



**CA Intermediate – Group II (New Scheme)**

**SM SAMPLE TEST PAPER 3**

**Strategic Analysis: Internal Environment**

**Course: CA Intermediate**

**Paper: 6B**

**Total Marks: 50**

**Name: .....**

**Reg. No.: .....**

**Date: .....**

Attempt all the questions.

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

**PART 1: Case Based Questions**

**(25 Marks)**

**Question 1:**

OTC Virtuals is a company that designs, manufactures and sells computer hardware and software. OTC Virtuals is well known for its innovative products that has helped the company to have advantage over its competitors. It also spends on research and development and concerned with innovative software. Often the unique features of their product, that are not available with their competitors helps them to gain competitive advantage. OTC Virtuals using the strategy is consistently gaining its position in the industry over its competitors. Identify and explain the Porter's generic strategy which OTC Virtuals has opted to gain the competitive advantage.

**(5 Marks)**

**Question 2:**

ABC Ltd. is a beverage manufacturing company. It chiefly manufactures soft drinks. The products are priced on the lower side which has made the company a leader in the business. Currently it is holding 35 percent market share. The R & D of company developed a formula for manufacturing sugar free beverages. On successful trial and approval by the competent authorities, company was granted to manufacture sugar free beverages. This company is the pioneer to launch sugar free beverages which are sold at a relatively higher price. This new product has been accepted widely by a class of customers. These products have proved profitable for the company. Identify the strategy employed by the company ABC Ltd. and mention what measures could be adopted by the company to achieve the employed strategy.

**(5 Marks)**

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**Question 3:**

OTC Virtuals is an IT company. Although there is cutthroat competition in the IT sector, OTC Virtuals deals with distinctive niche clients and is generating high efficiencies for serving such niche market. Other rival firms are not attempting to specialize in the same target market. Identify the strategy adopted by OTC Virtuals and also explain the advantages and disadvantages of that strategy.

**(5 Marks)**

**Question 4:**

Om Trivedi runs a charitable organization for the promotion of sports in the country. His organization 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. Om Trivedi noticed that with the success of IPL (Cricket) tournament there is an increasing trend to extend similar format in other sports as well. He wishes to know how the development is going to help sports and to which industries it will offer opportunities and threats.

**(5 Marks)**

**Question 5:**

Mr. Bean is head of the marketing department of a manufacturing company. His company is in direct competition with thirteen companies at the national level. He wishes to study the market positions of rival companies by grouping them into like positions. Name the tool that may be used by Mr. Bean? Explain the procedure that may be used to implement the technique.

**(5 Marks)**

**PART 2: Descriptive Questions**

**(25 Marks)**

**Question 1:** What do you understand by cost leadership? How is it achieved?

**(5 Marks)**

**Question 2:** A differentiation strategy may help to remain profitable even with rivalry, new entrants, suppliers' power, substitute products, and buyers' power. Explain.

**(5 Marks)**

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**Question 3:** Ravi has a small chemist shop in the central part of Jamshedpur. What kind of competencies Ravi can build to gain competitive advantage over online medicine sellers?

**(5 Marks)**

**Question 4:** Major core competencies are identified in three areas - competitor differentiation customer value and application to other markets. Discuss.

**(5 Marks)**

**Question 5:** What is the purpose of SWOT analysis? Why is it necessary to do a SWOT analysis before selecting a particular strategy for a business organization?

**(5 Marks)**

