



BOARD OF STUDIES

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

PROFESSIONAL COMPETENCE COURSE

GROUP – II

**Model Test Paper – BOS/PCC/ INFORMATION TECHNOLOGY AND
STRATEGIC MANAGEMENT – 1/2007**

Time : 3 hours

Maximum Marks : 100

PAPER – 6 : INFORMATION TECHNOLOGY AND STRATEGIC MANAGEMENT

PART – I : INFORMATION TECHNOLOGY

Answer all the questions

1. (a) Define any of the five terms briefly:
- | | |
|-----------------------------|-------------------------------------|
| (i) Central Processing Unit | (ii) BIOS |
| (iii) Intelligent Terminal | (iv) Seek Time |
| (v) Subroutine | (vi) File Pointers (1x 5 = 5 marks) |
- (b) Give reasons for the use of the following:
- | |
|---|
| (i) Use of Diagnostic programs |
| (ii) Use of interactive processing |
| (iii) Preference of Network model over hierarchical model |
| (iv) Bootstrap loader program |
| (v) Need for Master file |
| (vi) Use of Parallel Ports |
- (1x 5 = 5 Marks)*

2. (a) Discuss briefly System memory and mention some of the commonly used memory types. (3 Marks)
- (b) Briefly discuss various Database structures. (7 Marks)

OR

Discuss various tools that are available to protect information and systems against compromise, intrusion or misuse. (7 Marks)

3. (a) What do you understand by the term "Data centre"? (3 Marks)
 - (b) Data Centres can be classified into types and tiers according to varied computing needs they serve. Discuss them briefly. (7 Marks)
4. Draw a flow chart to compute and print income-tax and surcharge on the income of a person, where income is to be read from terminal and tax is to be calculated as per the following rates :

Upto Rs. 40,000	No tax
Upto Rs. 60,000	@ 10% of amount above Rs. 40,000
Upto Rs. 1,50,000	Rs. 2,000 + 20% of amount above Rs. 60,000
Above Rs. 1,50,000	Rs. 20,000 + 30% of amount above Rs. 1,50,000

Charge surcharge @ 2% on the amount of total tax, if the income of a person exceeds Rs. 2,00,000. (10 Marks)

PART – II : STRATEGIC MANAGEMENT (50 Marks)

Attempt all questions.

1. State with reasons which of the following statements are correct/incorrect (Attempt any three statements):
 - (a) Customers and consumers represent same group of people.
 - (b) Manufacturers can sell their products directly to the customers.
 - (c) Strategies are rigidly defined.
 - (d) Benchmarking relates to embossing organisational motif on the furniture.(2 × 3 = 6 Marks)
2. Briefly answer the following questions (any two) in 2-3 sentences each.
 - (a) What do you mean by strategic vision?
 - (b) Explain concentric diversification.
 - (c) What is marketing mix? (4 Marks)
3. What is SWOT? Discuss its significance in strategic analyses. (10 Marks)

4. What do you understand by implementation of strategy? What are its interrelationships with formulation? (10 Marks)

5. Case Study

AO Swift (Pvt) Ltd. was promoted nineteen years back as company manufacturing automobile parts with an investment of Rupees 5 crores by Abhishek Oberai. He took over as its chief executive and is occupying the same position till date. Abhishek an automobile engineer himself possessed rich experience of working abroad and in Hindustan Motors Ltd in India. He is dynamic and ready to take risk. He always emphasized on maintaining high quality standards.

Initially, the products were supplied to automobile service centers all across the country. The market was small and the company suffered some losses. Eight years after its inception the company entered into an agreement with Maruti Udyog Ltd to manufacture and supply specific components for their small car.

This agreement was a turning point for the company. Later the company was able to enter agreements with other companies entering India. The company is able to manage a growth rate of over 25% in last five years. Its turnover in the last financial year exceeded 800 crores. The overall market is also witnessing a very high growth rate.

Abhishek also possessed strong behavioural skills and allowed some autonomy and discretion to the senior managers of the company. A year back in an internal meeting Abhishek felt that the company can grow still faster if it enters other markets outside India. Various options were analysed and efforts were made to discuss and negotiate with major manufacturers of the world. Getting some response from two manufacturers in European Union the company opened an office in London.

Abhishek closely monitored the day-to-day working of this office. Having strategic implications all major decisions were taken by himself. He will also visit London every month to have first hand information about its working. However, as the company is growing it is becoming increasingly difficult for him to manage this office. He also wants to expand further. He called a meeting with head of various department. In the meeting following alternatives were considered for foreign market:

- ◆ Continue to manufacture products in India and export them to other countries.
- ◆ Initiate manufacturing activities in other countries.
- ◆ Takeover existing manufacturers of the products.

Answer the following questions:

- (a) Write a note on reasons for AO Swift Ltd to open office in London? (6 Marks)
- (b) What should be the strategy of the company in a high growth market? Why? (7 Marks)
- (c) Make an analysis of various alternatives that are being considered for expanding in foreign markets? (7 Marks)