

MOCK TEST PAPER 1
INTERMEDIATE (IPC): GROUP – II
PAPER – 7: INFORMATION TECHNOLOGY AND STRATEGIC MANAGEMENT
SECTION – A: INFORMATION TECHNOLOGY

Question No. 1 is compulsory.

*Attempt any **four** questions from the rest.*

Time Allowed – 1½ Hours

Maximum Marks: 50 Marks

Division A

Multiple Choice Questions

Total Marks: 15 Marks

Question Nos. 1 to 5 carries 2 marks each. Out of which Question no.1-4 belong to case scenario.





ABC was a Fast-moving-consumer-goods (FMCG) company which dealt in sale of goods such as cereals, pulses and dry fruits in the category of groceries. To remain competitive in the market, the top management of company decided to expand its business by adding frozen goods also in its list. To achieve this objective, the feasibility study was carried out by a team that concluded that the existing setup of systems in ABC Company would not be able to support the sale of frozen goods. They proposed that an infrastructural development was required in the current system.

In due course of time, the company implemented Business Process Management (BPM) which helped the company to improve end to end business processes in various stages and enhances its revenue while controlling resource cost. The company decided to keep all records of its day to day transactions through Transaction Processing System, to equip its telecommunication system well to communicate with its different suppliers and customer. This allowed the employees of the company to regular update themselves with various products as per market demands and constant feedback provided by customers.

1. ABC Company has well implemented Business Process Management and enhanced its revenue. Which of the following does not come under Business Process Management practices?
 - (a) Utilization of both incremental and radical methodologies to implement process improvement.
 - (b) Senior management needs to commit and drive BPM and execution of BPM process improvements should take a bottom-up approach;
 - (c) Put in place information technology systems to monitor, control, analyze, and improve processes;
 - (d) To improve the business process there should be addition of new product on regular basis.
2. In concern to the infrastructural development in the current system, which of the following feasibility study will help the management of ABC Company examining whether the current work practices are adequate to support the introduction of frozen goods as new entrant in company?
 - (a) Economic Feasibility
 - (b) Operational Feasibility
 - (c) Schedule Feasibility
 - (d) Technical Feasibility

3. Mr. R is a Senior Accountant in ABC Company. On 1st of every month, he is required to produce the credit card statement to his owner pertaining to the details of all the financial transactions of the previous month. What do you think is the nature of such processing?
 - (a) Online Processing
 - (b) Batch Processing
 - (c) Real time Processing
 - (d) Application Processing
4. The telecommunication system of ABC Company helps it to increase the efficiency of operations, and innovation in market place. Choose the option that does not come under its purview.
 - (a) Time Compression
 - (b) Overcoming geographical Dispersion
 - (c) Restructuring business Relationship
 - (d) Serve the partner as a customer
5. Mr. X initiated a transaction to transfer the amount of Rs. 5,000 in the bank account of Mr. Y though online net banking. Mr. X did not have sufficient money in his account therefore; this transaction could not get completed. Which of the following prerequisite of Transaction Processing Systems (TPS) is not fulfilled in this condition?
 - (a) Atomicity
 - (b) Consistency
 - (c) Isolation
 - (d) Durability

Question Nos. 6 to 10 carries 1 mark each.

6. Being an IT head of the company XYZ Ltd.; Mr. Rajesh proposes to automate its existing attendance system of employees. He used flowchart in his presentation to depict the functioning of the proposed automated process. Which of the following symbol will he be using to represent Internal Storage?
 - (a) 
 - (b) 
 - (c) 
 - (d) 
7. Mr. Anil is the regional sales manager of a publishing company in Bhopal. He wants to access the sales figure relating to his region for the previous year from the company's Central computerized Information System. Which of the following does not form part of such an Information System?
 - (a) People
 - (b) Network links
 - (c) Business Application policy
 - (d) System software

8. XYZ is an automobile manufacturing company having many branches over different cities of India. The company wishes to establish secure connection to connect remote sites or customers together. Which of the following is most suitable network that XYZ can use?
- (a) Virtual Private Network
 - (b) Public data Network
 - (c) Private data Network
 - (d) Internet
9. XYZ is the publication house with many branches all over India. The branches are well equipped with appropriate Information Systems for smooth working and flawless communication between themselves. Which of the following products/resources of Information System of XYZ contains the records of its customers, employee files and inventory database?
- (a) Data Resources
 - (b) Network Resources
 - (c) Software Resources
 - (d) Information Products
10. Which statement is true about the Platform as a Service (PaaS) cloud computing delivery model?
- (a) It provides a virtual machine and storage so computing platforms can be created.
 - (b) It provides the entire infrastructure along with a completed application that is accessible using a web based front end.
 - (c) It is required by Infrastructure as a Service delivery model so that end user application can be delivered on the cloud.
 - (d) It provides a runtime environment for applications and includes a set of basic services such as storage and databases. **(5 x 1 = 5 Marks)**

Division B

Descriptive Questions

Total Marks: 35 Marks

Question No. 1 is compulsory.

Attempt any three questions out of remaining four questions.

1. (a) Tight coupling of three critical pillar activities of Business Process Automation (BPA) solutions streamline and automate the business and make the processes faster, more efficient, robust and flexible. Explain them. **(3 Marks)**
- (b) Explain the Post Implementation Audit conducted during System Development Process. **(2 Marks)**
2. (a) With improvements in network capacity and the ability to work wirelessly or remotely, successful businesses should regularly re-evaluate their needs and its IT Infrastructure. Explain the advantages of computer network that may help these businesses in attaining their objectives. **(6 Marks)**

- (b) Mr. X, a Delhi resident is supposed to attend an official meeting in Chennai. For that, he is required to book his tickets in Rajdhani Express from Delhi to Chennai. Describe how the Transaction Processing Cycle will occur in the Railways Reservation System. **(4 Marks)**
3. (a) As a Network-In-charge of the Declon Pvt. Ltd., Mr. X needs to ensure the successful communication and transfer of data among various subsystems within the system and transport of data to or received from another system as well. Discuss various controls that Mr. X can use to achieve his objective. **(6 Marks)**
- (b) ABC Company is in the phase of System Implementation of SDLC wherein the Proposed Information Systems are required to be implemented in the company. Explain various ways through which ABC Company can achieve it. **(4 Marks)**
4. (a) Determine all the transactions that are included under a typical Order to Cash (O2C) Process Flow. **(6 Marks)**
- (b) XYZ Company is a Network Service Provider which offers various types of services to its clients. Classify these networks depending on the ownership distribution and access controls given to different users. **(4 Marks)**
5. (a) Knowledge is considered as gathering of values, wisdom, education, experience, morals and dissemination. However, certain factors in recent times have allowed the knowledge to gain so much momentum. Briefly explain those factors. **(6 Marks)**
- (b) Mr. Rajesh is an IT head of a Technical support company, who has to present in front of Board Members the description on how his team diagnoses the technical issues and provides the solution to their client over phone. He preferred using Flowcharts along with a tabular form in his presentation. Identify the tabular tool and discuss its advantages. **(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) Medline patient care limited (MPCL) began its business as a small family-run business supplying custom-made hospital furniture. The company started its operations with meager capital and work force in the year 1990, now having 20 years of experience and expertise, Medline (MPCL) has grown into a thriving hub of experts specializing in either custom-made, locally sourced or quality imported commercial grade hospital furniture. The company has made a significant name in the field of “patient care equipments” by providing high quality products to its customers.

Medline patient care limited (MPCL) has a wide business network throughout India and supply its products to various hospitals, nursing homes and medical colleges. It is well-known for manufacturing Hospital Furniture and Operation Theatre Equipments (Tables and Lights). Due to sudden plunge in the sales volume, margin of profits and declining market share, the company’s CEO called a meeting with Board of Directors and other senior executives. They have decided to appoint Mrs. Puri as a new strategic manager. As a newly appointed strategic manager, Mrs. Puri has to assess and analyse the business environment and work out on the reasons of declining trends. Mrs. Puri has conducted SWOT analysis and observed that the reason of these decreasing trends is increased cut-throat competition that has emerged over the last three years. For many years, Medline (MPCL) has been known for high quality but now this quality is being matched by the competitors. MPCL’s market share is declining due to equivalent products being sold by competitors at lower prices. After analyzing the business environment, Mrs. Puri submitted her report to the top level management which includes:

- The expert technology, quality and innovates can earn the confidence of Doctors and the trust of consumers in developing latest Medical Equipments.
- She advised to train and experts technical staff in our company to produce trouble free products.
- Reduction in the cost of production is required.
- MPCL understands the importance of “After Sale-Service” to customers and always concentrate on this point.
- All products are thoroughly tested before dispatch.
- The company should always welcome the valuable suggestions from their customers.

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

Multiple Choice Questions (MCQs)

- (i) After conducting the SWOT analysis by Mrs. Puri in MPCL, she identifies that high quality, custom-made hospital furniture has made a significant name in the field of “patient care equipments by MPCL. For MPCL, these features of its products are its:
- (a) Strength
 - (b) Opportunity
 - (c) Weakness
 - (d) Threat

(2 Marks)

- (ii) MPCL recruits and appoints various employees at their respective levels in the organisation. Identify, the CEO, Board of Directors and other senior executives are a part of which of the following Strategic Levels in the organization?
- (a) Business Level
 - (b) Functional Level
 - (c) Corporate Level
 - (d) Consultant Level **(1 Mark)**
- (iii) According to Michael Porter's five forces model, which force came into existence for declining the growth and profits of MPCL?
- (a) Threat of new entrant
 - (b) Threat of substitutes
 - (c) Bargaining power of customers
 - (d) Bargaining power of suppliers **(1 Mark)**
- (iv) MPCL's market share is declining due to equivalent products being sold by competitors at lower prices. What does this statement reflects?
- (a) It reflects that the cost of production of competitors is lower than MPCL.
 - (b) It reflects that the competitors are providing cheap products.
 - (c) It reflects that MPCL has declined the quality of its products.
 - (d) All of the above. **(1 Mark)**
- (v) Competitive advantage leads to superior profitability. Mrs. Puri's report indicates the factors for value creation. Identify the factors by which MPCL can achieve competitive advantage by value creation.
- (a) The expert technology, quality and innovates can earn the confidence.
 - (b) Reduction in the cost of production is required.
 - (c) After Sale-Service to customers and welcome the valuable suggestions from their customers.
 - (d) All of the above **(1 Mark)**
- (B) The employees of XYZ Ltd have been facing problems regarding the difference between the understanding of strategy formulation and strategy implementation. In order to address this problem, you, the president operations, made four groups and asked each group to write in points their understanding of the same. The following points were compiled from their knowing of strategy formulation and implementation:
- (i) Strategy formulation focuses on efficiency while strategy implementation focuses on effectiveness.
 - (ii) Strategy formulation requires motivation and leadership skills while strategic implementation requires conceptual intuitive and analytical skills.
 - (iii) Strategy formulation is an intellectual process while strategy implementation is primarily an operational process.

- (iv) Strategy formulation requires coordination between executives at top level while strategy implementation requires coordination among the executives at the middle and lower levels.

Out of the following views, what all needs to be corrected?

- (a) i, iii & iv
- (b) i, ii & iii
- (c) i, ii & iv
- (d) i, ii, iii & iv

(2 Marks)

- (C) Aditya Swaroop is the head of operations of Bindal & Sons private limited. He is focussing on total or aggregate management functions in the sense of embracing the integrated activities of a complete department. He assures the resources are obtained and used effectively and efficiently in the accomplishment of the organisation's objectives. He is practicing as: -

- (a) Strategic control
- (b) Management control
- (c) Administrative control
- (d) Operations control

(2 Marks)

- (D) Read the following three statements:

- (i) The environment is constantly changing in nature.
- (ii) Various environmental constituents exist in isolation and do not interact with each other.
- (iii) The environment has a far reaching impact on organizations.

From the combinations given below select an alternative that represent statements that are true:

- (a) (i) and (ii).
- (b) (ii) and (iii)
- (c) (i) and (iii)
- (d) (i), (ii) and (iii)

(1 Mark)

- (E) The three stages of strategic management are:

- (a) Strategy assessment, strategy execution, and strategy evaluation.
- (b) Strategy formulation, strategy implementation, and strategy evaluation.
- (c) Strategy formulation, strategy implementation, and strategy execution.
- (d) Strategy formulation, strategy execution, and strategy assessment.

(1 Mark)

- (F) An organisation diversifies in backward sequence in the product chain and enters specific product/process to be used in existing products. It is:

- (a) Forward diversification.
- (b) Vertical diversification.
- (c) Horizontal diversification.
- (d) Reactive diversification.

(1 Mark)

- (G) If both technical progress and market growth are fast, R&D expertise should be obtained through:
- Acquisition of a technologically sound and well-established firm.
 - In-house development.
 - Hiring management consultant
 - None of the above. **(1 Mark)**
- (H) BPR is a multi-dimensional approach in improving the business performance, but its thrust area is:
- improvement on quality of product/service
 - reducing the costs
 - reducing the cycle time
 - All the above **(1 Mark)**
2. Saree Mahal Pvt. Ltd. was started as a textile company to manufacture and design the sarees for ladies. Currently, they are in the manufacturing and designing of silk sarees. The top management of Saree Mahal desires to expand the business in the manufacturing and designing of cotton sarees. To expand, they decided to procure more machines and skilled staff to manufacture and design cotton sarees. Identify and explain the strategy opted by the top management of Saree Mahal Pvt. Ltd. **(5 Marks)**
3. (a) "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)**
- (b) Distinguish between DMAIC and DMADV methodology of six sigma. **(5 Marks)**
4. (a) "Environment is the sum of several *external* and *internal* forces that affect the functioning of business." Explain. **(5 Marks)**
- (b) What is strategic decision making? Briefly explain the major dimensions of strategic decisions. **(5 Marks)**
5. (a) What steps would you take to construct a "strategic group map' for an industry? **(5 Marks)**
- (b) What is an 'hour glass structure'? How this structure benefits an organization? **(5 Marks)**
6. (a) Being a strategic professional, analyze and redesign the work flows in the context of business process reengineering. **(5 Marks)**
- (b) Write a short note on need for turnaround strategy. **(5 Marks)**