

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

Time Allowed – 1½ Hours

Maximum Marks: 50 Marks

PART-I: MULTIPLE CHOICE QUESTIONS

Total Marks: 15 Marks

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

Agro Green is one of the renowned companies in Delhi that deals with farming products like manure, seeds and seedlings. The company observed that demand of organic seeds and manure has increased as people are very much health conscious nowadays. The sale of the company was gradually falling down as company was not able to fulfill the demands of its customers. Hence, the management of company thought of radical redesigning of its business processes and envisioning new work strategies. For this, the management decided to implement changes in its technological, human and organizational dimensions to fulfill the demands of its customers.

For organic seeds and manure, the company needed to collaborate with farmers of nearby villages in Delhi/NCR that might lead to increase in the operational cost to the company. To coordinate with all the stakeholders in village would be tough, so the company decided to have Single Point of Contact and approached Head of Gram Panchayat of each village. For this, the company officials proposed to use various communication devices having advance technologies like instant messaging or video conferencing to have a regular communication with Head of Gram Panchayat of every village. The Drone facilities for aerial view were also required to view the status of fields in different villages.

However, due to the financial constraints, the company was not in the position to spend huge amount on various communication devices. Therefore, IT head of the company suggested management to outsource company's communication solution that can be leased through a single vendor. The management agreed to this point and started looking for service provider for the same. For this, M/s MLN Solutions is selected that allows the Agro Green company to use the centralized accounting software and also selectively deploy communication devices on need basis.

The use of accounting software through M/s MLN Solutions helps the company to maintain its business transactions and records in a centralized manner. Mr. Rajesh, an accountant in the company's accounts department is responsible to keep the records of all the transactions made by the customer, order and invoice tracking etc. on daily basis.

1. In purview of above case scenario, identify the type of Information System on which Mr. Rajesh, an accountant of Agro Green company is working on.
 - (a) Strategic level Information System
 - (b) Management level Information System
 - (c) Operational level Information System
 - (d) Knowledge level Information System

2. Which type of software is being used by Agro Green company to keep the records of its business transactions?
 - (a) Custom built Application
 - (b) System Software
 - (c) Packaged Software
 - (d) Leased Application
3. In purview of above case scenario, the decision of management of Agro Green to redesign its present system to fulfill the demands of its customer is an underlying concept of _____.
 - (a) Segregation of Duties
 - (b) Audit Trails
 - (c) Business Process Reengineering (BPR)
 - (d) Business Process Automation
4. In purview of above case scenario, which cloud computing service based model M/s. MLN Solutions can use to provide its services to Agro Green?
 - (a) Communication as a Service
 - (b) Infrastructure as a Service
 - (c) Platform as a Service
 - (d) Software as a Service
5. ABC University has five different blocks as separate buildings in the same premises. Each building is interconnected with other building's network through special purpose internetwork processors using different protocols. From the list given below, choose the appropriate device used for interconnecting these networks.
 - (a) Hub
 - (b) Switch
 - (c) Router
 - (d) Gateway

(2 x 5 = 10 Marks)

Question Nos. 6 to 10 carries 1 mark each.

6. Ms. Neha sent an electronic mail to her Reporting Officer regarding the agenda of annual meeting of her department to be held in the month of July 2020. In terms of computer network, this is a perfect example of _____ of switched communication networks.
 - (a) Message Switching
 - (b) Packet Switching
 - (c) Circuit Switching
 - (d) Broadcast Switching
7. Which of the following does not hold true regarding the principles of Business Process Management?
 - (a) Business processes are organizational assets that are central to creating value for customers.

- (b) By measuring, monitoring, controlling and analyzing business processes; a company can deliver consistent value to customers.
 - (c) As the basis for process improvement - business processes should be continuously improved.
 - (d) Work collaboratively with business partners on cross-organizational business processes.
8. Identify the false statement.
- (a) The functional Control Unit of CPU controls the flow of data and instruction to and from memory, interprets the instruction and controls the execution of tasks.
 - (b) The Cache memory is smaller but faster memory that permanently stores the programs to be executed.
 - (c) The System Analysis phase of Systems Development Life Cycle (SDLC) examines "What must the Information System do to solve the problem"?
 - (d) In telecommunication, the term Contention refers to the situation that arises when there is a conflict for some common resource in a network.
9. Identify the component of Information Systems Model that comprises of communications media and communications processors.
- (a) Software Resources
 - (b) Network Resources
 - (c) Data Resources
 - (d) Information Product
10. The success of Business Process Automation (BPA) in an organization depends on many factors out of which "Confidentiality" is very essential. What does the term refer to?
- (a) It ensures that data is available when asked for.
 - (b) It ensures that data is available at right time.
 - (c) It ensures that data is made available only to the person who has right to see the same.
 - (d) It ensures that no un-authorized amendments can be made in the data. **(5 x 1 = 5 Marks)**

PART-II: DESCRIPTIVE QUESTIONS

Total Marks: 35 Marks

Question No. 1 is compulsory.

Attempt any three questions out of remaining four questions.

1. (a) Cloud Computing is one of the emerging technologies used in several organizations, yet it has its own set of disadvantages. Enlist the disadvantages of Cloud Computing. **(3 Marks)**
- (b) List the prominent database models that determine different manners in which the data can be stored, organized and manipulated. **(2 Marks)**
2. (a) Mr. Amar started a tourism company with the staff of four persons. The dedicated computer of each staff member is interconnected using Local Area Network (LAN). Appreciate the benefits that LAN as a technology would provide to Mr. Amar's business. **(6 Marks)**

- (b) During Mr. Rajesh's wait at the airport for the departure of his flight, he shopped for his family from the nearby outlets. He bought chocolate for his kids and a neck piece for his wife amounting to total of ₹ 10,000/- and paid the bill through his credit card. Describe how the processing of bill payment to the merchant will be done through the credit card. **(4 Marks)**
3. (a) Different service models of Cloud Computing are changing the dynamics of the market in terms of their new offerings focused on being competitive, increased market share, each with the aim to becoming one-stop shop. Identify the service models involved in the same and prepare a detailed description of them. **(6 Marks)**
- (b) Grid Computing is a distributed architecture of large numbers of computers connected to solve a complex problem. With this concept, list the application areas where Grid computing can be used effectively and efficiently. **(4 Marks)**
4. (a) DEF, a pharmaceutical company was facing the issue of management of documents throughout the clinical process. So to shorten the drug approval time required by regulatory authorities, the preparation and compilation management of drug documentation, its IT Expert team suggested to implement Business Process Reengineering (BPR). Consequently, the company gained good profit and dramatic change in the way its business functions. Explain the success factors of BPR that helped DEF Company to achieve this success. **(6 Marks)**
- (b) Network Management refers to the activities, methods, procedures and tools pertaining to operation, administration, maintenance and provisioning of networked systems. Briefly explain various network management functions as grouped under ISO telecommunication Management Network Model. **(4 Marks)**
5. (a) Artificial Intelligence deals with Knowledge representation schemes, techniques of intelligent search and scheme for automated machine learning. In purview of same, discuss few commercial applications of Artificial Intelligence. **(6 Marks)**
- (b) Determine all the transactions that are included under a typical Procure to Pay (P2P) Process Flow. **(4 Marks)**

INTERMEDIATE (IPC): GROUP – II
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) Aero Mind Bridge Technologies Ltd (AMBTL) is a software development company work as a solution provider to airlines industry. The company was established more than a decade ago by Mr. Pranshu Gupta having experience of working in United States of America (USA). His entrepreneurial desires brought him back to India to promote Aero Mind Bridge Technologies Ltd (AMBTL). The company started its operations with a meagre capital of ₹ 10 lakhs with limited workforce. Currently, it enjoys a valuation of more than ₹ 50 crores. Almost everybody acknowledged the competency of AMBTL in developing customised software for the airlines industry.

The high growth of the company was mainly on account of the heavy inflows of the funds in the airlines industry from various big business houses that have diversified into airlines industry. Currently, these business houses were in the manufacturing of FMCG, textiles, packaging etc. and having good expertise and uniqueness in these industries.

However, AMBTL saw stagnation in last three years. The order position was shrinking day by day. The margins were also reducing. Last year was particularly bad for the AMBTL and its annual sales reduced by 20 % for the first time since its inception.

Most of the business houses that had entered in the airlines industry had less knowledge and experience in the industry. However, their desire to diversify and seeing new opportunity in the airlines industry prompted them to invest heavily into the industry.

However, things did not turn out to be as expected. The tough competition between several players, reduction in the fare by railways and high prices of aviation fuel created problems for the industry. The sector was not able to generate reasonable profits thus resulting difficulty in maintaining operations. They were in need for hard to come by capital. Lately, the airlines industry is witnessing some consolidation with companies planning for mergers or even contemplating closures.

The general global recession also resulted in the reduction of travel expenditure of corporates resulting in decrease in the order position of AMBTL.

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

Multiple Choice Questions (MCQs)

- (i) Identify the nature of diversification by the business houses entering into airlines industry.
- (a) Concentric diversification
 - (b) Conglomerate diversification
 - (c) Vertically integrated diversification
 - (d) Horizontal integrated diversification

(1 Mark)

- (ii) The big business houses were in the manufacturing of FMCG, textiles, packaging etc. and having good expertise and uniqueness in these industries. But they are not performing well in airlines industry because of
- (a) Non availability of funds
 - (b) Incompetent workforce
 - (c) Rapid technological changes
 - (d) Lacking core competence
- (1 Mark)**

- (iii) According to Michael Porter's model, identify the competitive pressures faced by airlines industry as per the given scenario.

1. Competitive pressure among rival sellers
2. Competitive pressure from suppliers
3. Competitive pressure from substitute products
4. Competitive pressure from buyers
5. Competitive pressure from new entrants

Select the correct combination in the above scenario:

- (a) 1, 2 & 3
- (b) 1, 3 & 4
- (c) 2, 3 & 5
- (d) 1, 4 & 5

(1 Mark)

- (iv) AMBTL can be identified as a Star as per BCG's Growth Matrix, basis the rapid growth it has shown to maintain market and fuel the growth potential. For last three years, AMBTL turn into, as per the BCG matrix, when its growth slows down?

- (a) Dog
- (b) Question Mark
- (c) Will remain a star
- (d) Cash Cow

(2 Marks)

- (v) Mr. Pranshu Gupta as a core strategist of AMBTL, authorised for bringing about strategic change in his company, how he will initiate "unfreezing of the situation"?

- (a) Promoting new ideas throughout the organization
- (b) Promoting compliance throughout the organization
- (c) Promoting change in process throughout the organization
- (d) None of the above

(1 Mark)

- (B) Members of Infinite Care, an NGO, have met and determined that they need to formulate a philosophical basis for their activities. Thereby they have come up with a statement:-

"Provide children till age 12, living in homeless or low-income situations, with the essential items they need to thrive – at home, at school and at play"

Identify the area of strategic intent, which the members have stated?

- (a) Vision

- (b) Business Definition
 - (c) Goal and Objective
 - (d) Mission **(2 Marks)**
- (C) Sport Spirit (SS) is a medium sized sports retailer. It currently operates three shops in the city at centre locations. The management of Sport Spirit (SS) has a very careful recruitment policy; any applicant must have a 'passion for sport'. Which one of the following functional strategies would best describe by SS?
- (a) Human Resource Strategy
 - (b) Financial Strategy
 - (c) Operation Strategy
 - (d) Marketing Strategy **(1 Mark)**
- (D) Dee Limited is an international clothing retailer. The company is making the following decisions:
- i. Should another range of shops be established?
 - ii. Should the company float more share capital?
 - iii. How will the premises be fitted out for the new range of shops?
- Which of the above decisions will be taken by corporate level managers?
- (a) Only (i)
 - (b) Only (ii)
 - (c) (i) & (ii)
 - (d) (ii) & (iii) **(1 Mark)**
- (E) 'Strategic group mapping' helps in-
- (a) Identifying the strongest rival companies
 - (b) Identifying weakest rival companies
 - (c) Identifying weakest and strongest rival companies
 - (d) None of the above **(1 Mark)**
- (F) Low cost, differentiation and focus are:
- (a) SBU level strategies
 - (b) Corporate level strategies
 - (c) Business level strategies
 - (d) Functional level strategies **(1 Mark)**
- (G) Supply chain refers to the linkages between:
- (a) Suppliers
 - (b) Customers
 - (c) Manufacturers
 - (d) All the above **(1 Mark)**

- (H) When two organisations combine to increase their strength and financial gains along with reducing competition is called-----.
- (a) Hostile takeover
 - (b) Liquidation
 - (c) Merger
 - (d) Acquisition **(1 Mark)**
- (I) Which of the following would be chosen by the core strategist to implement operational control?
- (a) Premise Control
 - (b) Special Alert Control
 - (c) Implementation Control
 - (d) Budgetary Control **(1 Mark)**
2. Delta Co. is an organization specializing in Information Technology enabled Services (ITeS) and Communications business. Last year, the organization had successfully integrated an Artificial Intelligence (AI) tool named 'Zeus' into the existing ERP system. The AI tool, using Deep Learning technique provided a digital leap transformation in various business processes and operations. It has significantly diminished the role played by specialist managers of the middle management. This technological tool in addition to saving organizational costs by replacing many tasks of the middle management has also served as a link between top and bottom levels in the organization and assists in quick decision making. The skewed middle level managers now perform cross-functional duties. Which type of organizational structure is the company transitioning into? **(5 Marks)**
3. (a) Write short note on expansion through acquisitions and mergers. **(5 Marks)**
- (b) How would you argue that Research and Development Personnel are important for effective strategy implementation? **(5 Marks)**
4. (a) What benefits accrue by following a strategic approach to managing? **(5 Marks)**
- (b) Mission statement of a company focuses on the question: 'who we are' and 'what we do'. Explain briefly. **(5 Marks)**
5. (a) Identify three aspects of impact of IT Systems on Business Process Reengineering and list three areas where it provides business value. **(5 Marks)**
- (b) Distinguish between Cost Leadership and Differentiation Strategies. **(5 Marks)**
6. (a) Explain the concept of Experience Curve and highlight its relevance in strategic management. **(5 Marks)**
- (b) What is corporate culture? How is it both strength and weakness of an organisation? **(5 Marks)**