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.

HappyTour is a Delhi based Tour and Travel agency that provides various travel facilities like making tour plans, charter flights, holiday packages, homestays and villas, Airline/Cruise ticketing, Hotel booking, Rental Cars/bikes etc. in India. At the time of the launch, they had manual booking system but over the period, they adopted the online booking system so that better services can be provided to its customers. The agency enjoys the huge increase in its clientele using its online portal that provides following services to its customers:

- **Travel Management:** This area of services includes the management and reservation of transport tickets, searches for accommodations, car rentals, etc.

- **Passenger assistance:** Assisting passengers in case of exigencies like deportation due to illness, accident or emergency, lost luggage, or documents, etc.

- **Consulting:** This includes consulting services like information of interest for the traveller, cost optimisation and control, advice on travel policies, etc.

- **Leisure Services:** Through this, the company offers direct discounts or improved conditions on travel and leisure activities to the employees and their families.

Furthermore, the online system has smoothened its business processes and has helped the agency in improvising its services and receive prompt feedbacks from its customer. It has also prompted the digital payment methods that are often easy to make and provide its customers the flexibility to make payments from anywhere, anytime. Customers can pay using credit card, debit card or UPI methods. All these details are maintained by accounts department of the agency headed by Mr. Anil.

Attempt the Q. No(s) 1 to 5 based on the above case scenario.

1. During the internal audit of ABC Bank, the payments made by the customers to the HappyTour Travel agency brought special notice. It was noticed that such transactions that contained small fractions of denomination, were getting replaced with the next lower whole number to the payment amount and the difference amount was getting transferred into an authorized account of ABC Bank and was getting unnoticed as the amount used to be very small. Which data related risk does this refer to?

    (a) Salami Technique

    (b) Rounding down

    (c) Data Diddling

    (d) Rounding up

2. Mr. Anil maintains the vouchers that are related to the money received in agency's bank account through any mode either cash or bank like receiving interest from bank. Which voucher is being referred here?

   (a) Receipt

   (b) Payment

   (c) Contra

   (d) Journal

3. The HappyTour Travel agency hired the services of the company XYZ which provided the details like credit scoring, and approval, customer segmentation, forecasting operations etc. by using the process of data mining on the data collated through various travel agencies. But there shall be certain criterions that the data warehouse of the agency shall follow so that the data mining can be well implemented on it. Choose the odd criterion:

   (a) Non-Operational Data

   (b) Time-variant

   (c) Standardized

   (d) Operational Data

4. HappyTour Travel agency uses its online portal to provide various services to its customers. Customers can book hotel or avail the facility of homestay and villas through the agency's portal. Which business model of e-commerce is being used by the agency in this case?

   (a) Business – to – Consumer (B2C)

   (b) Business – to – Business (B2C)

   (c) Consumer – to – Business (C2B)

   (d) Consumer – to – Government (C2G)

5. The online transactions between HappyTour travel agency and its customers involve the payment gateways or third-party service providers, thereby possibility of many risks being pervasive in the banking sector, is quite high. These risks could occur at any level like Operational, Strategic, Tactical etc. Below mentioned are some Operational risks that could occur in the banking environment:

   (i) Occurrence of errors during data entry.

   (ii) Dispute in the contracts with the customers.

   (iii) Threats and vulnerabilities associated with the use of Information Systems.

   (iv) Unauthorized access to the dealing rooms and nexus between front and back-end offices.

   Various terms to categorize these Operational Risks are given below:

   (I) Legal Risk

   (II) Transaction Processing Risk

   (III) People Risk

   (IV) Information Security Risk

   Match the correct activity with the type of Operational risks involved under that risk:

   (a) (i) – (I), (ii) – (II), (iii) – (III,) (iv) – (IV)

   (b) (i) – (II), (ii) – (I), (iii) – (IV) (iv) – (III)

(c)   (i) – (IV), (ii) – (III), (iii) – (II) (iv) – (I)

(d)   (i) – (III), (ii) – (I), (iii) – (IV) (iv) – (II)

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

6.   The management of an organization anticipates that impact and probability of some risks is very high and therefore recommended to modify the project strategy to avoid those specific risks. Identify the risk management strategy being followed by the organization in this case.

(a)   Eliminate the risk

(b)   Accept the risk

(c)   Share the risk

(d)   Mitigate the risk

7.   Which of the following statement is incorrect about the process of Data Analytics?

(a)   This process involves analysis of numerical or non-numerical data to draw conclusions about the information they contain.

(b)   The process involves collecting, integrating, and preparing data followed by developing, testing, and revising analytical models to produce accurate results.

(c)   The data used in the process can either be derived from internal systems or external data sources and cannot be the blend of two.

(d)   Big data analysis applies data mining, predictive analysis, and machine learning tools to big data sets to produce the relevant results.

8.   The key areas that an auditor should emphasize while auditing an Application Control Framework of an organization are mentioned below.

(i)   Auditors should determine whether the report collection, distribution and printing controls are well executed in an organization or not.

(ii)   Auditors should assess the performance of the validation controls to check for any data processing errors.

(iii) Auditors need to determine how well the safeguard assets are used and preserve data integrity.

(iv)   Auditors need to comprehend various approaches used to enter data into an application system and their relative strengths and weaknesses.

(v)   Auditors must assess the topological controls to review the logical arrangement of various nodes and their connectivity using various internetworking devices in a network.

The auditing of Application Control Framework can be categorised as under:

I.   Auditing Input Controls

II.   Auditing Communication Controls

III.   Auditing Boundary Controls

IV.   Auditing Output Controls

V.   Auditing Processing Controls

Match the key area with its corresponding category of auditing of Application Control:

(a)   (i) – I, (ii) – II, (iii) – III, (iv) – IV, (v) – V

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(b) (i) – IV, (ii) – V, (iii) – III, (iv) – I, (v) – II

(c) (i) – V, (ii) – III, (iii) – I, (iv) – IV, (v) – II

(d) (i) – I, (ii) – V, (iii) – III, (iv) – II, (v) – IV

9. Which of the following statement is not correct about Mobile Wallet?

(a) A user can add money in his mobile wallet to purchase goods and services.

(b) A user can add money in the mobile wallet by using his Debit/Credit Card and entering the CVV or 4-digit pin.

(c) The mobile wallet can be used to make payments at physical shops, recharge phone and online purchases.

(d) Some of the common examples of Mobile wallet are Paytm, Freecharge, Buddy, MobiKwik etc.

10. Various controls that are mentioned below are associated with security of information in Banking environment at different levels.

(i) Details of lost security forms are immediately advised to controlling authorities so that they can exercise caution.

(ii) The access to the system is available only between stipulated hours and specific days only.

(iii) Maintenance of log-in and log-out records.

(iv) A system of job rotation among staff exists.

Following controls which are implemented at different levels in Banking environment are as under:

(I) Internal Controls

(II) Information Technology Controls

Match the risks with their corresponding controls.

(a) (i) – (I), (ii) – (II), (iii) – (II), (iv) – (I)

(b) (i) – (II), (ii) – (II), (iii) – (I), (iv) – (I)

(c) (i) – (II), (ii) – (I), (iii) – (I), (iv) – (II)

(d) (i) - (I), (ii) – (II), (iii) – (I), (iv) – (II)

Part II: DESCRIPTIVE QUESTIONS

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

1. (a) In today's world, the Core Banking System (CBS) that comprises of central server, back-end applications and front-end applications have built a competitive environment in banking industry. Briefly explain any three back-end applications involved in key module of CBS. **(3 Marks)**

(b) Write a short note on System Control Audit Review File (SCARF) audit tool. **(2 Marks)**

2. (a) ABC Ltd. is intending to implement ERP in its working environment to improve, streamline and make the business processes more efficient and effective. The management of ABC Ltd. knows the fact that ERP implementation involves risks related to various aspects including people, process, technological and implementation issues. Discuss any three People related risks and their corresponding controls that management has to take care. **(6 Marks)**

(b) Mr. Amit, an Executive Officer has been assigned a task to prepare a document for the Annual Board meeting for which he is required to take inputs from Head HR, Head Marketing and Head Production department. He prepares a Google document and shares the same with Head of

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these three departments so that they can provide their suggestions in the Google document online. Identify the service model of Cloud Computing that has been used at back-end at the time Mr. Amit shared the Google document and further brief about the instances of that model.

(1 + 3 = 4 Marks)

3. (a) ABC Ltd. is a Mumbai based financial service provider company with huge clientele. The company owns a software to maintain data of its customers with Database controls in place to ensure the integrity and privacy of its data. Describe all the Database controls that may have been implemented under their Application Control framework of information system. **(6 Marks)**

   (b) Being a global standard of exchanging information, eXtensible Business Reporting Language (XBRL) is used to enhance the quality and consistency of their reports to exchange financial information for many purposes. Briefly explain about the stakeholders of XBRL. **(4 Marks)**

4. (a) Grid Computing is a special kind of distributed computing model used to solve complex problems among different interconnected domains with each domain administrated independently and free to deploy technologies. Briefly explain the constraints that should be considered to develop the security architecture of Grid Computing. **(6 Marks)**

   (b) Business Process Automation (BPA) comprises of integrating applications and using software application throughout the organization that ensures that errors are eliminated, and system runs smoothly and efficiently. List the steps involved in implementation of BPA. **(4 Marks)**

5. (a) In any Information System; various controls are implemented to prevent, detect, and facilitate the correction of several risks at various levels in the computer system. Describe various levels at which implementation of these controls are required to be examined in computer system.

   (6 Marks)

   (b) Most of the banks offer Credit card as one of the key product services to their customers. The processing flow of credit cards may have various risks and controls that may differ from bank to bank. Elaborate various risks and their relevant controls involved in credit card processing of bank. **(4 Marks)**

   OR

   Write a short note on the following:

   (i) Cyber Crime

   (ii) Reserve Bank of India (RBI) **(2 x 2 = 4 Marks)**

Time Allowed – 1½ Hours   **Maximum Marks – 50**

Question **1** and **2** are compulsory.

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

1. (A) Chantele, a management consultant from Rome (Italy) was on an official tour of Rajasthan, when she realised the tourism boom that the state experiences from around the globe. More surprising for her was the price offering of major cafes and lounges which were about 1/6th of what was charged in her city Rome. Being a business enthusiast, she decided to explore the business potential in Udaipur for a year.

    She had five major areas to learn about and plan;

    • Existing Competition

    • Location and Rental of her Lounge

    • Trainable Team of Individuals (english speaking)

    • Raw Material Sourcing and Pricing

    • Promotion

    Existing competition was high as people were already serving foreign tourists and even tourists liked the desi touch and feel. However, Chantele saw the segment of customers who were willing to find travel partners for their further trips. They would enjoy a cup of coffee, or a jug of cooler to chit chat and build a network on their vacation. For location, she got lucky with an old property just on the lake side but had to spend a little over budget to renovate even though she took multiple quotations from designers. The rentals in Udaipur have always been high, but she was confident of the cash flow from the business so decided to take the risk.

    Rajasthani youth is well trained in english, french and german, and that came as a blessing for her. She was able to employ three girls (customer facing) and two boys (for logistics). Raw Material was a bit tricky to handle though. Good quality coffee beans and fruits were available only from Delhi and Jaipur, which had its own cost of transportation. Milk being a main component for most of the things on the menu needed to be of prime quality. For fruits, she found an alternative in sourcing from nearby villages through local agents, while the milk and coffee had to come from Delhi.

    Promotion had been her area of expertise, and this came in handy as she executed a fool proof digital promotion strategy for her lounge. She named it Aroma Lounge, as "A" would give top results in alphabetic order of search by customers online. Within three months itself she managed to get great reviews on major travel websites and thus, loads of customers.

    The business was good, cashflows were strong, brand equity gained momentum and Chantele now already plans to open two more branches in the state.

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

    1. Even though Chantele knew she was giving higher rent for the location of her lounge, which of the following strategies helped her take that risk?

        (a) Marketing Strategy

        (b) Financial Strategy

        (c) Negotiation Strategy

(d) Supply Chain Strategy **(1 Mark)**

2. Suppose Chantele decides to expand her business through franchises across different states that attract major foreign tourists. For this she combines different retailers to source from and makes her main employees as trainers to train more local youth. Which element of strategic intent would this strategy need to focus on and what strategy would best suit her, given the fact that she strongly believes in incremental growth over exponential growth?

   (a) It would need focus on Goals & Objectives and the strategy that would best suit her would be Growth Strategy.

   (b) It would need focus on Mission and the strategy that would best suit her would be Combination Strategy.

   (c) It would need focus on Business Model and the strategy that would best suit her would be Stability Strategy.

   (d) It would need focus on Vision and the strategy that would best suit her would be Growth Strategy. **(2 Marks)**

3. For Chantele, pricing was an issue as she wanted to deliver international standards of quality at traveler friendly prices. Cost plus pricing was one of the options she considered but quickly realised its shortcomings. Which of the following could be a major reason for not selecting cost plus pricing?

   (a) Outsourcing of Products from Delhi was already costly

   (b) Labour cost was low, but training cost was high so allocation of cost was difficult

   (c) The cost of fruits fluctuates a lot, and hence cost plus also fluctuated variably

   (d) The segment is highly competitive and her margin on cost was irrelevant as customers already knew comparable prices **(2 Marks)**

4. Suppose a big hotel chain which has no cafe business as yet, acquires Aroma Lounge and its franchises. Can it group these cafes as an SBU? Which factors would be considered for the same?

   (i) No, they cannot be called as an SBU, as the cafe is not a separate business but same line of business as hotels

   (ii) Yes, as it has its own set of distinct competitors and strategy

   (iii) Yes, as it can be subdivided from the core business in terms of functionalities and objectives

   (iv) No, as an SBU shall have a CEO and its set of business functions and Aroma Cafes aren't that big to be categorised as an SBU

   (a) Only (i) is correct

   (b) Both (i) and (iv) are correct

   (c) Only (ii) is correct

   (d) Both (ii) and (iii) are correct **(2 Marks)**

5. For her vendors, Chantele had a clear thought and she iterated to them as well. The ideology was to foster a long term relationship so as to introduce high quality innovative products that would benefit the customers and other stakeholders?

   (a) Mission

   (b) Vision

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(c) Business Definition

(d) Strategic Intent **(1 Mark)**

(B) Swabhaav, a social media marketing firm introduced an AI based management tool that has the capabilities of managing teams across functions all while being creative. What is the most likely organisational structure post this implementation?

(a) Divisional

(b) Matrix

(c) Hourglass

(d) Network **(2 Marks)**

(C) Big Billion Days sale by Flipkart is an example of which type of strategic marketing technique?

(a) Synchro Marketing

(b) Concentrated Marketing

(c) Demarketing

(d) Enlightened Marketing **(1 Mark)**

(D) The business news anchor said that "chillflix's dead business is worth more than alive". What did she hint at?

(a) Restructuring Business

(b) Liquidation

(c) Business Process Re-engineering

(d) Divestment **(1 Mark)**

(E) Shreya, the owner of Kalakaari boutiques, delegated tasks as per competencies of her team. What is she covering here?

(a) Risk

(b) Work Culture

(c) Employee friendly vision

(d) Proper use of mission statement **(1 Mark)**

(F) Dogs in BCG Matrix can be minimized through?

(a) Converting to Cash Cows

(b) Liquidating or Divesting

(c) Foreign Direct Investment Opportunity

(d) Bad Debt Writing off **(1 Mark)**

(G) Kanchan is the finance head for marketing strategies of a company. Which level of management is she working at?

(a) Corporate Level

(b) Functional Level

(c) Shopfloor Level

(d) Consultant Level **(1 Mark)**

2. Jynklo Ltd. is an established online children gaming company in Japan. They are performing good in the gaming industry. The management of Jynklo Ltd. has decided to expand its business. They decided to start a premium sports drink named JynX for athletes. Identify and explain the growth strategy adopted by Jynklo Ltd.? **(5 Marks)**

3. (a) What do you understand by 'Competitive Landscape'? What are steps to understand the competitive landscape? **(5 Marks)**

   (b) ABC Ltd. is a shoe manufacturing company. The strategic manager of ABC ltd. is Ms. Suman. Ms. Suman hired the best designers she could find online for her ethnic shoe brand but later she found that the designers were better at leather designs. Identify and explain linkage in the given situation as she had to change her strategy basis the actual resources she had? **(5 Marks)**

4. (a) Describe the principal aspects of strategy-execution process, which are included in most situations. **(5 Marks)**

   (b) What do you mean by differentiation strategy? How is it achieved? **(5 Marks)**

5. (a) Define Strategic Management. Also discuss the limitations of Strategic Management. **(5 Marks)**

   (b) Define the term 'Marketing'. Distinguish between social marketing and service marketing. **(5 Marks)**

6. (a) Distinguish between Transformational Leadership Style and Transactional Leadership Style. **(5 Marks)**

   (b) Why is strategy evaluation more difficult? Give reasons. **(5 Marks)**