss various application areas where Data Analytics can play an instrumental role in achieving the mentioned benefits. **(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) ABC Ltd. and CHEETA Ltd. are two companies that are in the business of manufacturing electric scooters. Sales of ABC Ltd. are rising while sales of CHEETA Ltd. have been falling. During the last five years, the market share of CHEETA Ltd. reduced from second to fifth position. Mr. Ramesh was appointed as the CEO of CHEETA Ltd., last year, when the company was unable to make a mark for itself in the industry. As an immediate corrective measure Mr. Ramesh decided to emulate the successful standards of ABC Ltd. and set them as their own yardsticks. With the help of standards, he intended to compare, measure and judge the performance. Further, he introduced a company-wide competition for the best innovation. He has been influential in bringing about a culture of oneness and inspiration amongst the employees. Under his direction one of the employees came up with the idea of inbuilt GPS system in the electric scooter. Another employee gave the idea of mobile charging point in the scooter with a pocket to hold the mobile handset. CHEETA Ltd., adopted the innovations suggested by its employees in their new model. The new modified model 'RAFTAR' loaded with new features was launched with a slogan "*Reach right place in right time and stay connected*". Mr Ramesh's leadership turned around the company to be a leader in innovation. CHEETA Ltd., envisaged to innovate mobility solutions with passion to enhance quality of life. The shape of scooter was made attractive. It was available in many colours. The price of new model was higher than the other electric scooters in the market. 'RAFTAR' was widely accepted by the young population.

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

1. What is the strategic tool adopted by CHEETA Ltd., as an immediate corrective measure?
 - (a) Business Process Reengineering
 - (b) Strategic Audit
 - (c) Strategic Control
 - (d) Benchmarking

(1 Mark)
2. Which leadership style has been adopted by Mr. Ramesh and this style is appropriate in:
 - (a) Transformational Leadership, Turbulent Environment
 - (b) Transactional Leadership, Static Environment
 - (c) Transactional Leadership, Settled Environment
 - (d) Transformational Leadership, Mature Industries

(2 Marks)
3. Which of the following Michael Porters' Generic strategics has been followed in launching 'RAFTAR'?
 - (a) Cost Leadership
 - (b) Differentiation
 - (c) Focused Cost Leadership
 - (d) Focused Differentiation

(1 Mark)

4. CHEETA Ltd., envisages to innovate mobility solutions with passion to enhance quality of life. This is _____ of the company.
- (a) Vision
 - (b) Strategy
 - (c) Mission
 - (d) Objective
- (1 Mark)**
- (B) Tomtom a sneaker brand wanted to understand their competitive landscape and thus were looking for the weakest competitors to buy them and thereby decrease competition. Which of the following will be most helpful for them to begin with their plans?
- (a) Mergers and Acquisition Planning
 - (b) BCG Growth Matrix
 - (c) Strategic Group Mapping
 - (d) GE Stop Light Matrix
- (2 Marks)**
- (C) After an earnest attempt to bring in a strategic change in your organization, you the operational head of XYZ Ltd, succeeded but still your organization couldn't achieve the desired competitive position in the market. Out of the following what could be the reason?
- (a) Strategy Formulation
 - (b) Strategy Model
 - (c) Strategy Implementation
 - (d) Strategy Decision
- (2 Marks)**
- (D) Best Cost provider strategies:
- (a) Seek to attract buyers on the basis of charging low price for low quality
 - (b) Aim at giving customers less value for more money
 - (c) Seek to attract buyers on the basis of charging high price for high quality
 - (d) Aim to giving customers low cost and better quality
- (2 Marks)**
- (E) Walmart a global giant sells fast moving consumer goods at even less than wholesale prices to retail customers, this is a strategy of?
- (a) Market Penetration
 - (b) Cost Differentiation
 - (c) Cost Leadership
 - (d) Market Development
- (1 Mark)**
- (F) Technique to cope up with sudden change in Government, natural calamities, terrorist attacks, industrial disasters etc. is called
- (a) Special Alert Control
 - (b) Strategic Surveillance
 - (c) Premise Control
 - (d) Implementation Control
- (1 Mark)**

- (G) Merger of two organisations that are operating in the same industry but at different stages of production and distribution system is called: -
- (a) Horizontal Merger
 - (b) Vertical Merger
 - (c) Co-generic Merger
 - (d) Conglomerate Merger **(1 Mark)**
- (H) Functional level managers are concerned with-
- (a) Strategies that are responsible for the operations of specific business
 - (b) Strategies that span multiple businesses
 - (c) Strategies that are specific to particular country
 - (d) Strategies that encourage a favourable attitude toward change **(1 Mark)**
2. *Jeff Inc.*, a leading USA based Mobile company decides to make India a hub for the company's Android Mobile having largest storage memory to be manufactured in collaboration with the *Desi Group*, a leading Indian mobile manufacturer. The production is to be exported to the company's home market as well as to other European countries.
- What is this growth strategy called? Point out the most important advantages both the companies expect from such strategy/collaboration. **(5 Marks)**
3. (a) Shridhar who is running a medium size cloth manufacturing business in Panipat wishes to understand the driving forces that trigger change. He has sought advice from you and wishes to know common driving forces. **(5 Marks)**
- (b) Explain the difference between three levels of strategy formulation. **(5 Marks)**
4. (a) "Strategic decisions are different in nature than all other decisions." In the light of this statement explain major dimensions of strategic decisions. **(5 Marks)**
- (b) Mr. Vicky Verma, a Gwalior based entrepreneur, has entered into an exclusive-retail deal with an Italian company selling 'Fantasy-3D', a Hologram LED Fan, which is being used for advertising at public places. Mr. Verma procured a total of 500 units of the product and paid upfront as per the seller's policy. This resulted in blocking of his working capital significantly and the shipment is expected in a month. Meanwhile his continued efforts of establishing relations with the marketing heads of corporates resulted in a series of meetings, where he demonstrated his specialist product knowledge by changing the hologram images to personalise basis specifications of the customer. The management of a big automotive company was impressed with the quality and adaptability of the product and awarded a contract of 125 units to be displayed in the auto-maker's showrooms. Identify and explain the product promotion strategy adopted by Mr. Verma. **(5 Marks)**
5. (a) Distinguish between Strategy Formulation and Strategy Implementation. **(5 Marks)**
- (b) Elucidate Expanded Marketing Mix. **(5 Marks)**
6. (a) *Bunch Pvt Ltd.* is dealing in multiproduct like electronics and FMCG and are having outlets in different cities and markets across India. Due to scale of operation, it is having technical difficulty in dealing with distinct product line and markets especially in coordination and control related problems. Identify and suggest an ideal organizational structure for *Bunch Pvt Ltd* in resolving the problem? **(5 Marks)**
- (b) Explain in brief the various basis of differentiation strategy. **(5 Marks)**