

Gurukripa's Guideline Answers for May 2016 Exam Questions CA Inter (IPC) Information Technology and Strategic Management

Note: Page References are from **Padhuka's** Handbook on Information Technology and Strategic Management – For CA Inter (IPC). See **end of respective Chapter** in Padhuka's Handbook for Similar / Past Exam / RTP Question.

Section A – Information Technology

Question No.1 is compulsory. Answer **any five** questions from the **remaining six** questions. (Any 4 out of 5 in Q.7)

Q	Question	Answer/Reference	M
	Answer the following questions in brief:		
1 (a)	Advantages of using E-R Diagram.	Refer Answer below	2
1 (b)	Name of any four Devices that utilize Bluetooth Technology.	Page 3.19, Para 3B.4.1, Point 6 [N 14]	2
1 (c)	What do you understand by "Transmission Mode"? Name three types of Transmission Modes.	Page 2.20, Para 2.5.4 [RTP, N98, M 02, N 06, M 07, N 11]	2
1 (d)	Explain the four components of Executive Information Systems (EIS).	Page 5.11, Para 5.2.6, Point 3	2
1 (e)	Explain Cryptographic Controls.	Page 6.9, Para 6.3.4	2
2 (a)	Describe any four reasons why Documentation is important to Information Systems.	Refer Answer below	4
2 (b)	Discuss the types of Data Flow Diagrams (DFDs). Also briefly mention the major components of DFD.	Page 4.16, Para 4.4.3, Point 2 Also Refer Answer below	4
3 (a)	Write any 8 Information Systems Control Procedures covering the access safeguards over computer programs.	Page 1.32, Para 1B.2.5, Point 3	4
3 (b)	Define the term "Cloud Computing Architecture". Explain the two parts of Cloud Computing Architecture.	Page 3.14, Para 3B.2.4A & 4B	4
4 (a)	What are the characteristics of Star Network? Write any two advantages and two disadvantages of Star Network.	Page 2.16, Para 2.4.2	4
4 (b)	What is the basic objective for providing Network Security? Explain the major functions and services performed by the Physical Layer (Layer 1) of OSI Model of Network Architecture.	Page 2.25, Para 2.7.1 and Page 2.24, Para 2.6.3	4
5 (a)	What do you mean by 'Frame Based Expert System'? Also explain the various components of Executive Information System (EIS).	Page 5.21, Para 5.4.2, Point 3&5 / Page 5.11, Para 5.2.6, Point 3	4
5 (b)	Explain the 'Dashboards' and 'Scorecards' as tools of Business Intelligence.	Page 5.22, Para 5.4.3, Point 3&4	4
6 (a)	Describe the Information Systems Management Controls usually performed by Top Management.	Refer Answer below	4
6 (b)	Discuss the constraints that need to be taken into consideration while developing a secured Grid Architecture.	Refer Answer below	4
7	Write Short Notes on any four of the following:		
(a)	Write Short Notes on Six Sigma.	Page 4.5, Para 4.2.3	2
(b)	Write Short Notes on I-Pod.	Page 3.21, Para 3B.4.11	2
(c)	Write Short Notes on Secure Socket Layer (SSL).	Page 2.28, Para 2.7.7	2
(d)	Write Short Notes on Nucleus Finn One.	Page 5.19, Para 5.3.5, Point B	2
(e)	Write Short Notes on Storage Virtualization.	Refer Answer below	2

Section B – Strategic Management

Question No.8 is compulsory. Answer **any five** questions from the **remaining six** questions.

Q	Question	Answer/Reference	M
8 (a)	Discuss the areas one should examine while developing a Logistics Strategy.	Page 10.27, Para 10.3.22, Point 2	3
8 (b)	"TQM espouses a Philosophy of Continuous Improvement in all areas of an organization." Justify the Statement.	Page 12.8, Para 12.2.5, Point 8	3
8 (c)	How a Firm will be benefitted by using the idea of Strategic Business Unit (SBU)?	Page 11.13, Para 11.3.3 [RTP, M 11]	3
8 (d)	'Objectives' and 'Goals' provide meaning and sense of direction to Organizational Endeavour. Explain.	Page 8.10, Para 8.3.8 & 8.3.9	3
8 (e)	"A Manager working on a Strategic Decision has to Balance Socio-Cultural Opportunities, Influences and Constraints." Discuss.	Page 7.7, Para 7.2.4	3
	State with reasons which of the following statement is Correct or Incorrect:		
9 (a)	(i) BCG Growth Share Matrix is popularly used for Resource Allocation.	Correct. Page 9.11, Para 9.3.5 [RTP]	2
	(ii) E-Commerce Technology close up the Opportunities for re-configuring Industry and Company Value Chains.	Incorrect. [M 12] Page 12.11, Para 12.4.1, Point 7	2
9 (b)	Elaborate the reasons necessary for the Globalization of Companies.	Page 5.11, Para 5.2.6, Point 3	3
10 (a)	Describe the concept of Corporate Culture. Elaborate the problems that Business Houses are facing while changing their culture to remain adaptive with the globally changing scenario.	Page 11.19, Para 11.4.6 & 11.4.9	7
11 (a)	What are the objectives that must be kept in mind while designing a Pricing Strategy of a New Product?	Page 10.20, Para 10.3.6, Point 2	4
11 (b)	Analyze the role of Enterprise Resource Planning (ERP) in Strategic Implementation.	Page 5.11, Para 5.3.1 for ERP. Page 11.4, Para 11.1.8 for Strategy Implementation, which can be achieved through ERP.	3
	Explain briefly following areas on which the Strategic Planners concentrate to achieve the long-term prosperity:	Page 10.15, Para 10.1.10	
12 (a)	(i) Profitability	Increase, Consistency, Growth.	1
	(ii) Competitive Position	Higher Market Share, Leadership	1
	(iii) Employee Development	Lower Attrition, Career Development	1
	(iv) Public Responsibility	Compliance with Law, CSR, etc.	1
12 (b)	Discuss General Electric Model Analyzing Current Business Portfolio.	Page 9.14, Para 9.3.9 [RTP]	3
	Distinguish between the following:		
13 (a)	'Concentric Diversification' and 'Conglomerate Diversification'.	Page 10.15, Para 10.2.20 [RTP, N 07, N 10, N 11]	4
13 (b)	'Market Development' and 'Product Development'.	Page 10.13, Para 10.2.15	3
	Write short notes on the following:		
14 (a)	'Kieretsus', a Cooperative Network of Business in Japan.	Page 7.13, Para 7.3.5 [RTP]	4
14 (b)	Concept of Driving Forces. OR Strategy is partly pro-active and partly re-active.	Page 9.4, Para 9.1.7 Page 10.2, Para 10.1.2 [RTP, N 12]	3

Answer to Q.1(a): Advantages of using E–R Diagram

1. Simple and easily understandable.
2. Represented in Business Users' Language, and can be understood by non–technical specialists.
3. Intuitive and helps in Physical Database creation.
4. Can be generalized and specialized based on needs.
5. Can help in database design.
6. Gives a higher level description of the system.

Answer to Q.2(a): Importance of Documentation

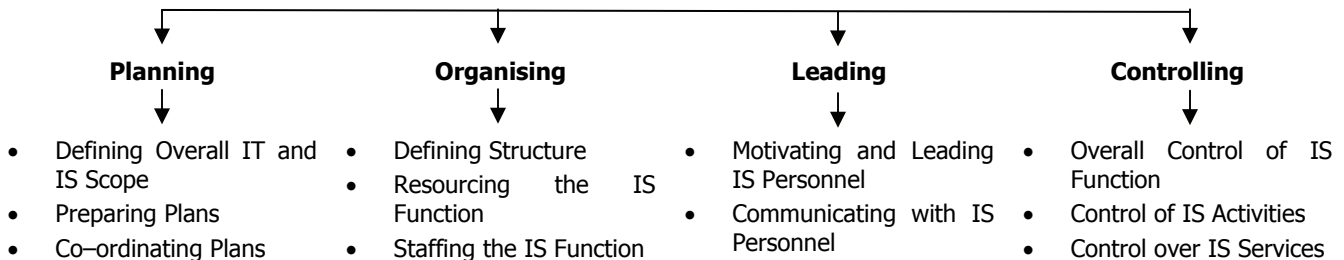
1. **Explaining the System:** Documentation of Information Systems – (a) helps Users to understand how a system works, (b) assists Systems Developers in designing controls for it, (c) demonstrates to Managers that it will meet their information needs, and (d) assists IS Auditors in understanding the systems that they test and evaluate.
2. **Documenting Business Processes:** Understanding business processes can lead to better systems and better decision. Documentation helps Managers to understand better how their businesses operate, what controls are involved or missing from critical organizational activities, and how to improve core business activities.
3. **User Training:** Documentation includes User Guides, Manuals, and Operating Instructions, that help people to learn how an Information System operates. This enables Users to use the Hardware and Software, solve operational problems, and perform their jobs better.
4. **New System Design:** Documentation and graphical systems–design methodologies help System Designers to develop new systems effectively, by reducing system failures and decreasing the time spent for correcting emergency errors.
5. **Cost Management:** Good documentation helps System Designers to develop object–oriented software, i.e. software that contains modular, reusable code that further avoid writing duplicate programs and facilitate changes when programs must be modified later. Insufficient / deficient documentation leads to higher cost and time, and good documentation can be as important as the Software it describes.
6. **Standardisation:** Documentation aids like E–R Diagrams, System Flowcharts, and Data Flow Diagrams are more standardized tools, which are interpreted in the same way by all persons viewing them. Thus, Documentation Tools describe a system in a common language and help Users to communicate with one another about these systems.
7. **IS Audit:** Documentation helps to depict audit trails and internal controls. Documentation helps Auditors to determine the strengths and weaknesses of a system's controls, and therefore the scope and complexity of the audit.

Answer to Q.2(b): Types of Data Flow Diagram

1. **Logical DFD** focusses on the business and how the business operates. It describes the business events that take place and the data required and produced by each event. The Logical Model reflects the **business itself**.
2. **Physical DFD** shows how the system will be implemented. The Physical Model depicts the **system**.

Answer to Q.6(a): Information Systems Management Controls usually performed by Top Management

Top Management of an Entity is responsible for preparing a **Master Plan** for the IS Function. The major functions of Senior Managers / Top Management are as under –



Answer to Q.6(b): Constraints that need to be taken into consideration while developing a secured Grid Architecture

1. **Single Sign-on:** After a single authentication, a User should be able to acquire resources, use them, release them and to communicate internally without any further authentication.
2. **Protection of Credentials:** User passwords, private keys, etc. should be protected.
3. **Inter-operability with local security solutions:** Access to local resources should have local security policy at a local level. There should be an inter-domain security server for providing security to local resource.
4. **Exportability:** The code should be exportable, i.e. they cannot use a large amount of encryption at a time. There should be a minimum communication at a time.
5. **Secure Group Communication:** In a communication there are number of processes which coordinate their activities. This coordination must be secure.
6. **Multiple Implementations:** There should be a Security Policy which should provide security to multiple sources based on public and private key cryptography.