

CA Intermediate – Group II (New Scheme)

SM SAMPLE TEST PAPER 2

Strategic Analysis: External Environment

Course: CA Intermediate

Paper: 6B

Total Marks: 45

Name:

Reg. No.:

Date:

Attempt all the questions.

Answer to all the questions is to be given only in English.

PART 1: MCQs

(5 MARKS)

1. **A competitive strategy consists of moves to_____.**
 - (a) Attract customers
 - (b) Withstand competitive pressures.
 - (c) Strengthen an organisation's market position.
 - (d) All of above

2. **Bajaj Auto Ltd. Is a global two-wheeler and three wheeler manufacturing company. Mr. Om Trivedi is its strategic analyst. He reported that the opening of new metro routes could lead to reduced turnover for Bajaj Auto Ltd. Is the Delhi Metro Rail Corporation (DMRC) a competitor of Bajaj Auto Ltd?**
 - (a) It is a competitor of Bajaj Auto Ltd.
 - (b) It is not a competitor of Bajaj Auto Ltd.
 - (c) It might become a competitor of Bajaj Auto Ltd.
 - (d) It can't be a competitor of Bajaj Auto Ltd.

3. **Arrange the following steps to understand the competitive landscape in the correct order:**
 - I. Determine the weakness of the competitor
 - II. Identify the competition.
 - III. Understand the competition.
 - IV. Put of all the information together
 - V. Determine the strengths of the competition.
 - (a) ii, iii,v,i,iv
 - (b) i,ii,iii,iv,v
 - (c) iii,i,ii,iv,v
 - (d) iii,iv,v,i,ii

4. **Which of the following exhibit characteristic of Business Environment?**
 - i. Environment is static.
 - ii. Environment is dynamic.
 - iii. Environment is complex and multi-faceted.
 - iv. It has short term reach Options.
 - (a) Point I & III
 - (b) Point I, II & III
 - (c) Point II & IV
 - (d) Point II & III

For a human being, nothing comes naturally. We must learn everything we do.

Visit us @ www.otceducation.com or Call on 9953922272

CA Intermediate – Group II (New Scheme)

SM SAMPLE TEST PAPER 2

Strategic Analysis: External Environment

5. While considering factors for Environmental Scanning what does “Issues” indicate?
- (a) specific occurrences taking place in different environmental sectors
 - (b) general tendencies or the courses of action along which events take place
 - (c) current concerns that arise in response to events and trends and emerging issues
 - (d) demands made by interested groups in the light of their concern for issues.

PART 2: Case Based Questions

(25 Marks)

Question 1:

Prathama Trivedi (PT) runs a charitable organisation for promotion of sports in the country. His organisation conducts regular free training camps for youths interested in playing cricket, football, hockey, badminton and so on. Many of his trainees have reached national level contests. PT noticed that with success of IPL (Cricket) tournament there is an increasing trend to extend similar format in other sports as well. She wishes to know how the development is going help sports and to which industries it will offer opportunities and threats.

(5 marks)

Question 2:

“Made My Day” is a leading retail chain, on account of its ability to operate its business at low costs. The retail chain aims to further strengthen its top position in the retail industry. Pankaj Rajjak, the CEO of the retail chain is of the view that to achieve the goals they should focus on lowering the costs of procurement of products. Highlight and explain the core competence of the “Made My Day” retail chain.

(5 marks)

Question 3:

Saksham Loona is the owner of a beverage-based private company in Deoghar, Jharkhand. His unit is producing fruit juices, cold drinks, soda, and lime. While its products have significant market share in the northern part of country, the sales are on decline in last couple of years. He seeks help of a management expert who advises him to first understand the competitive landscape.

CA Intermediate – Group II (New Scheme)

SM SAMPLE TEST PAPER 2

Strategic Analysis: External Environment

Explain the steps to be followed by Saksham Loona to understand competitive land-scape.

(5 marks)

Question 4:

OTC India Pvt. Ltd. Manufactures and sells air purifier 'Aura Room'. The 'Aura Room' has seen sales growth of around 1% for the last two years, after strong growth in the previous five years. This is due to new products entering the market in competition with the 'Aura Room'. OTC India Pvt. Ltd. is therefore considering cutting its prices to be in line with its major rivals with a hope to maintain the market share. Market research indicates that this will now cause a significant increase in the level of sales, even though in previous years price cuts have had little effect on demand. OTC India Pvt. Ltd. is also planning to launch a promotional campaign to highlight the benefits of the 'Aura Room' against its rival products. Identify and explain the stage of the product life cycle in which 'Aura Room' falls.

(5 marks)

Question 5:

Hyundai Motors provides the following sales history of Hyundai Verna (MC) Model on its website in the public domain for the knowledge and information of its stakeholders.

Financial Year	2006	2007	2008	2009	2010	2011
Sales volume	0	7488	8990	9709	5880	3260

Required:

Prepare a 'Product Life Cycle' diagram of Hyundai Verna (MC) Model from the above data.

(5 marks)

PART 3: Descriptive Questions

(15 Marks)

Question 1: Explain the concept of Experience Curve and highlight its relevance in strategic management.

(5 marks)

CA Intermediate – Group II (New Scheme)

SM SAMPLE TEST PAPER 2

Strategic Analysis: External Environment

Question 2: Explain Porter's five forces model as to how businesses can deal with the competition.

(5 marks)

Question 3: Buyers can exert considerable pressure on business. Do you agree? Discuss.

(5 marks)

