



# CA INTERMEDIATE M'19

SUBJECT- EIS AND S.M.

Test Code – PIN 5072

(Date :)

(Marks -100 )

## SECTION –A

(50 MARKS)

QUESTION NO.1 is compulsory and attempt any three out of remaining four questions.

### QUESTION NO.1

#### A. M.C.Q

(15\*1 = 15 MARKS)

1. Which one of the following represents Operational Processes?
  - (a) Deals with legal compliance
  - (b) Deal with the core business and value chain
  - (c) Deal with core processes and functions within an organization
  - (d) Deals with measuring, monitoring and control activities
  
2. Which one of the following represents Management Processes?
  - (a) Deals with legal compliance
  - (b) Deal with the core business and value chain
  - (c) Deal with core processes and functions within an organization
  - (d) Deals with measuring, monitoring and control activities
  
3. Which one of the following deals with Section 134 of the Companies Act 2013?
  - (a) Acquisition and Mergers
  - (b) Powers and duties of Board of Directors
  - (c) Powers and duties of auditors and auditing standards
  - (d) Penalties due to non-compliance
  
4. Which sentence is true about installed software application?
  - (a) It is installed on the hard disc of the computer of the user
  - (b) It is installed on the web server
  - (c) It is installed on cloud
  - (d) It is installed on a website
  
5. \_\_\_\_\_ is the conversion of data into a secret code for storage in databases and transmission over networks.
  - (a) Cipher Text
  - (b) Encryption
  - (c) Decryption
  - (d) Logging
  
6. \_\_\_\_\_ controls the flow of data and instruction to and from memory , interprets the instruction and control which task to execute and when.
  - a) Control Unit
  - b) Hardware

- c) User interface
  - d) Application software
7. \_\_\_\_\_ is a type of Artificial Intelligence (AI) that provides computers with the ability to learn without being explicitly programmed.
- a) Machine Learning
  - b) Mechanical Learning
  - c) Encryption
  - d) Decryption
8. NIST stands for
- a) National Institute of Standards and technology
  - b) National Institute of Standardization and technology
  - c) Net Institute Service and Technology
  - d) National Inter State Terminals
9. Which of the following best defines a risk?
- (a) Undesired events are prevented
  - (b) Inherent vulnerabilities are identified
  - (c) Physical threats are documented
  - (d) Threat exploits vulnerability
10. \_\_\_\_\_ is the process by which the proceeds of the crime and the true ownership of those proceeds are concealed or made opaque so that the proceeds appear to come from a legitimate source.
- a) Money Transfer
  - b) Money Laundering
  - c) Off shore transfer
  - d) Off shore banking
11. Which one of the following is not an objective of Business process Automation or Success factors of BPA?
- (a) Confidentiality
  - (b) Integrity
  - (c) Adequacy
  - (d) Timeliness
12. Which instance of SaaS allows users to explore functionality of Web services such as Google Maps, Payroll processing, and credit card processing services etc.?
- (a) Testing as a Service (TaaS)
  - (b) Communication as a Service (CaaS)
  - (c) Data as a Service (DaaS)
  - (d) API as a Service (APIaaS)
13. \_\_\_\_\_ are used for detecting errors in data before the data is processed.
- a) Input control
  - b) Processing Control
  - c) Output Control
  - d) Verification Control

14. Under Application Controls, maintains the chronology of events that occur when a user attempts to gain access to and employ systems resources.

- (a) Boundary Controls
- (b) Input Controls
- (c) Communication Controls
- (d) Processing Controls

15. Which of the following is a main characteristic of Integrated ERP System?

- (a) Separate data maintenance by each department
- (b) Centralized Database
- (c) No direct inter department communication
- (d) None of the above

B. You have been appointed as an Information Systems (IS) Auditor in a company JKL Ltd. and asked to perform an ERP audit. Prepare a checklist of the common concerns that should be asked during development and implementation of the system as well as ERP Audit. **(5 MARKS)**

#### **QUESTION NO.2**

- A. What are the risks associated with E-Commerce Transactions that are high as compared to general Internet activities? **(6 MARKS)**
- B. Compare between Subversive Attacks and Piggybacking. **(4 MARKS)**

#### **QUESTION NO.3**

- A. 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. **(6 MARKS)**
- B. Explain risks associated with CBS. **(4 MARKS)**

#### **QUESTION NO.4**

- A. Recognize all the technical exposures that include unauthorized implementation or modification of data and software. **(6 MARKS)**
- B. As an IT consultant, advise some tips to an aspiring e-commerce vendor so that his business can be protected from intrusion. **(4 MARKS)**

#### **QUESTION NO.5**

A. Draw a Flowchart for the following process :

Leebay is a new e – commerce web site that is setting up business in India. Leebay and their partner bank Paxis have come up with a joint promotion plan for which the following offers are proposed

Customers can either log in through a mobile app or directly from the website :

- (1) If the payment mode chosen is 'Paxis Credit', then a 20% discount is given to the user.
- (2) If the payment mode chosen is 'Paxis Debit', then a 10% discount is given to the user.
- (3) If other payment modes are used, then no discount is given.

Also, to promote the downloads of its new smartphone app, the company has decided to give the following offer :

- (1) If the purchase mode is 'Mobile App', then no surcharge is levied on the user.
- (2) If any other purchase mode is used, then additional 5 surcharge is levied on the user. This surcharge is applied on the bill after all necessary discounts have been applied.

With bill amount, payment mode and purchase mode as inputs, draw a flowchart for the billing procedure for Leebay.

**(6 MARKS)**

- B. In an e-business environment, controls are required to be put in place at each participant's level. Discuss about the participants involved in any e-business environment.

**(4 MARKS)**

#### **SECTION –B**

**(50 MARKS)**

**QUESTION NO.6 is compulsory and attempt any three out of remaining four questions.**

#### **QUESTION NO.6**

**A. M.C.Q.**

**(15\*1 = 15 MARKS)**

1. Strategic decision making can take place at three common levels of an organisation as follows:
  - i. Divisional, group and individual.
  - ii. Executive, leader and manager.
  - iii. Corporate, business and functional.
  - iv. Strategic, tactical and operational.
2. A \_\_\_\_\_ consists of those rival firms which have similar competitive approaches and positions in the market.
  - i. BCG Matrix.
  - ii. Strategic group.
  - iii. Strategy Map.
  - iv. Industry.

3. \_\_\_\_\_ provides the framework within which the firm would adopt a predetermined direction and would operate to achieve strategic objectives.
- a) Strategic management
  - b) Strategic Intent
  - c) Strategic mission
  - d) Strategic vision
4. Industry and competitive conditions change because forces are in motion that creates incentives or pressures for changes.
- A. Driving forces
  - B. Drive in forces
  - C. Trigger forces
  - D. Well Driving forces
5. If Technology is Changing Rapidly and market is growing slowly, which one is preferable:-
- (a) No Change in Technology
  - (b) Exclusive Outsourcing
  - (c) Acquisition of R & D Firm
  - (d) In house R & D.
6. According to \_\_\_\_\_ "Strategic control focuses on the dual questions of whether: 1) the strategy is being implemented as planned ; 2) the results produced by the strategy are those intended"
- a) Michel Porter
  - b) Schendel and Hofer
  - c) H. C. Kellman
  - d) None of the above
7. Any Acquisition of similar businesses or making any By-Product or Complementary products is called:-
- (a) Vertical Integration
  - (b) Horizontal Integration
  - (c) Conglomerate Diversification
  - (d) Intensification
8. Narrow target of competitive scope and low cost product of competitive advantage reflects \_\_\_\_\_ strategy.
- a) Differentiation
  - b) Cost leadership
  - c) Focused cost leadership
  - d) Focused differentiation

9. Transformational leadership style uses \_\_\_\_\_ to inspire people to exert them for the good of the organization.
- A. Authority and responsibility
  - B. charisma and enthusiasm
  - C. carrot and stick formula
  - D. Law and order
10. "A dead business is worth more than alive," this statement is known for:-
- (a) Turnaround
  - (b) Divestment
  - (c) Liquidation
  - (d) None
11. When Two or more businesses create a synergy for achieving certain strategic objectives which neither would be able to achieve on its own, is called.
- (a) Merger
  - (b) Acquisition
  - (c) Strategic Alliance
  - (d) Political Alliance
12. \_\_\_\_\_ strategy involves providing customer more value for the money by emphasizing low cost and better quality difference.
- a) Best – cost provider strategy
  - b) Cost leadership
  - c) Focused cost leadership
  - d) Focused differentiation
13. Which of the following situation will most likely suit a transformational leader?
- (a) An organization that is in trouble.
  - (b) A growing organization.
  - (c) An organization in a stable environment.
  - (d) An organization at maturity stage of product life cycle.
14. Which of the following does not form part of Richard Rumelt's criteria for strategy audit?
- a) Adaptation.
  - b) Consistency.
  - c) Consonance.
  - d) Feasibility.
15. The strategic management process is:
- a) a solution that guarantees prevention of organizational failure.
  - b) concerned with a resources, capabilities, and competencies, but not the conditions in its external environment.

- c) not to be used in the not-for-profit organisations.
- d) full set of commitments, decisions, and actions related to the firm.

B. Atrix Ltd. is a company engaged in the designing, manufacturing, and marketing of mechanical instruments like speed meters, oil pressure gauges, and so on. Their products are fitted into two and four wheelers. During the last couple of years, the company has been observing a fall in the market share. This is on account of shift to the new range of electronic instruments. The customers are switching away mechanical instruments that have been the backbone of Atrix Ltd.

**As a CEO of Atrix Ltd., what can be the strategic options available with you.**

**(5 MARKS)**

**QUESTION NO.7**

**(5 MARKS X 2 = 10 MARKS)**

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.**

B. Write short notes on elements considered for situational analysis.

**QUESTION NO.8**

A. Explain Porter's five forces model as to how businesses can deal with the competition. **(6 MARKS)**

B. Davis and Lawrence have proposed three distinct phases to develop matrix structure. Explain. **(4 MARKS)**

**QUESTION NO.9**

A. HQ is a service company? Two years back the company hired a reputed management consultant to formulate its strategy. The consultant recommended an aggressive expansion plan. Now in an internal review meeting the company finds that many of the suggestions are not even fully considered.

Which part of strategic management process is missing in HQ? **(5 MARKS)**

B. "Evaluating the worth of a business is central to strategy implementation." In the light of this statement, explain the methods that can be used for determining the worth of a business. **(5 MARKS)**

**QUESTION NO.10**

A. Do you agree with the statement that "Strategic Management concepts are of no use to Government organizations and Medical organizations"? Explain with reasons. **(5 MARKS)**

B. Distinguish between The Three Levels of Strategy Formulation.

**(5 MARKS)**