

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.

ABC Ltd. is a private company that provides financial support to individuals to set up their new startup. The company records every transaction in its accounting system and charges very nominal rate of interest on the financial support that they lend to the individual startup. However, the company acquires benefits from the profit earned by them proportionate to their lent funds.

Though there are many risks that are associated with the company in terms of business, data, and technology; however, being in the field of financial sector, the data related risks are very important to be mitigated. The management of the company ABC Ltd. very well understands the criticality of the internal controls and owns the responsibility to develop, implement and monitor internal controls to facilitate the effectiveness and efficiency of business operations. As a financial institution, the company has laid down a framework for security through well defined security policies that define the roles and responsibilities of individuals within the company.

The company has many branches with each branch maintaining its own server at its local site. Now the company has a requirement to consolidate its many small physical servers into one large physical server so that the processor can be used more effectively. The organization has implemented controls in their working environment that restrict unauthorized entry into the premises and also various controls to detect errors, omissions, and occurrence of any malicious act. This is to ensure the reliability of internal and external financial reporting and assist compliance with applicable laws and regulations in the company. Mr. Harsh has been appointed as an auditor of the company to evaluate the adequacy of the existing internal control systems by analyzing and testing the controls.

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

1. Though the internal controls are well implemented in ABC Ltd.; at different instances, the company encountered following data related risks which are as under:

- (i) The program copies itself to another machine on the network.
- (ii) This involves change of data before or after it has entered the system.
- (iii) This involves forging one's source address.

Various data related risks are termed below:

- I. Data Diddling
- II. Spoofing
- III. Worm

Choose the correct match:

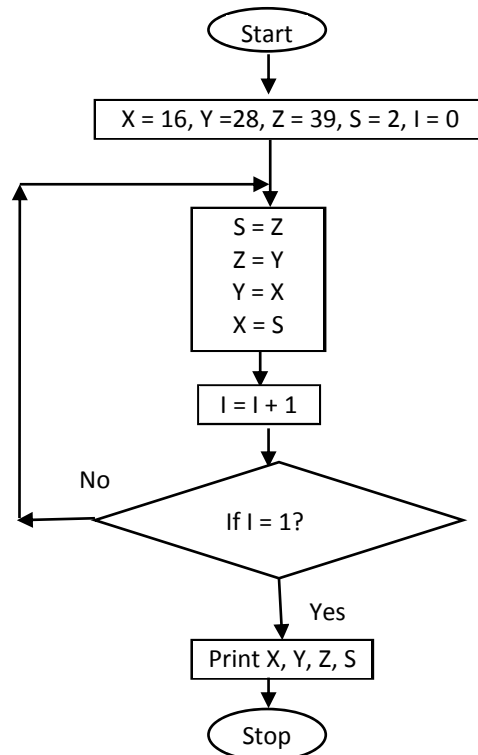
- (a) (i) – III, (ii) - I, (iii) - II
- (b) (i) – I, (ii) - II, (iii) - III
- (c) (i) – III, (ii) - II, (iii) - I
- (d) (i) – II, (ii) - I, (iii) - III

2. Identify the statement(s) that is/are not true for Voucher in which every transaction in the ABC Ltd. company must be recorded.
- (i) A voucher number is a number used to identify different transactions recorded in several voucher types.
 - (ii) All vouchers must be numbered serially.
 - (iii) Every voucher type shall have similar numbering series.
 - (iv) All vouchers are recorded in chronological order.
- Choose the correct option.
- (a) (i), (ii)
 - (b) (ii), (iii)
 - (c) (i), (iii)
 - (d) (ii), (iv)
3. For auditing purpose, Mr. Harsh used an audit tool that involved embedding of audit software modules within the host financial system used by the company to monitor the transactions continuously. Which audit tool does this concept belong to?
- (a) Integrated Test Facility (ITF)
 - (b) Continuous and Intermittent Simulation (CIS)
 - (c) Audit Hooks
 - (d) System Control Audit Review File (SCARF)
4. The process adopted by ABC Ltd. company to consolidate small servers into one large server refers to _____.
- (a) Network Virtualization
 - (b) Hardware Virtualization
 - (c) Storage Virtualization
 - (d) Software Virtualization
5. Various controls that are implemented in the ABC Ltd. as a part of Information security are mentioned below:
- (i) Disabling the USB Ports.
 - (ii) Logging of each event.
 - (iii) Role based access privileges given to the employees.
 - (iv) Implementation of firewalls.
- The aforementioned controls can be categorized as under:
- I. Application Security
 - II. Network Security
 - III. Database Security
 - IV. Physical Security
- Choose the correct match:
- (a) (i) – I, (ii) – II, (iii) – III, (iv) - IV
 - (b) (i) – IV, (ii) – I, (iii) – III, (iv) - II
 - (c) (i) – IV, (ii) – III, (iii) – I, (iv) - II

- (d) (i) – II, (ii) – III, (iii) – I, (iv) - IV
6. Mr. X is the marketing head of a financial service provider company named XYZ Ltd. His role in the company allowed him to gain access to the confidential data of company's huge clientele. He stole the confidential data of few influential customers and misused it for his personal gain due to which the company faced criticism and legal action. Under which Section of Information Technology Act, 2000 can the company be charged for paying compensation to the affected customers for failing in protecting their crucial data?
- (a) Section 67
 - (b) Section 43
 - (c) Section 66C
 - (d) Section 43A
7. Mr. Ajeet, a senior manager of a FMCG company named XYZ Ltd. proposed its management to implement ERP system in the company. He prepared a powerpoint presentation to explain the benefits of ERP implementation to the management. Identify from the following which factor shall qualify to be a part of his presentation.
- (a) Reduced lead time and reduced cycle time
 - (b) Increased lead-time and increased cycle time
 - (c) Reduced lead time and increased cycle time
 - (d) Increased lead-time and reduced cycle time
8. An e-commerce company allows its customers to buy products online through its app using their PDA, Laptops and Mobiles etc. Mr. Anil downloads and logs in to the company's app to check the products available on the company's app. Which layer of m-commerce architecture has allowed Mr. Anil to do so?
- (a) Application Layer
 - (b) Client/User Interface Layer
 - (c) Database Layer
 - (d) Processing Layer
9. ANB bank owns different servers for specific significance in its Core Banking System (CBS) component that has helped the bank to scale up its business operations, to provide better service delivery and improved customer satisfaction. Out of many servers that the bank acquires, which of the following server hosts all the websites and services the online requests of its clients?
- (a) Proxy Server
 - (b) Database Server
 - (c) Web server
 - (d) Application Server
10. Studious Library is a public library which provides each of its subscribers a unique membership-id and PIN number as an access control mechanism to access its e-books/research papers and journals through its app. Under which of the following Application control does this specific access control mechanism fall.
- (a) Physical Control
 - (b) Boundary Control
 - (c) Communication Control
 - (d) Input Control

DESCRIPTIVE QUESTIONS

1. (a) Application Control Framework of Information Systems are required to ensure that data remains complete, accurate and valid during various phases like input, update, and storage. In light of this statement, mention all sub controls associated with the Application Control Framework. (3 Marks)
- (b) Write a short note on Database server associated with Core Banking System (CBS). (2 Marks)
2. (a) Data Analytics technologies and techniques are used in various industries to enable better decision making and help businesses increase their revenues. Discuss the concept of Data Analytics and its application areas. (2 + 4 =6 Marks)
- (b) Amazon.com allows various sellers to sell their products online at its portal and thereby provide them a suitable platform to boost up their sale and earn more profit. Describe any four benefits that seller gets from e-business. (4 Marks)
3. (a) In an Information System, an operating system acts as an interface between the hardware and users by providing a convenient environment to users for executing their programs. Describe various activities executed by Operating System. (6 Marks)
- (b) Quality management module of Enterprise Resource Planning (ERP) helps an organization to accelerate business by adopting a structured and functional way of managing quality in different processes of organization. Briefly describe the sub-processes involved in the said module. (4 Marks)
4. (a) Various NGOs of the country working in the welfare of girl child education and their health came under together to share their common concerns and way ahead. To do so, they established a cloud infrastructure that was owned, managed and operated by service provider XYZ Ltd. Identify the most suitable choice of cloud under cloud computing in this case. Further state its characteristics and advantages. (1+3+2 = 6 Marks)
- (b) Consider the following flowchart and find its output.



(4 Marks)

5. (a) Money laundering promotes crime and corruption in a country, slows down its economic growth and decreases productivity in the real sector economy, thereby exhibits harmful effects on the country's financial sector institutions. Discuss in detail all stages of Money laundering. **(6 Marks)**
- (b) Describe Section 67B of Information Technology Act, 2000 which is related to punishment for publishing or transmitting of material depicting children in sexually explicit act in electronic form. **(4 Marks)**

OR

Differentiate between Mobile banking and Phone banking. **(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) SKS, a Bollywood actor, was so affected by the chaos in the country due to the Pandemic that he and his team took upon themselves to cater to the poorest section of the society and formed SKS Foundation.

They had to plan in accordance with the policies of the government, arrange for quality medical care especially the internationally acclaimed medicine, which was available in extreme scarcity, transportation of people to and from their hometowns, and on time delivery of basic necessities. The task was humongous given the number of people to be cared for and the restrictions in place for goods/people movement. To execute the plan, they distributed the work amongst themselves as follows;

- Two people worked on the communication flow - WhatsApp, Facebook and IVR systems, were setup to reach out people, and for arrangements
- Three people setup logistics - finding medicine suppliers around India, negotiating prices, fixing transportation agents, making basic necessities available at the very doorstep (last mile delivery)
- Three other people were given the responsibility of food distribution - they took help from temples, gurdwaras and NGOs for making food available to the most needy first, aim was to provide at least two meals a day.
- Finally, one person worked on fund management - major sources being crowdfunding, NGO support, further support was carried through high net worth individuals networking, and celebrity support.

The major challenges were getting the medicines and hospital beds as the demand was sky high and the availability was skewed. But the team was passionate and as they gathered support from the general public, it became easier to operate and arrange necessities.

Management is tougher when the motive is not making profit, because all essential elements of strategy are to be considered, while the only way to measure success is people's safety, satisfaction and happiness. The numeric metrics fail to give a direction and the only measurement is psychological.

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

1. Given the prices of medicines were widely fluctuating every single day based on the media reports and various medical practitioners recommendations, plus oxygen availability was also not under control, which of the following aspects of Financial Strategy would have been most challenging for the team member responsible?
- (a) Strategising sources of funds
 - (b) Budgeting of available funds
 - (c) Strategizing usage of funds
 - (d) Valuing the worth of operations

(1 Mark)

2. Let us suppose the foundation wants to expand with a dedicated 7 to 10 member team for each city. Which of the following structures would ensure each area to be handled by the central team to ensure no compromise on the quality and prices?
- Matrix Structure
 - Divisional Structure
 - Multidivisional Structure
 - Functional Structure **(1 Mark)**
3. Which of the following questions would have to be taken care of by the logistics team in particular?
- What are the most reliable sources of medicine sellers?
 - How many of them would be willing to supply at affordable rates?
 - Nature of their business, whether sole proprietorship, LLP, Partnership or Company, for compliance ease?
 - Method of distribution they use if the transportation had to be done nation-wide?
 - What volumes can these distributors handle per day/week/month?
- Only (i), (ii), (iv) and (v)
 - Only (i), (ii) and (v)
 - Only (iv) and (v)
 - All of these would have to be taken care **(2 Marks)**
4. Given the huge demand and extremely low supply of a new internationally acclaimed medicine, the unethical retailers followed which of the following strategies for maximum profits. Further, in the long term, when the availability stabilizes, what would help them define the target selling price?
- Skimming Pricing Policy followed currently, and later on stabilisation they would need penetration price strategy to set target price.
 - Skimming Pricing Policy followed currently, and later on stabilisation they would need benchmarking to set target price.
 - Penetration Pricing Policy followed currently, and later on stabilisation they would need skimming to win customer who could afford it.
 - Penetration Pricing Policy followed currently, and later on stabilisation they would need flexible pricing strategy to set target price. **(2 Marks)**
5. Strategising a not for profit demands a different strategic mindset. Which of the following would not form part of the food distribution team's strategic checklist?
- Cost Saving
 - Reduced Inventory
 - Improved Delivery Time
 - Competitive Advantage
- Options (i) and (iv)

- (b) Only (i)
 - (c) Only (iv)
 - (d) Options (i), (ii) and (iv) **(1 Mark)**
- (B) 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)**
- (C) You being the core strategist of your company, entrusted with bringing about strategic change in your company, how will you initiate "unfreezing of the situation"?
- (a) Promoting new ideas throughout the organization
 - (b) Promoting compliance throughout the organization
 - (c) Promoting change in process throughout the organization
 - (d) None of the above **(2 Marks)**
- (D) Maadhyam, a hearing aid manufacturer recently introduced an AI based management tool that has the capabilities of managing teams across functions. What could be their new organisational structure post this implementation?
- (a) Divisional Structure
 - (b) Matrix Structure
 - (c) Hourglass Structure
 - (d) Network Structure **(1 Mark)**
- (E) When there is impact of strategy implementation on strategy formulation it can be referred as?
- (a) Backward Linkages
 - (b) Forward Linkages
 - (c) Vertical Linkages
 - (d) Horizontal Linkages **(1 Mark)**
- (F) Conglomerate diversification is another name for which of the following?
- (a) Related diversification
 - (b) Unrelated diversification
 - (c) Portfolio diversification
 - (d) Acquisition diversification **(1 Mark)**
- (G) Corporate culture refers to:
- (a) Company's values and beliefs
 - (b) Company's business principles

- (c) Internal work environment
- (d) All the above **(1 Mark)**
2. ABC Limited is in a wide range of businesses which include apparels, lifestyle products, furniture, real estate and electrical products. The company is looking to hire a suitable Chief Executive Officer. Consider yourself as the HR consultant for ABC limited. You have been assigned the task to enlist the activities involved with the role of the Chief Executive Officer. Name the strategic level that this role belongs to and enlist the activities associated with it. **(5 Marks)**
3. (a) Sky chemical industry intends to grow its business. Advise the company on the available options using Ansoff's product market growth matrix. **(5 Marks)**
- (b) You are appointed as a manager of a company where you find that the company's culture is out of sync with what is needed for strategic success. Discuss steps you would initiate to tackle the problem. **(5 Marks)**
4. (a) You are Research and Development manager of Sun Ltd. You are assigned the responsibility of technology enhancement. You have to take a decision either to acquire R & D expertise from external firms or develop R & D expertise internally. Do you need guidelines to help you take decision? Validate your answer. **(5 Marks)**
- (b) Give the meaning of Strategic Human Resource management. State the key Human Resource Management practices on which strategic focus should be given to achieve competitive advantage. **(5 Marks)**
5. (a) Distinguish between Operational Control and Management Control. **(5 Marks)**
- (b) What are the various alternative strategies which the managers need to identify that will create and sustain a competitive advantage in the business? Discuss. **(5 Marks)**
6. (a) Are there any limitations attached to strategic management in organizations? Discuss. **(5 Marks)**
- (b) Diversification endeavours can be categorized into four broad classifications. State the basis for this classification and name the four categories. How is concentric diversification different from vertically diversification? Explain. **(5 Marks)**