

MOCK TEST PAPER-II
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 www.kidsathome.com is a hassle-free library of physical books managed through online portal for Delhi/NCR people. The library is beneficial for kids upto the age of 12 by enabling every young reader to access physical books from the comfort of their home.

The library has a collection of more than 10000 books and most of these books have been suggested by its readers and therefore the library is run by Reader for its Readers. The books' delivery services are available for the cities in Delhi/NCR. In each request order, any subscriber can select a maximum of 6 books from the pool of 10000+ books available on the portal, place the request and get the books delivered to his/her home within 2 working days.

There is no security deposit or registration fees and in case of damaged or misplaced books, the subscribers are requested to pay for the same. A maximum of six books are sent at a time, however there are various monthly, quarterly, semi-annual, and annual subscription plans that vary in terms of charges and frequency of delivery of books to the subscriber. There are no extra delivery charges.

The registered users can pay for the subscription plan using various digital modes – UPI, Mobile wallet, Net banking, etc. An Audit Trail is maintained in the system to record various activities that may include details of each subscriber's lending history, subscription plans, recommendations, feedback etc. The trail is maintained at the system, application, and user levels to support various security objectives.

1. The management founders of www.kidsathome.com are well-aware of the fact that there is always a possibility of a situation wherein a customer may not return the books after getting them issued. Still, they have decided to not to impose any security fee on its customers during their sign up on the website. Which risk management strategy has the management adopted in this case?
 - (a) Treat the risk
 - (b) Tolerate the risk
 - (c) Terminate the risk
 - (d) Transfer the risk
2. At the end of every month, the management of www.kidsathome.com requires a detailed report to determine any decisions that need to be taken at that point in time to enhance their business growth. Which of the following will not be a part of MIS report regarding new subscriptions done in a particular month?
 - (a) Lending history of the subscribers
 - (b) Number of visitors on www.kidsathome.com in a particular month
 - (c) The subscription plans majorly /least opted by the subscribers
 - (d) The majorly used digital mode of the payment

3. The Audit Trails maintained by www.kidsathome.com are required to support various security objectives, some of which are mentioned below. Choose the odd one out.
- (a) Detecting unauthorized access
 - (b) Reconstructing events
 - (c) Personal accountability
 - (d) Audit Hook
4. Mr. Shyam wants to get some books from the www.kidsathome.com online library for his son Raghav. He signed up on the website www.kidsathome.com and opted for a monthly plan of ₹ 799 that offers maximum two order deliveries in a month. He paid for the subscription fees through his Mobile Wallet. Which statement is incorrect about Mobile Wallet?
- (a) Digital version of Physical wallet.
 - (b) 4-digit pin or CVV number of the Debit card is required to be entered during payments.
 - (c) Mobile App is required to be downloaded on the mobile to use mobile wallet.
 - (d) Stores bank account information in an encoded format.
5. Mr. Ashok renewed his subscription plan on www.kidsathome.com and opted to pay for the plan through internet banking of ABC Bank. He was navigated to the CBS platform of the bank to proceed with the payment. Which of the following servers would be accessed to authenticate his internet banking password before the payment is done?
- (a) Internet Banking Channel Server
 - (b) ATM Server
 - (c) Web Server
 - (d) Internet Server

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

6. From the wide array of controls implemented in any Information System, which of the following activity does not fall under the purview of Application Controls?
- (a) Error reporting
 - (b) Transaction logging
 - (c) Exception reporting
 - (d) Change Management
7. The team members of the management of a company demands for weekly MIS reports from its managers for their better understanding of the business trend and decision making. Any such report shall have the following characteristics.
- (i) MIS reports need to be specific to the business area they address.
 - (ii) MIS reports shall display correct information as required.
 - (iii) MIS reports are easy to be followed by management.

Each of these aforementioned characteristics can be summarized under one word which is as follows:

- (A) Structured

(B) Relevant

(C) Accurate

Choose the correct match:

(a) (i) – (A), (ii) – (B), (iii) – (C)

(b) (i) – (B), (ii) – (A), (iii) – (C)

(c) (i) – (C), (ii) – (B), (iii) – (A)

(d) (i) – (B), (ii) – (C), (iii) – (A)

8. Following information w.r.t Telecommunication sector is stored somewhere in Database Management System.

(i) The information related to monthly bill details, call records, minimum balance etc.

(ii) The information regarding product promotions, decisions related to sales, cash back offers etc.

(iii) The information analyzed by using different techniques to find out call duration w.r.t a particular age group from the entire data available.

The relevant term for their appropriate storage could be any of the following:

(A) Datawarehouse

(B) Data Mining

(C) Database

Choose the correct match from the following:

(a) (i) – (C), (ii) – (B), (iii) – (A)

(b) (i) – (B), (ii) – (C), (iii) – (A)

(c) (i) – (C), (ii) – (A), (iii) – (B)

(d) (i) – (A), (ii) – (B), (iii) – (C)

9. In India, various Commercial Laws that govern e-commerce are mentioned below. Choose the odd one out.

(a) The Income Tax Act, 1961

(b) The Foreign Trade (Development and Regulation) Act, 1992

(c) The Goods and Services Tax Act, 2017

(d) The Negotiable Instruments Act, 1881

10. In a Core Banking System environment, which of the following is not a task of Back Office operations under Bank Treasury Operations?

(a) Involved in several number of reconciliation processes

(b) Monitoring of counterparty, dealer, and market related limits

(c) Verification process by confirmation, settlement and checking existence of valid accounts

(d) Segregation of Duties

Part II: DESCRIPTIVE QUESTIONS

1. (a) In Core Banking System (CBS) environment, the banks provide various banking services to its customers out of which 'Letter of Credit' and 'Guarantees' are two important services rendered by banks to its customers engaged in business, industrial and commercial activities. Differentiate between these two services. **(3 Marks)**
(b) Write a short note on Detective Controls. **(2 Marks)**
2. (a) The methodology of Enterprise Risk Management (ERM) enhances an organization's capabilities to operate more effectively in a risk filled environment. Justify the statement. **(6 Marks)**
(b) In an e-Commerce environment, various stakeholders interact electronically using telecommunication network. Therefore, internal controls are necessary at all the stages in the chain to mitigate the risks in an e-business environment. Discuss various controls that are required to protect an e-business from intrusion. **(4 Marks)**
3. (a) In Information systems, an Application Control Framework of any application is to ensure that the data remains complete, accurate and valid during its input, update, processing, and storage. Describe any four controls that may be implemented for the seamless processing of the data. **(6 Marks)**
(b) You are a key speaker in a workshop conducted by the Ministry of Commerce and Industry wherein you have to present a talk on XBRL (eXtensible Business Reporting Language). Discuss important features of XBRL that help you to make your audience aware of its importance. **(4 Marks)**
4. (a) In an organization, the implementation of the concept of Virtualization through hardware, network and storage overall helps in cutting IT expenses, enhancing security, and increasing operational efficiency. Explain common types of Virtualizations through which the said benefits can be achieved. **(6 Marks)**
(b) Technology has penetrated each business sector and given a new direction of development to them. In purview of this statement, discuss the impact of technology in Banking industry. **(4 Marks)**
5. (a) In its setup, PQS Ltd. wants to prevent wastage of its resources, maximize its revenues, and minimize its expenditure and therefore made the strategic decision to turn towards Business Process Automation (BPA). Describe various challenges that PQS Ltd. may encounter while implementing BPA. **(6 Marks)**
(b) What do you understand by the term "Business Process"? Discuss the activities involved in managing business processes. **(1+3 = 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) Hi-tech Corporation has been a pioneer in developing innovative products and core technologies that have played a vital role in shaping the future of electronics. The company's expertise in liquid crystal displays (LCDs) and digital technologies has helped it offer one of the most comprehensive and advanced lines of consumer electronics, information products, and electronic components while also creating new network businesses. However, it hasn't always been a leader in the industry.

Hi-tech Corporation has travelled a long way from an assembler of televisions to a leading TV manufacturer. In the early days, Hi-tech was making low-quality, low-priced televisions and was overshadowed by big players like LG, Sony and Samsung. It was a technology follower in the beginning and was using secondary technology, which resulted in a low brand image. The company went through a major transformation under the leadership of Mr. Joyce, who focused on R&D and innovation to enhance its market coverage and reputation.

Hi-tech's innovation in LCD technology and developing products featuring LCDs made it the world's largest manufacturer of LCD TVs. The company's success has been attributed to its focus on innovation, which is a critical factor in sustaining its position as a leader in the industry. However, the global economic downturn has affected Hi-tech, and the industry has realized that only innovation in terms of quality, cost, and competitive strength can help companies survive. Additionally, every new technology becomes obsolete faster, which means companies have to continuously innovate to stay ahead of the competition.

Hi-tech is facing challenges from the ever-changing competitive scenario, with global competitors striving to dethrone it and the entry of low-cost manufacturers from Asia. The emergence of newer display technologies with superior quality at a lower price has posed one of the biggest challenges for Hi-tech. While Hi-tech has taken the first-mover advantage, it is facing competition from late entrants.

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

1. Can Hi-tech's initial position in the industry be called as cost leadership strategy?
- (a) Initial Position: A manufacturer of low-quality, low-priced televisions. No, not a cost leader, as cost leader does not necessarily mean low quality with low prices.
 - (b) Initial Position: A manufacturer of low-quality, low-priced televisions. Yes, a cost leader, as they offered low prices.
 - (c) Initial Position: Technology follower. Yes, a cost leader, as technology followers are always cost leaders.
 - (d) Initial Position: Technology leader. Yes, a cost leader as technology leaders is always cost leaders due to advanced cost cutting techniques. **(2 Marks)**
2. Mr. Joyce's focussed results from moving to an innovative company were?
- (a) Increased market share.
 - (b) Increased market coverage and reputation.
 - (c) Enjoy price skimming in the market.
 - (d) Change the business model of the organisation. **(1 Mark)**

3. As consultant who studies industries, what would be your highlighted areas of industry analysis for Hi-tech?
- (a) Competition from late entrants
 - (b) Emergence of newer display technologies
 - (c) Global economic downturn
 - (d) All of the above **(1 Mark)**
4. From the case above, which of the following has been the most crucial learning for the company from a long-term product life cycle perspective?
- (a) Innovation is the key to success.
 - (b) Change in management leads to required growth.
 - (c) Continuous innovation is essential to stay ahead of the competition.
 - (d) Industry analysis should be the first as well as the last step in strategic management. **(1 Mark)**
5. What was the Key Success Factor in Hi-tech's success?
- (a) Market coverage
 - (b) Reputation
 - (c) Innovation
 - (d) Cost **(1 Mark)**
- (B) Abhishek a freelancer writes promotional materials. He decided to collaborate without requiring physical presence of employee, and hired virtual assistants to transcribe voice mail, update his website, and design PowerPoint graphics. What kind of structure is he using for his business?
- (a) Functional structure
 - (b) Divisional structure
 - (c) Network structure
 - (d) Multi-divisional structure **(2 Marks)**
- (C) 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)**
- (D) A company that produces and sells athletic shoes may acquire or merge with another athletic shoe manufacturer in order to increase their market share and reduce competition is an example of-
- (a) Horizontal integration
 - (b) Backward integration
 - (c) Market penetration
 - (d) Forward integration **(2 Marks)**
- (E) In case of home appliances, the concept of offering additional customer services and benefits to the customers, can be considered as

- (a) Social Marketing
 - (b) Augmented Marketing
 - (c) Concentrated Marketing
 - (d) Differential Marketing **(1 Mark)**
- (F) Which one of the following, focuses on present business scope- 'who we are and what we do'?
- (a) Mission Statement
 - (b) Vision Statement
 - (c) Goals and objectives
 - (d) Purpose **(1 Mark)**
- (G) Which one out of the following, is not a generic strategy as suggested by Michael Porter?
- (a) Focus Strategy
 - (b) Differentiation Strategy
 - (c) Cost Leadership Strategy
 - (d) Best-Cost Provider Strategy **(1 Mark)**
2. The CEO of ABC Enterprises, Mr. Rasik Mehta, had the idea of creating a fitness shake called *Robust*, which prompted the company to conduct research and development. The company conducted a market survey and feasibility study, which indicated that the idea was feasible and had potential for profitability. Consequently, the product was manufactured, marketed, and launched, which led to its success. As a result, the production of *Robust* grew, and it became widely available. However, with time, the demand for the product decreased, leading to its obsolescence. Identify and explain the concept highlighted in the above case? **(5 Marks)**
3. (a) ABC Ltd. intends to grow its business. Its top management argues that its 'Corporate Strategy' will ensure the growth of the firm. Do you agree with the top management's argument? Give reasons. **(5 Marks)**
- (b) Distinguish between Market Development and Product Development under Ansoff's Product Market Growth Matrix. **(5 Marks)**
4. (a) Pulkit was very confident about cloud kitchen business model, and he bought three real estate spaces in very hideous localities. Later due to government and court orders the cloud kitchens had to be only operated in a well-ventilated space, which made his investment redundant. What aspect of industry competition is Pulkit currently faced as a result of this situation? **(5 Marks)**
- (b) Write a brief note on the Elements of Benchmarking Process. **(5 Marks)**
5. (a) Explain briefly the primary activities that are grouped into five main activities under Value chain analysis. **(5 Marks)**
- (b) "Projected financial statement analysis is a central strategy-implementation technique." Justify the statement. **(5 Marks)**
6. (a) Yummy Foods and Tasty Foods are successfully competing in the business of ready to eat snacks in Patna. Yummy has been pioneer in introducing innovative products. These products will give them good sale. However, Tasty Foods will introduce similar products in reaction to the products introduced by the Yummy Foods taking away the advantage gained by the former. Discuss the strategic approach of the two companies. Which is superior? **(5 Marks)**
- (b) What are 'objectives'? What characteristics it must possess to be meaningful? **(5 Marks)**