



CA INTERMEDIATE

Test Code – JKN_ITS_11

(Date :01/09/2020)

(Marks - 100)

SECTION – A

Enterprise Information System

PART – I (M.C.Q)

M.C.Q No. 1 to 5 carries 1 mark each

1. Mr. A has a bakery which is running successfully currently. He wants his business to be expanded further through online mode for which he hired a technical person Mr. X who could guide him in adopting to online business. Mr. X is supposed to give a presentation to Mr. A on technological infrastructure requirement for the business. Identify the point which should not form part of his presentation.
 - a. Payment gateway
 - b. Web portal
 - c. Data Interchange
 - d. Type of vendors

2. A Bank has updated its existing CBS system to a new version. It found that the new system is not automatically sending monthly Bank Statements to its customers. The same feature was available in the previous system. This error is result of mistake in which step?
 - a. Design
 - b. Planning
 - c. Implementation
 - d. Maintenance

3. Mr. Mysterious used to chat on Internet under the name of Ms. Ritu. He also gave her landline telephone number for further chatting. Ms. Ritu was a senior executive of the credit rating information sources of India Ltd. Mr. Mysterious was employed as financial analyst but had been forced to terminate the job earlier. Ritu started receiving mischievous calls. In the light of the given facts, state the liability of Mr. Mysterious within the purview of the Information Technology Act, 2000.
 - 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.

4. The full-scale Banking solution is a scalable, integrated e-banking system that meets the deployment requirements in traditional and non-traditional banking environments with some key aspects in its architecture. Which of the following key aspect is not used in CBS architecture?
- Customer centric
 - Regulatory Compliance
 - Resource optimization
 - Selection of employees
5. In an Accounting Business Process Cycle, arrange the sub - processes in order.
- | | | |
|---|---------------------|---------------------------|
| (i) Journal | (ii) Ledger | (iii) Financial Statement |
| (iv) Closing Entries | (v) Source Document | (vi) Trial Balance |
| (vii) Adjusted Trial Balance (viii) Adjustments | | |
- (a) (v), (i), (vii), (iii), (ii), (iv), (vi), (viii)
- (b) (i), (ii), (iii), (viii), (vii), (vi), (v), (iv)
- (c) (v), (i), (ii), (vi), (viii), (vii), (iv), (iii)
- (d) (ii), (i), (v), (viii), (iv), (iii), (vi), (vii)

Q. No (s) 6 to 10 are based on the Case Scenario carries 2 marks each.

A Cooperative society in Ghaziabad decides to open a bank named ABC Bank with its two branches located in Noida, Uttar Pradesh. The branches of banks are proposed to be connected to each other and all the processing and transactions being computerized with a centralized database. Further, to avoid manual working and proceed with advance technology, and at the same time to enhance functionality within branch; all the computer systems within all the departments in each branch would have connection-oriented network. The bank proposes to abide by all the regulations and compliance prevailing in India with respect to banking sector.

Mr. A is appointed as an IT - Head to carry out the Feasibility study of the proposed system and submit the report to top management of the Cooperative Society. After the report is submitted to the Top Management, following issues are raised by the management:

- There may be a conflict for some common resources in the network.
- Since the data is centrally located, it may create a possibility of access to non-relevant data by other departments.
- What would happen, if any employee intentionally destroys or alters the information residing in any of computer of any branch?
- Network security related issues between both branches of bank.

Based on the above case scenario, answer the following questions:

6. In purview of above case, under which legal provision of IT Act, 2000; the management can prove an employee guilty if (s)he intentionally destroys or alters the information residing in a computer resource of a branch?
- (a) Section 43
 - (b) Section 65
 - (c) Section 66 E
 - (d) Section 66 C
7. Which of the following control shall be implemented in both the branches of ABC bank to suppress the risk of possibility of access to non-relevant data by other departments?
- (a) Proper training of the users with well documented manuals.
 - (b) Clear defining of change control procedures and holding everyone to them.
 - (c) Back up arrangement needs to be very strong.
 - (d) Access rights need to be defined very carefully and to be given on "Need to know" and "Need to do" basis only.
8. The feature of Internet banking through ABC Banks' website allows ease and convenience to its customers. Which of the following is not the limitation of Internet banking?
- (a) Difficult for a non-technical person
 - (b) Risk of data theft
 - (c) Written Record not to be maintained
 - (d) Overspending
9. The Top management of cooperative society raised its concern over an issue related to conflict of sharing of common resources in network between its two branches. Select the terminology referring to the above concern.
- (a) Resilience
 - (b) Contention
 - (c) Bandwidth
 - (d) Routing
10. In both branches of ABC bank, all the fixed asset acquisitions will be recorded as the control objective related to certain risk. Under which category this control objective falls?
- (a) Configuration general ledger
 - (b) Transaction Fixed asset
 - (c) Master fixed asset
 - (d) Transaction general ledger

PART – II (Descriptive Questions)

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

QUESTION NO.1

- A. Corporate governance is the framework of rules and practices, by which a board of directors ensures accountability, fairness and transparency in a company's relationship with all its stakeholders. List out the rules and procedures that constitute corporate governance framework. **(3 Marks)**
- B. Write any two application areas of Internet of Things (IOT). **(2 Marks)**

QUESTION NO.2

- A. DEF is a car battery manufacturing company which intends to provide online business to its customers. Briefly explain various components involved in any e-Commerce transaction. **(6 Marks)**
- B. ERP implementation is the difficult task as the organization which is in the process of implementing ERP should keep abreast of latest technological development. Describe the different risks associated with technology while implementing ERP. **(4 Marks)**

QUESTION NO.3

- 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 smart phone 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. Briefly explain all the stages of Money Laundering and how banks are used in laundering money. **(4 Marks)**

QUESTION NO.4

- A. XYZ is an Indian based garment manufacturing company which has implemented ERP (Enterprise Resource Planning). The Material Management (MM) module of ERP is used to manage its daily operations like – import of raw material, its movement related logistics, Supply chain management, warehouse management, production etc. Discuss the overall purchase process for XYZ company covered under MM. **(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. ABC Ltd. is a company which wants to convert their traditional business to online business or e-business. Help its manager to make the list of benefits for any one of the following: **(6 Marks)**
- (i) Individuals
 - (ii) Business
- B. Discuss any two risks and their corresponding controls related to the process of Mortgage involved in Core Banking System. **(4 Marks)**

SECTION – B**Strategic Management****PART – I (M.C.Q)****M.C.Q No. 1 to 8 carries 1 mark each**

1. An entrepreneur is one who:
 - (a) Initiates and innovates a new concept.
 - (b) Does not recognize and utilizes opportunities.
 - (c) Does not want to face risks and uncertainties.
 - (d) None of these.
2. In Michael Porter's generic strategy _____ emphasizes producing standardized products at a very low per unit-cost for consumers who are price sensitive.
 - a. Cheap leadership
 - b. Inferior product leadership
 - c. Cost leadership
 - d. Cost benefit
3. A campaign advocating the message of 'save water' is:
 - a. Services Marketing
 - b. Holistic marketing
 - c. Social Marketing
 - d. Direct Marketing

4. _____ leadership style may be appropriate in turbulent environment.
 - a. Transactional
 - b. Transformational
 - c. Autocratic
 - d. None of these

5. 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

6. Best-cost provider strategy involves providing customers more value for the money by emphasizing:
 - a. Low cost and low quality difference
 - b. Low cost and better quality difference
 - c. High cost and low quality difference
 - d. High cost and better quality difference

7. For a new product, an organization may choose:
 - a. Skimming pricing strategy
 - b. Penetration pricing strategy
 - c. Both (a) and (b)
 - d. None of these

8. Which of the following are responsible for formulating and developing realistic and attainable strategies?
 - (a) Corporate level and business level managers
 - (b) Corporate level and functional level managers
 - (c) Functional managers and business level managers
 - (d) Corporate level managers, business level managers and functional level managers

Case Scenario

XYZ Company is one of the most famous conglomerate in the world. It has 20 product brands worth more than 100000 crores. XYZ Automobile, XYZ FMCG (subsidiary), XYZ Steel (acquisition), XYZ Telecom (joint venture), ABC (acquisition), XYZ Agri, XYZ Coffee and XYZ Infotech are just some of the famous names that XYZ Company manages. XYZ's

mission to be the most reliable global network for customers and suppliers, that delivers value through products and services. To be a responsible value creator for all our stakeholders. XYZ's vision is articulated as achieving business and financial success while leaving a positive imprint on society – delivering what it calls Performance with Purpose. For example, XYZ's IT programmes presently benefits over 24,000 students and teachers across 14 states through sourcing initiatives. All the spare parts used in their automobile business is manufactured in India and sourced from Indian small scale companies. Through its 360-degree farmer connect initiatives for coffee beans cultivation, XYZ provides training and seed support, advanced plant protection programs, and assured buy-back with reasonable returns. Besides backward integration with farmers it has invested in storages along its supply chain. Since 2015 it has been Water Positive by conserving, utilising and managing this most important resource in a sustainable manner. Along with diversity in products, it has also diversified geographically. XYZ operates all around the world. Around 30 per cent of its sales come from the Germany and South Africa. Given this breadth of business and market scope, XYZ faces a variety of strategic scenarios: some business in their portfolio are "stars", some are "cash cows", while some are "dogs". It is not inconceivable that XYZ's different businesses at different times go through different stages of strategy thus necessitating a portfolio approach to strategy formulation with reference to market /business growth and market share such as BCG Matrix. Based on the above Case Scenario, answer the Multiple Choice Questions (9 to 12) which are as follows:

9. Match the columns in respect of the following elements of the strategic intent and their descriptions:

Column A	Column B
1. Vision	a. delineates the firm's business
2. Business model	b. Blueprint of company future
3. Business definition	c. Strategy for the effective operation of the business
4. Business model	d. Explain the business undertaken by the firm

- (a) (i)-(a); (ii)-(b); (iii)-(c); (iv)-(d) (b) (i)-
 (b) (ii)-(c); (iii)-(d); (iv)-(a)
 (c) (i)-(c); (ii)-(b); (iii)-(d); (iv)-(a)
 (d) (i)-(b); (ii)-(d); (iii)-(d); (iv)-(c)

(2 Marks)

10. State the two dimensions implied by portfolio approach to strategy formulation in XYZ's experiences are:

- (a) Vision and Mission
 (b) Business strength and Market attractiveness
 (c) Market Growth and Relative Market Share
 (d) Market growth rate and Business strength

(2 Marks)

11. The business portfolio classification implied by BCG Matrix comprises which of the following combinations?
- (a) Growth; Stability; Retrenchment; Turnaround
 - (b) Weakness-Threat; Weakness-Opportunity; Strength-Opportunity; Strength-Threat
 - (c) Cash-Cows; Stars; Question Marks; Dogs
 - (d) Market Penetration; Product Development; Market Development; Diversification
- (2 Marks)**
12. What type of diversification strategy can be observed in case of XYZ?
- (a) Concentric
 - (b) Conglomerate
 - (c) Horizontal
 - (d) Vertical

(1 Marks)

PART – II (Descriptive Questions)

Question no.1 is compulsory and attempt any three out of remaining four questions.

QUESTION NO.1

Kewal Kapadia is the Managing Director of KK industries located in Kanpur. In a review meeting with the head of finance, Kuldeep Khaitan he said that in the first five years of last decade the company grew between 8-10 percent every year, then the growth rate started falling and in previous year the company managed 1 per cent. Kuldeep replied that the company is facing twin issues, one the strategy is not being implemented as planned; and two the results produced by the strategy are not in conformity with the intended goals. There is mismatch between strategy formulation and implementation. Kewal disagreed and stated that he takes personal care in implementing all strategic plans.

You have been hired as a strategy consultant by the KK Industries. Advise way forward for the company to identify problem areas and correct the strategic approaches that have not been effective.

(5 Marks)

QUESTION NO.2

- A. How concept of strategic management is useful in Government and medical organizations? Discuss. **(5 Marks)**
- B. What is the purpose of SWOT analysis? Why is it necessary to do a SWOT analysis before selecting a particular strategy for a business organization? **(5 Marks)**

QUESTION NO.3

- A. What do you mean by financial strategy of an organization? How the worth of a business is evaluated? **(5 Marks)**
- B. What are the elements in strategic intent of organisation? **(5 Marks)**

QUESTION NO.4

- A. Rahul Sharma is Managing Director of a company which is manufacturing trucks. He is worried about the entry of new businesses. What kind of barriers will help Rahul against such a threat? **(5 Marks)**
- B. Organo is a large supermarket chain. It is considering the purchase of a number of farms that provides Organo with a significant amount of its fresh produce. Organo feels that by purchasing the farms, it will have greater control over its supply chain. Identify and explain the type of diversification opted by Organo? **(5 Marks)**

QUESTION NO.5

- A. Discuss the leadership role played by the managers in pushing for good strategy execution. **(5 Marks)**
- B. Differentiate between divestment and liquidation strategy. **(5 Marks)**