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.

BlackGoose LLP is a US based company that owns www.SecretNumber.com which is a password generating website. It started its business operations and services in 2016 and has amassed various customers from different fields for its cryptographic services since then. These customers were generally US-based stakeholders involving large business ventures, banking channel partners, telecom service providers, Credit-Card providers etc. To deal with the numerous challenges in terms of handling prolific data, the company adopted Mongodb as its cross platform which is a document-oriented database program that provides extra security storage with strong encryption techniques to the company. The company became capable of storing copies of essential documents like credit card details, contract of mortgages and other critical financial information of its customers world-wide. All the business processes of BlackGoose LLP are automated and integrated with each other using Enterprise Resource Planning (ERP) Systems that strengthen the market standing of company by increasing the operational efficiency and saving cost. To diminish the impact of risks associated with automated processing, the company executed various Information Technology General Controls (ITGC) across different layers of its IT environment.

Over the period, the company could build trust amongst its stakeholders in different business areas and is therefore planning to expand its business further. To overcome the technical challenges and voluminous data of its prospective stakeholders, the company decided to place following measures in its working environment.

- To use an appropriate control mechanism wherein regular review of network security is performed to detect and compete with jamming of its network traffic.

- To have information security policies, procedures, and practices well in place to cover major key areas of securing its information at various levels.

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

1. BlackGoose LLP provides cryptographic services which encompass the process of transforming data into meaningless text (ciphertext) and authentication to access the same. Identify the Application Control being implemented by the company in this case.

    (a) Input Control

    (b) Communication Control

    (c) Boundary Control

    (d) Output Control

2. BlackGoose LLP executed various Information Technology General Controls (ITGC) across different layers of its IT environment to diminish the impact of risks associated with automated processing. Which of the following does not fall under category of ITGC?

    (a) Incident Response and Management

    (b) Value Added areas of Service Level Agreements

(c) Business Continuity

(d) Error and Exception Reporting

3. BlackGoose LLP is a US based company that owns www.SecretNumber.com which is a password generating website. This is an example of _____ type of e-marketing.

   (a) e-Shop

   (b) Buyer Aggregator

   (c) Virtual Community

   (d) e-Procurement

4. BlackGoose LLP decided to have information security policies, procedures, and practices well in place to cover all key areas of securing its information at various levels. Below mentioned are various examples of information security.

   (i) Implementation of firewalls

   (ii) Role based access given to employees

   (iii) User Event Logging

   (iv) Disabling the USB ports

   The sub-processes involved in aforementioned examples of Information Security are as under:

   I. Application Security

   II. Physical Security

   III. Network Security

   IV. Database Security

   Choose the correct set of Information Security example with its corresponding sub-process.

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

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

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

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

5. The implementation of ERP in BlackGoose LLP has benefitted it tremendously thereby leading to capturing of huge clientele. Which of the following is not a factor providing the ERP benefits to the company?

   (a) Improved supplier performance

   (b) Information independence

   (c) Better customer satisfaction

   (d) Reduction of Lead Time

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

6. Below are some definitions related to automated environment in an organization.

   (i) Extent of loss an enterprise has to face when a risk materializes.

   (ii) An action, device, procedure, technique, or other measure to reduce the weakness of a system.

   (iii) Estimation of the probability that the threats will succeed in achieving an undesirable event.

   (iv) Events that may result in significant deviation from a planned object resulting in negative consequence.

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The terms for above definitions are as follows:

(I)   Likelihood

(II) Risk

(III) Exposure

(IV) Countermeasure

Choose the correct match of terms and its definition related to automated environment in an organization:

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

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

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

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

7.   Below mentioned activities are involved in different modules of Enterprise Resource Planning (ERP) Systems.

(i)   This module facilitates coordinating, monitoring, and optimizing all the processes in an organization.

(ii) This module is responsible for procurement, manufacturing, and distribution activities associated with one or more families of related products.

(iii) This module is responsible for hiring a person to evaluate one's performance, managing promotions, compensations and handling payroll.

(iv) This functional module handles the maintaining of equipment and enables efficient planning of production and generation schedules.

The modules of ERP are mentioned below:

(I)   Human Resource Module

(II) Controlling Module

(III) Plant Maintenance Module

(IV) Supply Chain Module

Choose the correct set that shows the match of activities within respective module of ERP.

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

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

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

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

8.   Refer below mentioned statements are related to memory of Computer System.

(i)   It is made up of semiconductors.

(ii) It is directly accessed by the CPU.

(iii) Data is permanently stored in this memory.

(iv) It is made up of magnetic and optical material.

(v)   It is volatile in nature.

Choose the correct set of true statements w.r.t. Primary Memory of the Computer System.

(a)   (i), (ii), (v)

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(b)   (i), (ii), (iv)

(c)   (iii), (iv), (v)

(d)   (i), (iii), (v)

9.   Below mentioned are some critical facts about various digital modes of payment used in e-commerce transactions.

(i)   There should be sufficient balance in the account of the payee before s/he makes payment for any transaction.

(ii)   Known as *99# Banking.

(iii)   An e-voucher which is delivered to beneficiaries in the form of a QR Code and SMS- string based voucher.

(iv)   This allows customer to make purchases within the limit of approved amount by bank and pay the same at the end of billing cycle.

The digital modes of payments are listed below:

I.   USSD Banking

II.   Credit Card

III.   e-Rupi

IV.   Debit Card

Choose the set that shows the correct match of statements with its digital mode of payment.

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

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

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

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

10.   Various activities involved in Money Laundering are as follows:

(i)   Conversion of illegal proceeds into apparently legitimate business earnings through normal financial or commercial operations.

(ii)   Involves the positioning of proceeds derived from illegal activities.

(iii)   Involves the separation of proceeds from illegal source and hide the proceeds.

The stages of Money Laundering are mentioned below:

(I)   Integration

(II)   Layering

(III)   Placement

Identify the statement that correctly matches the activities involved in appropriate phase of Money Laundering and in sequential manner also.

(a)   (i) - (I), (ii) - (II), (iii) - (III)

(b)   (ii) - (III), (iii) - (II), (i) - (I)

(c)   (i) - (I), (iii) - (II), (ii) - (III)

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

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Part II: Descriptive Questions   **Total Marks: 35 Marks**

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

1. (a) Electronic Fund Transfer (EFT) is a mode of remittance which facilitates almost instantaneous transfer of funds between two bank centers electronically. Discuss any three latest digital modes of remittance of funds adopted by banks.   **(3 Marks)**

    (b) Various controls are implemented to ensure that information system assets that are categorized under personnel, hardware, facilities, documentation, application software etc. are secure. However, when disaster strikes, controls of last resort can be used to recover operations and mitigate losses. In view of this, define Insurance as a Security Management Control.   **(2 Marks)**

2. (a) Business Reporting is defined as the public reporting of operating and financial data by any business enterprise. Discuss about its implementation process and significance.   **(2+4 Marks)**

    (b) XYZ Pvt. Ltd. deals in religion and spirituality related items and conducts its business operations in both offline and online mode. In its e-business environment, the company carries out controls that need to be implemented at all the levels involved in the chain of e-business operations. Discuss the controls necessary for any such four entities involved in the chain.   **(4 Marks)**

3. (a) XYZ Ltd. is a data collection company that assists its clients in providing the data of engineering aspirants nationwide from a variety of carefully vetted sources. The company needs to implement various Data Resource Management Controls to maintain data integrity in data repository systems so as to enhance reliability of data and application systems. Discuss in detail various controls that are required to be implemented for the same.   **(6 Marks)**

    (b) Mr. Ajit is a new joinee at a publication house named DEF Ltd. His job profile is to maintain the data related to its various departments like Publishers, Editorial Department, Creative Department, Sales, Marketing, Promotion, and Advertising etc. He prepares various MIS reports to be presented to his seniors and higher authorities on need basis. The MIS reports that Mr. Ajit prepares need to ensure that the information in it meets certain criterias so as to make it useful for his seniors. Discuss these criterias.   **(4 Marks)**

4. (a) As a versatile and strategic technology, Mobile Computing enhances operational efficiency and improves management effectiveness, however few limitations are also associated with it. Briefly explain the limitations of Mobile Computing.   **(6 Marks)**

    (b) Describe the Section 66F of IT Act, 2000 related to punishment for cyber terrorism.   **(4 Marks)**

5. (a) Internal Control System, no matter how effective, can provide an entity with only reasonable assurance and not absolute assurance about achieving an entity's objectives due to certain limitations. Discuss those limitations.   **(6 Marks)**

    (b) Risks are all pervasive in the banking sector out of which Operational risks are the risks that arise from direct or indirect loss to the bank associated with inadequate or failure of internal processes. Briefly explain any four components of Operational Risk in Core Banking Systems (CBS).   **(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) In a recent board meeting, the Chairman of Inclusive Heal Pharma Ltd, (IHPL) a major pharmaceutical company in India, proposed reassigning around 100 employees and lay off of another 275. The chairman proposed to cut jobs throughout the country under a restructure of the pharmaceutical business. Some of the employees who will be taken off from pharmaceutical business will be redeployed on a new project for entry into wellness segment that is increasingly becoming lucrative. The company has been looking for growth opportunities for a couple of years. The proposal came after failed takeover of another company Rosy Cheek Health Ltd. (RCHL), a prominent manufacturer of various nutritional supplements that include proteins, vitamins and minerals. IHPL tried hard to acquire RCHL and raised its bid three times and finally offered Rs 450 crores in form of cash of Rs 250 crores and balance in shares. The offer was found to be unattractive by RCHL.

IHPL wanted to expand and have a separate product line to include health and wellness products in its portfolio to create two distinct business groups. With the entry into new segment there will be need to explain the business undertaken by IHPL in a new form as there will be difference with respect to the customer needs and target markets. The Chairman said that the organisational changes underpin pursuit for growth that remains top priority for the organisation.

The Chairman informed the board that the proposed new organisation will result in a reduction in middle management roles by around fifteen per cent and reduction in junior management roles by ten per cent. It is proposed to redesign workflows and processes both within IHPL and its interactions with suppliers, hospitals and other associate organisations. Improvements in organisational reporting structures and use of technology will make many middle level positions redundant and lead to reduction in the jobs. It will not only reduce the salary costs but bring overall efficiencies. New enlarged team can be created later at the time of launch of wellness products.

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

1. Managerial activity to redesign workflows and processes both within IHPL and its interactions with suppliers, hospitals and other associate organisations is:

    (a) Strategic Implementation

    (b) Growth and Improvement

    (c) Organisational Change

    (d) Reengineering   **(1 Mark)**

2. Changes in the business undertaken by the IHPL with respect to the customer needs, target markets shall directly amount to changes in:

    (a) Organisational vision

    (b) Business mission

    (c) Business definition

    (d) Organisational goals   **(1 Mark)**

3. A shift to wellness products is part of:

    (a) Growth

    (b) Forward integration

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(c) Backward integration

(d) Horizontal diversification **(1 Mark)**

4. Division of organisation into two distinct segments for pharma products and wellness products is a form of:

(a) Simple structure

(b) Functional structure

(c) Divisional structure

(d) Matrix structure **(1 Mark)**

5. By not raising the bid and creating a structure to produce wellness product, IHPL is shifting from _____ strategy to _____ strategy.

(a) Merger, Retrenchment

(b) Diversification, Growth

(c) Acquisition, Diversification

(d) Acquisition, Intensification **(2 Marks)**

(B) BBL Bank had strategically decided to setup a separate office in Mumbai back in 2016, specifically to invest in crypto currencies and in development of robust blockchain facilities. Which importance of strategic management did BBL Bank made use of?

(a) Gives direction to the management of the company

(b) Helps to be proactive instead of being reactive

(c) Provides a framework for all major future decisions

(d) Supports development of new SBUs like in this case separate office for Blockchain **(2 Marks)**

(C) Dharam, an organic farming expert was consulting a group of farmers to build sustainable brand of their corn produce. He suggested to follow the strategy of the biggest player in this business. Which of the following can be used to identify such a player?

(a) BCG Matrix

(b) ADL Matrix

(c) Dominant Force Analysis of the Industry

(d) Strategic Group Mapping **(2 Marks)**

(D) Anshul joined a telecom company after his MBA and started working as market research analyst. His job included analyzing industry factors like competitors, suppliers and substitutes. Which of the strategic controls is he working on?

(a) Strategic Surveillance

(b) Special Alert Control

(c) Premise Control

(d) Benchmarking **(2 Marks)**

(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) The philosophical base of strategic management falls within the concept of-

      (a)   Strategic Intent

      (b)   Portfolio Analysis

      (c)   Globalisation

      (d)   Vision Statement **(1 Mark)**

  (G) A strategic business unit is a grouping of _____ businesses.

      (a)   unrelated

      (b)   differentiated

      (c)   related

      (d)   None of these. **(1 Mark)**

2. X Pvt. Ltd. had recently ventured into the business of co-working spaces when the global pandemic struck. This has resulted in the business line becoming unprofitable and unviable, and a failure of the existing strategy. However, the other businesses of X Pvt. Ltd. are relatively less affected by the pandemic as compared to the recent co-working spaces. Suggest a strategy for X Pvt. Ltd. with reasons to justify your answer. **(5 Marks)**

3. (a) "A business organization cannot always plan all their strategies in advance and often need to blend planned strategies with reactive strategies." Do you agree with the statement? Give reasons.

(5 Marks)

  (b) Write short note on "Phases and significance of Product Life Cycle". **(5 Marks)**

4. (a) Telecom industry is growing at a rapid speed in India. There is a cut throat competition among the service providers in the industry. Identify the capabilities that will best serve as a source of competitive advantage for a firm over its rivals? **(5 Marks)**

  (b) Ramesh is owner of a popular brand of Breads. Yashpal, his son after completing Chartered Accountancy started assisting his father in running of business. The approaches followed by father and son in management were very different. While Ramesh preferred to use authority and having a formal system of defining goals and motivation with explicit rewards and punishments, Yashpal believed in involving employees and generating enthusiasm to inspire people to deliver in the organization.

      Discuss the difference in leadership style of father and son. **(5 Marks)**

5. (a) Sanya Private Limited is an automobile company. For the past few years, it has been observed that the progress of the company has become stagnant. When scrutinized, it was found that the planning department was performing fairly well but the plans could not be implemented due to improper use of resources, undesirable tendencies of workers and non-conformance to norms and standards. You are hired as a Strategic Manager. Suggest the elements of process of control to overcome the problem. **(5 Marks)**

  (b) Write a short note on Expanded Marketing Mix. **(5 Marks)**

6. Distinguish between the following:

  (a) Cost Leadership and Differentiation Strategies. **(5 Marks)**

  (b) Vision & Mission **(5 Marks)**

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