

MOCK TEST PAPER-II
INTERMEDIATE (NEW): 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.

GK Sports Ltd. is one of the largest manufacturers of various sports equipment with its head office at Delhi. The company sells its products in both offline as well as online mode through its website. Analyzing the good response of customers in India, the company decides to sell its products across the countries- Australia, New Zealand, Canada, US and Germany through online mode. The company offers various payment modes to its customers for their ease like credit card, debit card and UPI. During expansion Mr. Ajay has been recruited as an internal auditor to review the business process. The company uses proper automation for its various business processes and also practicing the regular auditing. During assessment, he observes that there exists technical difficulties in integrating the sales amounts received through various payment gateways available on its website across the countries. In order to scrutinize the potential fraud involved, the management of company hires ABC Ltd. to identify the gaps in various payment gateways. ABC Ltd. prepares an inspection summary report mentioning the name of two personnel of the company who used to slice a small amount of money from every computerized transaction made through the portal.

The management decides to book the fraudsters for dishonesty and fraud under the provisions of Information Technology Act, 2000. Learning lesson from the untoward event, the management also finds it necessary to adopt stringent security measures in its working environment.

Based on the case scenario, answer the Question No.(s) 1 to 5.

1. Which kind of business risk does the management of GK sports Ltd. experiences when two of its employees were found involved in fraud of online transactions?
 - (a) Strategic risk
 - (b) Financial risk
 - (c) Regulatory risk
 - (d) Operational risk
2. In purview of above case scenario, identify the technique used by the fraudster employees.
 - (a) Data Diddling
 - (b) Salami Technique
 - (c) Christmas Cards
 - (d) Trap Doors
3. Identify the section of Information Technology Act, 2000 under which the fraudsters can be booked.
 - (a) Section 66D
 - (b) Section 43

- (c) Section 66
 - (d) Section 65
4. The management of GK Sports Ltd. wishes to implement some type of access control approach to restrict system access to authorized users, wherein employees having access rights can only access the information they need to do their jobs and prevent them from accessing information which doesn't pertain to them. What type of security measure is being adopted by GK Sports Ltd. in its information System?
- (a) General Controls
 - (b) Role-based Access Controls
 - (c) Security Management Controls
 - (d) Application Controls
5. GK Sports Ltd. decides to sell its products across some countries through online mode. Which of the following commercial law governing e-commerce would it need to follow as a regulation for augmenting exports from India?
- (a) Companies Act, 2013
 - (b) Foreign Trade (Development and Regulation) Act, 1992
 - (c) Foreign Trade (Development and Regulation) Act, 1994
 - (d) The Competition Act, 2002

Question Nos. 6 to 10 carries 1 mark each.

6. A renowned financial consultant XYZ Ltd. has adopted the Cloud Computing technology to obtain the resources in terms of memory and database storage. Which service model of Cloud Computing is applicable in this case?
- (a) Software as a Service (SaaS)
 - (b) Infrastructure as a Service (IaaS)
 - (c) Platform as a Service (PaaS)
 - (d) Communication as a Service (CaaS)
7. During the review process, Mr. X an auditor of ABC Ltd. observed that company has not followed proper password policy. Hence, users are allowed to keep short length passwords and also not prompt the user to change the password at least twice a year. In relation to risk management, this refers to_____.
- (a) Vulnerability
 - (b) Threat
 - (c) Exposure
 - (d) Attack
8. Mr. Akash joined as an Inventory manager in M/s. PP Electronics Ltd. which is a leading manufacturer of electronic goods. His job profile includes maintaining the inventory of all electronic items manufactured by the company. While making entry in inventory master data, he tried adding one of the following items in it to which an error got generated in the system. Identify that item.
- (a) Stock item
 - (b) Purchase detail

- (c) Salary of inspection manager
 - (d) Payment made against TDS
9. Logical Access Controls are used to mitigate the effect of asynchronous attacks that make use of timing difference between the time when data is inputted to the system and the time when it gets processed by the system. Which of the following does not fall under the category of asynchronous attacks?
- (a) Spoofing
 - (b) Piggybacking
 - (c) Wire-tapping
 - (d) Data Leakage
10. Which of the following server in a Core Banking System (CBS) environment stores the entire data of bank that may include employee data, Fixed Deposit (FD) rates and penalty to be levied under different circumstances etc.?
- (a) Internet Banking Channel Server
 - (b) Database Server
 - (c) Internet Banking Application Server
 - (d) Application Server

Part II: Descriptive Questions

1. (a) An Application Software comprises of three layers to perform various functions such as receiving inputs from the user, performing arithmetic and logical functions etc. Explain these layers. **(3 Marks)**
 (b) Write a short note on Automated Teller Machines (ATM) Channel Server of Core Banking System. **(2 Marks)**
2. (a) Enterprise Resource Planning (ERP) implementation is a herculean task which requires a lot of money, time and resources in terms of machine and human beings. Describe the various technological risks and controls while implementing ERP. **(6 Marks)**
 (b) Cloud Computing service model is used to provide services in terms of hardware (IaaS), software (SaaS) and prebuilt computing platform to deploy and develop applications (PaaS). Explain the service models of cloud computing other than mentioned above that can be used for further services. **(4 Marks)**
3. (a) Mr. X is appointed as an auditor of a software development and service provider company. Explain the various concerns that auditor should address under different activities of Programming Management Controls. **(6 Marks)**
 (b) ABC Bank established in 2015 is in the process to obtain ISO 27001:2013 certification to mitigate the risk of Information Technology as per guided by RBI. Explain the various sub processes included in Information Security. **(4 Marks)**
4. (a) Automation in a business organization enhances the customer satisfaction in the services and products provided by the organization. However, it is vulnerable to many risks that may cause deviation from a planned objective resulting in unwanted negative consequences. Define Risk and briefly explain various Risk Management Strategies. **(6 Marks)**

- (b) Segregation of Duties (SoD) in an organization allows the individuals to access authorized activities controlled through various controls. Identify few examples of the controls of Segregation of Duties (SoD). **(4 Marks)**
5. (a) Ms. Neha is the owner of a consultant company named JKL Ltd. On Diwali, she decided to offer Brass bottle as Diwali gift to each staff member. She placed an order of 20 bottles from online portal. Explain the different steps involved in this e-commerce transaction in buying the bottles online. **(6 Marks)**
- (b) Business processes can be categorized in various types depending on type of industry and nature of work. Briefly discuss various categories of Business Processes. **(4 Marks)**

SECTION – B: STRATEGIC MANAGEMENT

Time Allowed – 1½ Hours

Maximum Marks – 50

Question 1 and 2 are compulsory.

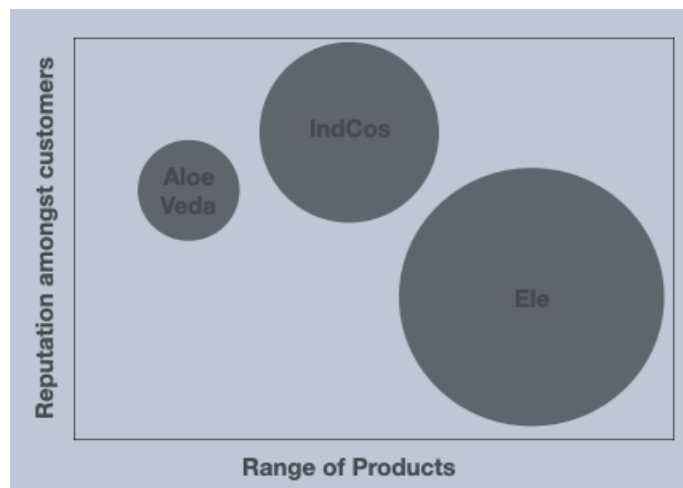
Attempt any **three** questions out of remaining **four** questions.

1. (A) Aloe Veda, a women run health company has been making innovative products based on Aloe Vera. Their portfolio includes creams, edibles, juices, face masks, and now even hand sanitizers. They have had a simple focus; luring women customers of all ages who care about their personal health and hygiene at prices that the common consumer can afford. The market is growing over the years and even men have shown interest in their products.

However, running the company has not been easy, for big FMCG brands are readily offering similar products with better reach. Mr. Mukesh Bakshi was onboarded to help the company scale up its customer reach and he implemented old school distribution tactics. The distributors were offered better margins, foreign trips and gifts and even profit sharing in some cases. This helped the company shelf Aloe Veda products at most of the retailers. Online business was also ramped up diligently.

Mukesh has been instrumental in achieving targets, but the core team has been a group of close-knit partners who have built the company on trust. And as the business grew, the partners took up individual responsibilities in an autonomous fashion, where each one of them was responsible for their own segment's operations and process improvement, and collectively driven by positive and margins. The policy of "trust all, ask no questions" could be seen at the leadership level.

The company has been aware of its industry and the players therein, with different set of strengths and economic backgrounds, but it wanted to deep dive into some more metrics to get a holistic view of the competition. For that, they reached out to KMGP LLP to project a strategic group mapping for them, based on which they could plan ahead. KMGP LLP prepared the below chart;



Business segment of Ale Veda has been booming industry wide, all they need to focus is on maintaining their values and scaling before it's too late. And of course, keeping an eye on the external business environment shall be crucial too.

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

1. Mukesh Bakshi, has been leading Aloe Veda from the front with a spear headed strategy on innovating which of the following?
(a) Product
(b) Price
(c) Place
(d) Promotion **(1 Mark)**
 2. Aloe Veda has been taking up competition with big FMCG brands in which of the following segments?
(a) Cost Leadership of Supply Chain
(b) Differentiation of Product
(c) Focused Cost Leadership of Product
(d) Focused Differentiation of Product **(1 Mark)**
 3. Which important aspect of organisational structure configuration is missing in Aloe Veda?
(a) Configuration of Intended Roles
(b) Configuration of Processes
(c) Configuration of Decision Making
(d) Configuration of Governance Mechanism **(1 Mark)**
 4. As per strategic group mapping done by the marketing team, which of the following is the biggest threat for Aloe Veda for its niche market?
(a) Ele
(b) IndCos
(c) Strategic group mapping does not tell that clearly
(d) There are no threats to their niche market **(1 Mark)**
 5. Suppose Aloe Veda asks its customers to plant Aloe Vera plant in their houses to get additional discounts. From Aloe Veda's strategic intent of being environmentally inclined while retaining its customers, much before rivals try to poach them, can be termed as?
(a) Planned Strategy
(b) Reactive Strategy
(c) Adaptive Strategy
(d) This is not a strategy, it is a marketing gimmick **(2 Marks)**
- (B) During which stage of the Product Life Cycle will marketing strategies need to concentrate on differentiating a product from competing products, building brand loyalty and offering incentives to attract competitor's customers to switch?
- (a) Decline
 - (b) Growth

- (c) Maturity
 - (d) Introduction **(2 Marks)**
- (C) Meba Ltd. had a huge capacity of 40,000 Kilo Litres production of Kerosene Oil, and they were able to achieve 90% of it almost always, while the teams were also aware that they can achieve 100% capacity with very less efforts, but always kept margins. Further, the business team was planning to setup two more plants of 20,000 Kilo Litre capacity each in the next five years. This was a welcomed move from state governments as well. From the above, which of the following aspects of objectives is missing by production team?
- (a) They should be clear and quantifiable.
 - (b) They should be concise.
 - (c) They should be challenging.
 - (d) They should provide standard for comparative appraisal. **(2 Marks)**
- (D) In context to BCG matrix, which of the following statements is not correct?
- (a) The BCG assumes that all products will grow and mature.
 - (b) The BCG can be used to examine a company's current product portfolio.
 - (c) A company with only cash cows and dogs has limited long-term prospects.
 - (d) All of the above **(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) A rubber manufacturer starts making shoe soles and gum can be termed as?
- (a) Conglomerate Diversification
 - (b) Concentric Diversification
 - (c) Horizontal Integration
 - (d) Vertical Integration **(1 Mark)**
- (G) Marketing and Sales of Hindustan Unilever Limited and lowering of operating cost by Walmart are examples of what?
- (a) Competitive Advantage
 - (b) Core Competency
 - (c) Strategic Planning
 - (d) Key Performance Indicators (KPIs) **(1 Mark)**

- (H) The strategic landscape of healthcare sector around the world is changing rapidly because of-
- Doctors Educational Interests
 - Indian Nurses going to abroad
 - Internet and Technological advancement
 - Patients being more aware
- (1 Mark)**
2. BHAVNAV is a business which makes and sells laptop computers in France. In recent years it has been struggling to compete with its rivals and has seen a significant fall in its market share. BHAVNAV's managers identify that majority of its products launched by BHAVNAV's rivals were high specification, with good quality materials and many innovative design features. Products with inferior quality, such as those sold by BHAVNAV have not sold well in France. This information led BHAVNAV's management team to decide to select a new business strategy based on Porter's Generic Strategic Model. Identify and suggest the best business strategy BHAVNAV's management has to opt for?
- (5 Marks)**
3. (a) Shri Alok Kumar is having his own medium size factory in Aligarh manufacturing hardware consisting handles, hinges, tower bolts and so on. He has a staff of more than 220 in his organisation. One of the leading brand of Hardware seller in India is rebranding and selling the material from his factory. Shri Alok Kumar, believes in close supervision and takes all major and minor decisions in the organisation.
- Do you think Shri Alok should take all decisions himself? What should be nature of decisions that should be taken by him.
- (5 Marks)**
- (b) What are the advantages of a strategic alliance?
- (5 Marks)**
4. (a) ABC 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. Which of following technique which was introduced in 1920 can be used to resolve the problem?
- (5 Marks)**
- (b) State the factors of human resource that have influence on employee's competence.
- (5 Marks)**
5. (a) India's luxurious domestic airline *Indijet* in an attempt to retain its leadership in aviation sector has hired J S Dutta as its Chief Executive. Mr Dutta wishes to reorient company to make it a domestic discount carrier. He desires to introduce no frills business model by offering extremely low fares and improve margins by cutting down traditional amenities such as reclining seats and complimentary meals. At the same time setting the stage for a new air revolution, he wishes to brand itself as on-time airlines having proper systems in place and removing additional and wasteful activities and processes. What steps will you advise to Mr Dutta?
- (5 Marks)**
- (b) Strategic management helps an organization to work through changes in environment to gain competitive advantage. In light of statement discuss its benefits.
- (5 Marks)**
6. Distinguish between the following:
- Divestment and liquidation strategy.
 - Logistic management and Supply chain management.
- (5 Marks)**
- (5 Marks)**