

CA - INTERMEDIATE
GROUP II – PAPER 7
Enterprise Information System & Strategic Management
Series – 4 (May 2020)

Batch : All
Maximum Marks: 100

Date : 08.04.2020
Time: 3 Hours

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Section “A”
Enterprise Information System
Division “A” Multiple Choice Questions
All is compulsory.

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Q. 1 to 5 Case Study Base

Mr. X used to chat on Internet under the name of Ms. Y. He also gave her landline telephone number for further chatting. Ms. Y was a senior executive of the credit rating information sources of India Ltd. Mr. X was employed as financial analyst but had been forced to terminate the job earlier. Y started receiving mischievous calls.

In ABC, financial institution, the authorised officials identified existence of numerous accounts numbers of inactive accounts in their usage data of active customers. Complaint was reported to their IT team.

Mr. Atul Sharma is the auditor of Techwire Ltd. A fast-growing computer parts maker. He finds that management policy of review of all sales invoice exceeding Rs. 40,000 by the branch sales manager is not adhered to. There are many violations of the same during the year.

Mr. Mohit Reddy is the auditor of MacIndia Ltd. A fast-growing iron tools maker. He finds that management policy of review of all sales invoice exceeding Rs. 50,000 by the branch sales manager is not adhered to. There are many violations of the same during the year.

Mr. Ankur Tyagi is a consistent topper in his school as well as college. After completing his graduation from a science stream college, he got immediate placement with one of the India's largest IT Company on a very attractive salary and other benefits. The main job responsibility of Mr. Ankur is to develop the logical and physical designs of data models for the applications used by the company.

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|-----------|---|----------|
| 1. | In the light of the given facts, state the liability of Mr. X within the preview of the Information Technology Act, 2000. | 2 |
| | (a) Punishable for offence related to web defacement.
(b) Punishable for phishing and email scam
(c) Theft of confidential information
(d) Harassment via fake public profile on social networking site. | |
| 2. | Which type of controls can be exercised by the IT Team in the given case? | 2 |
| | (a) Corrective Controls
(b) Detective Controls
(c) Preventive Controls
(d) Compensatory Controls | |
| 3. | Mr. Atul Sharma being the auditor of the company shall report the same under Section _____ of Companies Act, 2013? | 2 |
| | (a) 134(4)
(b) 143(3)
(c) 134(3)
(d) 143(4) | |

4. **Considering this situation, what can you conclude about the internal financial control system of MacIndia Ltd.?** 2
- (a) There is a non-existence of internal financial controls mechanism in MacIndia Ltd.
 (b) Internal Financial Controls are in existence but not operating effectively.
 (c) Internal Financial Controls are not in existence but operating effectively
 (d) Nothing as such can be concluded from the given details.
5. **Mr. Ankur must be a _____ in the company.** 2
- (a) Database Administrator (b) Database Analyst
 (c) Database Architect (d) Software Tester
6. **During an audit of financial transactions in an enterprise XYZ, it was found that simple errors of data entry were occurring when two digits that were either individual or part of larger sequence of numbers were reversed when posting a transaction. Which type of error is this?** 1
- (a) Addition Error (b) Truncation Error
 (c) Substitution Error (d) Transposition Error
7. **Mr. X entered into a contract with Mr. Y for purchase of house hold products via online stores on Cash on Delivery (CoD). As per the terms, it was to be delivered within 3 days of the order placed. Due to delivery on the fourth day, Mr. X denied for the performance of the contract. This can be said to be a _____.** 1
- (a) Risk associated with controls (b) Risk associated with security
 (c) Risk associated with transaction (d) Risk associated with e-Commerce
8. **Kotak bank gave an undertaking to the third party for the supply of goods / services to pay amount of ₹ 2 crore on behalf of the Mr. X, a business man, provided the terms and conditions of the undertaking are complied with. This service of banks is known as –** 1
- (a) Issuing letter of Guarantee (b) Issuing letter of Comfort
 (c) Issuing letter of Credit (d) Issuing letter of Understanding
9. **Provide the correct sequence of phase of Program Development Life Cycle. (1) Operations and Maintenance , (2) Coding, (3) Control, (4) Design, (5) Testing and (6) Planning** 1
- (a) (4)-(6)-(2)-(3)-(1)-(5) (b) (6)-(3)-(4)-(2)-(5)-(1)
 (c) (1)-(6)-(3)-(5)-(4)-(2) (d) (3)-(5)-(2)-(1)-(6)-(4)
10. **Control refers to the policies, procedures, practices and organisational structures that are designed to provide reasonable assurance that business objectives are achieved and undesired events are** 1
- (a) Prevented or rectified (b) Prevented or detected and corrected
 (c) Prevented and corrected (d) Detected and corrected

Section "B"
Strategic Management
Division "A" Multiple Choice Questions
All is compulsory.

11. **Strategic Intent start with_____:** 1
 (a) Goals And Objective (b) Mission And Vision
 (c) Business Model (d) Vision And Mission

12. **A narrow market focus is to a differentiation based strategy as a** 1
 (a) Broadly-defined target market is to a cost leadership strategy
 (b) Growth market is to a cost-based strategy
 (c) Technological innovation is to a cost-based strategy
 (d) Growth market is to a differentiation – based strategy

13. **Strategic decisions are likely to have a impact on the long-term prosperity of the firm.** 1
 (a) Insignificant (b) Significant
 (c) Marginal (d) None of the above

14. **Which of these basic questions should a vision statement answer?** 1
 (a) What is our business? (b) Who are our competitors?
 (c) Where we are to go? (d) Why do we exist?

15. **Which one is not a category of Divisional structure** 1
 (a) Division by geographical area (b) Division by product
 (c) Division by customer (d) Division by technology

16. **Goals and objectives are the of strategic intent.** 1
 (a) Starting point (b) Endpoint
 (c) Midpoint (d) All of the above

17. **A company cannot expect to defeat its rivals without monitoring Rival actions, moves and strategies, it is following. A successful company knows almost everything about the competitor as if it knows about** 1
 (a) The entire world (b) Everyone
 (c) Itself (d) No one

18. **When to organisations combine to increase their strength and financial gains along with breaking the trade barriers is called** 1
 (a) Hostile takeover (b) Liquidation
 (c) Merger (d) Acquisition

19. **In evaluating strategies, which one of Rumelt's criteria for evaluating strategies, refers to the need for strategists to examine sets of trends?** 1
 (a) Consistency (b) Consonance
 (c) Feasibility (d) Advantage

20. **Strategy formulation is primary an** 1
 (a) Operational process (b) Intellectual process
 (c) Executorial process (d) Operational and execution process

21. While skimming the pricing policy for new products the prices are kept 1
(a) Low (b) Very Low
(c) Average (d) Very high
22. Core competence are the capabilities that service as a source of competitive for a firm over its rivals. 1
(a) Disadvantage (b) Advantage
(c) Strength (d) Weakness
23. Vision is path the company should take and make change in Companies product , market, customer, Technology etc. 1
(a) Growth (b) Stability
(c) Expansion (d) Directional
24. If the competence is unique that it is difficult for the competitors to 1
(a) Intimate (b) Imitate
(c) Sustain (d) None of the above
25. The expanded marketing mix consists of three more P's 1
(a) People, process, paisa (b) People, promotion, process
(c) people, process, Physical evidence (d) None of the above

Section "A"
Division "B" Descriptive Questions
Question No. 1 is compulsory
Attempt any three questions out of remaining four questions

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| 1.(a) | Discuss Master Data and Non-Master Data with examples. | 3 |
| (b) | Define Ideal ERP System. | 2 |
| 2(a) | Automation of business processes has introduced new types of risks in banking service. You being the Branch Manager of a CBS branch, list out some of the internal controls you think to be implemented in your branch. | 6 |
| (b) | An Airline Industry wishes to automate its Grievance cell so that their clients can online register their feedback, complaints and suggestions. The purpose of automation is to provide better service and satisfaction to its customers. Prepare a list of various steps that are required to be taken while automating the Grievance Cell. | 4 |
| 3(a) | You attended an IT workshop as a CBS. You are required to provide a basic idea to the participants about Current & Savings Accounts (CASA) and primarily discuss the risks and controls that might be relevant in CASA process. Advise about the relevant risks and their counter controls. | 6 |
| (b) | Explain briefly the objectives of Information System's Auditing. | 4 |
| 4(a) | What are the basic functions/activities an operating system performs? | 6 |
| (b) | What is an MIS Report and who uses it? | 4 |
| 5(a) | ABC is a Software development company which are using certain controls to protect the integrity of their database when application software acts as an interface to interact between the user and the database. Identify the Control and explain its detailed functions. | 6 |
| (b)i. | Define Internet of Things (IoT) | 2 |
| ii. | Discuss "Virtual Memory". | 2 |
| OR | | |
| | Explain the term "Audit Trail"? | 2 |

Section "B"
Division "B" Descriptive Questions
Question No. 6 is compulsory
Attempt any three question out of remaining four questions

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|-------|--|---|
| 6 | Do you agree with the statement that 'Benchmarking is a process of continuous improvement in search of competitive advantage'? Discuss. | 5 |
| 7(a) | What is meant by Functional strategies? In term of level where will you put them? Are functional strategies really important for business? | 5 |
| (b) | What are the major dimensions of strategic decision making? | 5 |
| 8(a) | Write a short note on 'The role of ADL Matrix in assessing competitive position of a firm.' | 5 |
| (b) | Define corporate culture. Also elucidate the statement "Culture is a strength that can also be a weakness". | 5 |
| 9(a) | Give various reasons to justify that a division structure is costly. | 5 |
| (b) | A century-old footwear company "Mota Shoes" had an image of being the footwear choice for formal occasions. In an attempt to reinvent its brand, it tied up with a foreign footwear giant "Buffrine" to manufacture and sell its HideseeK brand in the country. Putting its best foot forward, it launched extra soft, casual and relaxed footwear for young. Aiming at a brand and image makeover the "Mota Shoes" decided to price the Hide Seek products at premium.

What kind of Michael Porter business level strategy is being used by "Mota Shoe company"? State its advantages. | 5 |
| 10(a) | What are different strategic bases on which an existing firm can diversify? | 5 |
| (b) | Ramesh Sharma has fifteen stores selling consumer durables in Delhi Region. Four of these stores were opened in last three years. He believes in managing strategically and enjoyed significant sales of refrigerator, televisions, washing machines, air conditioners and like till four years back. With shift to the purchases to online stores, the sales of his stores came down to about seventy per cent in last four years.

Analyse the position of Ramesh Sharma in light of limitations of strategic management. | 5 |

OR

What is Strategy Audit? Explain briefly the criteria for strategy audit given by Richard Rumelt's.