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Solved Ans. I.T. & S.M. Ipcc_Nov.10

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C.A. CPT, PCC, IPCC & FINAL

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Roll No.....
 Total No. of Questions - 14
 Time Allowed - 3 Hours

Total No. of Printed Pages - 4
 Maximum Marks – 100

I.T. & S.M.

Answers to questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi medium, his answers in Hindi will not be valued.

Answers to Sections A and B should be given in separate sets of answer-books.

SECTION - A

Question No. 1 is compulsory.
 Answer any **five** questions from the rest.

Qn 1. Answer all following questions in brief :		[5 x 2 = 10 marks]
(a) What is importance of Address bus on a mother board ?		Page – 101 Notes
(b) Explain the difference between ' Static RAM' and -Dynamic RAM '		101
(c) What do you mean by 'Partitioned Database' ?		
(d) Describe the functions of layers in TCP/IP protocol.		152
(e) What is the difference between Off-line and Real time Data warehouse ?		
Qn 2. (a) Describe any four important functions of an Operating System.	116	[4 marks]
(b) What do you mean by OMR ? Explain its working principle.	109	[4 marks]
Qn 3. (a) Discuss the important features of Index sequential file organisation method.	127	[4 marks]
(b) What are the functions of Data manipulation language used in DBMS ?	135	[4 marks]
Qn 4 Write the important characteristics of a Client-Server technology.	138	[8 marks]
Qn 5. What do you mean by term flow chart? Draw a program flow chart to find the sum of first 50 odd numbers.	164	[2 + 6 = 8 marks]
Qn 6. (a) Explain the functions of a Communication Software.	146	[4 marks]
(b) Explain, how a Electronic Data Interchange works?	158	[4 marks]
Qn 7. Answer any four questions :		[4 x 2 = 8 marks]
(a) What is URL ? Explain its format with suitable example.		154
(b) Explain the meaning of Web casting.		
(c) What is Program debugging ? Explain it briefly,		143
(d) Write the features of Synchronous transmission.		
(e) Explain the concept of Object Oriented Programming.		116

SECTION - B

Question number **8** is compulsory.
 Attempt any **five** questions from the rest.

Qn 8. Read the following case and answer the questions given at the end :

Godrej, still managed by a family board, is a 113-year-old brand and has a great brand value. But younger generation's reaction has been – "it's my parents' or my grandparents' brand. Hence the Group launched a rebranding exercise in 2008, the most visible part being a new logo, uniform across all group companies. It has well diversified businesses - cyclical (property : owning 3000 acres in Mumbai's Vikhroli alone, Ahmedabad, Pune and Kalyan), stable (fast moving consumer goods), rural (Agrovat stores) and urban (organised retail stores-Nature's Basket, domestic appliances and furniture). The group sells fatty acids to tyre manufacturers; animal feed to 1,00,000 farmers; and premium wine in Mumbai and Delhi. Its customers range from five-year olds (nutrine), ageing man (hair dye), to housewives (soaps & locks), IT companies (renting sprawling spaces), to Government of India (like rockets for Chandrayan), and to 50,000 barbers (Godrej dye). But it abstains in new-age, sunrise industries like health care and information technology.

Godrej Consumer Products Limited (GCPL) has adopted a '3 by 3' strategy, sticking to emerging markets in three regions - Asia, Africa and Latin America as their culture, tastes and even skin colours are quite similar to India and in

three categories - personal care, hair-care and insecticides. Since 2005, GCPL has made seven acquisitions, including its biggest acquisition of Indonesia's Megasari Group for Rs.1200 crore, in 2010. "Acquisitions overseas add status and pedigree to brand-owners in the domestic market" says an expert. Prashant Goenka (Emami) questions "When Indian companies such as Dabur, Godrej and Marico can make it big in international markets, why can't Emami?" Anil Chug (Wipro) says, "by having a presence in multiple markets our risk assessment is neutralized". Marico's Harish opines- "the global play has helped Marico expand its footprint and given it another avenue for growth."

Recently Godrej's top honchos toured the hinterlands, an indicator of the renewed focus on consumer. To reach out to new customers, especially in rural India, it has gone in for destructive innovation. The group has been manufacturing refrigerators for more than 50 years, but its penetration has been only 18%. It found out that people do not need a 180 litre fridge due to space and cost constraints. It came out with 'Chotukool' - a square 45 litre minifridge priced at just Rs. 3,250. Another example of destructive innovation is the launch of 'U & Us' - a 'by appointment' design studio where customers co-design their furniture as customers see furniture as an extension of their personality. Thus Godrej group is transiting from manufacturing-oriented to consumer oriented.

Questions :

- (i) What are the strengths of Group Godrej ? **[3 marks]**
- (ii) What are the weaknesses of Group Godrej ? **[3 marks]**
- (iii) What is the Group Godrej's perception with regard to innovation and consumers now ? **[3 marks]**
- (iv) Why do firms go global ? **[6 marks]**

Qn 9. (a) State with reasons which of the following statements is correct or incorrect. **[2 x 2 = 4 marks]**

- (i) Not-for-profit organizations are not required to have a strategy.
- (ii) Control systems run parallel with strategic levels.

(b) Fill in the blanks in the following statements with the most appropriate word : **[3 x 1 = 3 marks]**

- (i) "In the factory, we make cosmetics. In the drugstore, we sell _____.
- (ii) Product Life Cycle portrays the distinct _____ in the sales history of a product.
- (iii) Vision is always _____ oriented.

Qn 10. Explain the meaning of the following strategies and also give suitable examples (one each): **[7 marks]**

- (i) Forward Integration
- (ii) Backward Integration
- (iii) Horizontal Integration
- (iv) Conglomerate Diversification
- (v) Divestment
- (vi) Liquidation
- (vii) Concentric Diversification

Qn 11. (a) Aurobindo, the pharmaceutical company wants to grow its business. Draw Ansoff's Product Market Growth Matrix to advise them of the available options. **[4 marks]**

(b) To which industries the following development offers opportunities and threats ?

'The number of nuclear families, where husband and wife both are working, is fast increasing'. **[3 marks]**

Qn 12. 'The growing use of the internet by businesses and consumers is changing the competitive scenario.' Identify the characteristics of the E-commerce environment doing so. **[7 marks]**

Qn 13. Distinguish between the following :

- (a)** Top-Down and Bottom-Up Strategic Planning. **[4 marks]**
- (b)** The Three Levels of Strategy Formulation. **[3 marks]**

14. Write short notes on the following :

- (a)** Network structure **[4 marks]**
- (b)** Elements of Marketing Mix **[3 marks]**

ANSWER

Ans. 1 (a) Address Bus: The computer power is not known for its speed only, it is also known for its storage capability i.e. how much a computer is capable of holding memory capacity. The computer memory holding capacity is determined with the size of an another type of bus known as Address Bus. More the width of an address bus is there in the computer more it has the memory capacity. Over the year size of address bus has increased from 20 bits to 36 bits. The present days computers has 36 bits size of address bus. A 32 bits address bus system can address $(2)^{32} = 4$ GB (Giga Bytes) of primary memory capacity.

Ans. 1 (b)

DRAM	SRAM
1. Is most common type of RAM Memory 2. This memory need to be continuously refreshed otherwise change on it looses data. 3. Power consumption of DRAM is less 4. This memory is of large capacity 5. These RAM are large in capacity but slower in operation than SRAM.	1. Used only in special area of memory. 2. No refreshing is required. 3. Power consumption of SRAM is more than DRAM 4. This memory is of smaller in capacity. 5. These RAM are smaller in capacity, Expensive but faster in operation.

Ans. 1 (c) A partition is a division of a logical database or its constituting elements into distinct independent parts. Database partitioning is normally done for manageability, performance or availability reasons.

A popular and favourable application of partitioning is in a distributed database management system. Each partition may be spread over multiple nodes, and users at the node can perform local transactions on the partition. This increases performance for sites that have regular transactions involving certain views of data, whilst maintaining availability and security.

The partitioning can be done by either building separate smaller databases (each with its own tables, indices, and transaction logs), or by splitting selected elements, for example just one table.

Ans. 1 (d) TCP/IP : The communication rules governing the sending or receiving of data on internet. TCP divides the data into little packets and IP puts the destination addressing information on such packets. No matter what type of computer system you connect to the Internet, if it uses TCP/IP, it can exchange data with any other type of computer.

Ans. 1 (e) Offline Data Warehouse:

- (i) Data warehouses in this stage of evolution are updated on a regular time cycle (usually daily, weekly or monthly) from the operational systems.
- (ii) These data are then, stored in an integrated reporting-oriented data structure.

Real Time Data Warehouse:

Data warehouses at this stage are updated on a transaction or event basis, every time an operational system performs a transaction. For example, an order or a delivery or a booking takes place.

Ans. 2 (a) The Main functions of Operating System are as Follow:

- 1. Memory Management:** This involves allocations of both primary and auxiliary memory for different jobs, data and programs.
- 2. Processing Management:** That is execution of various programs, data transfer between various devices, copying etc.
- 3. Devices Management:** Management of all peripherals devices, like printer, hard-disk, scanner etc.
- 4. File Management :** Protection of file from loss and corruption, efficient allocation of space for file storage, even allowing features like multi-sharing for same file etc.

Ans. 2 (b) Optical mark recognition is the process of capturing data by contrasting reflectivity at predetermined positions on a page. By shining a beam of light onto the document the scanner is able to detect a marked area because it reflects less light than an unmarked surface. Some OMR devices use forms which are preprinted onto Transoptic¹ paper and measure the amount of light which passes through the paper, thus a mark on either side of the paper will reduce the amount of light passing through the paper. It is generally distinguished from optical character recognition by the fact that a recognition engine is not required. That is, the marks are constructed in such a way that there is little chance of not reading the marks correctly. This does require the image to have high contrast and an easily-recognizable or irrelevant shape.

Ans. 3 (a) Indexed sequential Addressing Method (ISAM) : In this type of file organization sequentially stored data can be accessed directly, that is records in the file are stored sequentially but accessed directly through an index. The index is like we refer a book in the library. Like you first search type of rack with first description and then desired shelf with next nos. in that rack. Same way in this file organization when a particular record is to be searched with a record no. then that record no. is processed to find out index. This index contains two values

1. Cylinder No.

2. Track No. on that cylinder

Cylinder No. is known as cylinder index like

Cylinder	Highest Record No. on that Cylinder
1	84
2	250
3	398
4	479
5	590

Note: This cylinder indexing shows that Cylinder no. 1 can keep Record NO. 1 to 84 and like wise cylinder no. 2 can keep record no. 85 to 250 and so on.

Track Index on cylinder No. 1

Track	Highest Record on that Cylinder
6	15
7	40
8	55
9	75
10	84

Track Index on cylinder No. 2

Track	Highest Record on that Cylinder
1	94
2	110
3	175
4	225
5	250

Suppose we want to search record no. 155. It is clear from cylinder index that this record would be on cylinder no.2. Now from cylinder no.2 track index, it is clear that this record would be on track no.3 of cylinder no.2. In this way read/write head would limit its searching operation on track no. 3 of cylinder no.2.

This is a very good file organization and mostly used for storing file in sequential manner but accessing directly. In this file organization we can use variable length records also.

Ans. 3 (b) Data Manipulation Language

The data manipulation language provides the techniques for processing the database, such as retrieval, sorting, display, and deletion of data records. The functions are described below:

1. Provide the techniques for data manipulation such as deletion, replacement, retrieval, sorting, or deletion of data or records.
2. Enable user and applications programs to process data on a symbolic, logical basis rather than on a physical location basis.
3. Provide for independence of programming language.
4. Allow user and application programs to be independent of physical data structures and data base structure maintenance.
5. Provide for the use of record relationship.

Ans. 4 Client Server Model:

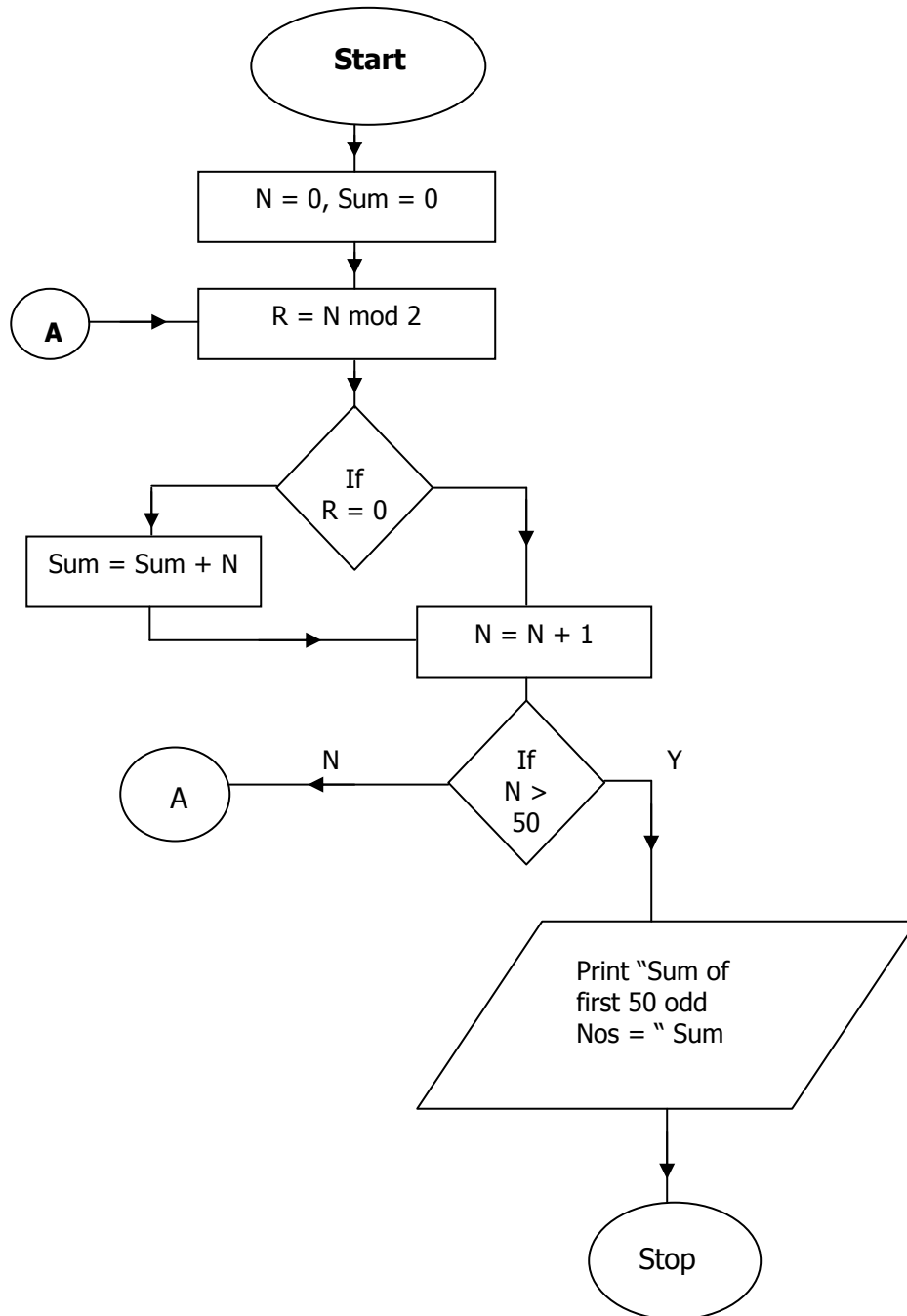
- In this architecture one or more computers are used as dedicated servers i.e. one or more computers are dedicated to provide various services and these dedicated computers are known as servers and all other computers (work station) on the network are known as clients.
- To share any particular application these clients request the server for that application and server then allows the client use the requested application.
- Client Server is most popular and common architecture and it is used to provide a secured and reliable network.
- The most common type of client server arrangement is a LAN in which a server is connected to many microcomputers in networking mode.
- Some popular users of Client Server architecture are Banks, Railway, Interest etc.

Ans. 5 A flow chart is a graphical way of documenting a sequence of operations. Pictorial or diagrammatical representation of Algorithm is known as flowchart.

Flowchart possesses following three main advantages.:

1. Graphic presentation of a system is easier to understand than verbal / written description.
2. Flowcharts show the steps required and the flow of documents from person to person in carrying out the function depicted in an accounting system.

3. A flowchart avoids the detailed study of written description and procedures which is a very time-consuming job.



Ans. 6 (a) After selecting computers, Communication Channels, Communication Mode and Communication Devices the last thing which is required for data communication is Communication Software. We can transmit data effectively with proper management when there would be a communication software to control the operation of data communication. Communication software normally perform the followings functions.

- (1) Access Control: provide the access of communication devices and resources to authorized users only
- (2) Network Management: Manage the network and its resources for sharing and exchange of information
- (3) Data and File Transmission: Transmit the data and files by converting data in the form of packets as per the specified protocol etc.
- (4) Error Detection and Control and: Uses error detection and control technique for reliable and error free data communication like using packet sequence no. etc.
- (5) Data Security : Uses data encryption (i.e. data coding, decoding) techniques etc for secured data Transmission

Ans. 6 (b) EDI allows transmission of documents between trading partners like buyer and suppliers electronically. We know that buyer and supplier can have dissimilar computer system and database format. Therefore, EDI happens in three steps for smooth exchange of documents.

Document to be transmitted $\longleftrightarrow$ EDI Translator $\longleftrightarrow$ Document in Trading Partner's required database Format

1. Data from sender application is translated into a standard format.
2. Then it is transmitted over communication channel to trading partner
3. It is translated into a format as required by trading partner database and application.

If we name the various processing activities or resources required in the EDI then these will be

1. Communication: We need communication software, channels and standards etc which help in transfer of data from sender to receiver
2. Mapping: We need protocol which map one data format (sender format) to another (receiver format) for automatic transfer
3. Profile: We need address etc of receiver to whom data is to be transferred

Ans. 7 (a) URL:- The technique used to address documents on the web is called the **Uniform Resource Locator**. The URL provides an addressing scheme which allows the browser to request just about any document or web page, located anywhere on the internet. A URL normally takes the following form:-

<protocol>://<web server name>/<directory>/<file name>

http:// www.icai.org/members/default.html

Ans. 7 (b)

1. using **drive Technology or Web Casting**, users can passively receive broadcast information rather than actively searching the Web for information.
2. This technology allows users to choose from a menu of sources, specifying what kind of information they want to receive. Once selected, the information is automatically forwarded to the user.
3. Push technology differs from the traditional users of the Internet. The Internet is, for the most part a **pull environment** where a user opens a browser application and searches for information. This is time consuming and frustrating. Push technology eliminates this frustration.
4. **Example:** Internet news services, which deliver the day's activities to the user's desktop, are an example of push technology. When opening an e-mail account, an user is required to select his interests based on which information and other mails are sent to his mail box.

Ans. 7 (c) Debugging is a methodical process of finding and reducing the number of bugs, or defects, in a computer program or a piece of electronic hardware, thus making it behave as expected. Debugging tends to be harder when various subsystems are tightly coupled, as changes in one may cause bugs to emerge in another. Many books have been written about debugging (see below: Further reading), as it involves numerous aspects, including: interactive debugging, control flow, integration testing, log files, monitoring, memory dumps, Statistical Process Control, and special design tactics to improve detection while simplifying changes.

Normally the first step in debugging is to attempt to reproduce the problem. This can be a non-trivial task, for example as with parallel processes or some unusual software bugs. Also, specific user environment and usage history can make it difficult to reproduce the problem.

After the bug is reproduced, the input of the program may need to be simplified to make it easier to debug. For example, a bug in a compiler can make it crash when parsing some large source file. However, after simplification of the test case, only few lines from the original source file can be sufficient to reproduce the same crash. Such simplification can be made manually, using a divide-and-conquer approach. The programmer will try to remove some parts of original test case and check if the problem still exists. When debugging the problem in a GUI, the programmer can try to skip some user interaction from the original problem description and check if remaining actions are sufficient for bugs to appear.

After the test case is sufficiently simplified, a programmer can use a debugger tool to examine program states (values of variables, plus the call stack) and track down the origin of the problem(s). Alternatively, tracing can be used. In simple cases, tracing is just a few print statements, which output the values of variables at certain points of program execution.

Ans. 7 (d) Synchronous Transmission: In this transmission, bits are transmitted at fixed rate. The transmitter and receiver both use the same clock signals for synchronization. This allows data to be sent as a multi- word blocks. Synchronous transmission uses a group of synchronization bits, which is placed, at the beginning and at the end of each block to maintain synchronization.

Ans. 7 (e) Object Oriented Programming (OOP) and Languages: Over the past many years programming approach has changed from procedural programming (using COBOL, BASIC, FORTRAN) to Object Oriented Programming. This is due to the features provided by Object Oriented Programming languages for programming complex tasks in lesser time and with better quality than procedural 3rd generation Languages.

If user writes a program in procedural languages then each program is written normally from scratch line by line which takes lot of time and also affects the quality of program. Whereas in OOP languages once a program is written for a particular task then this program can be packed as object and this object can be used by many programmer who want the similar task in their program i.e. there is no need to write the program line by line again as it is required in procedural programming languages. OOP languages works on the principle of write once use many time, which ultimately help in developing better quality programs in lesser time.

OOP help in increasing productivity of programmer and quality of software developed and reduces the time required to develop particular software. The programs written in Object Oriented Programming Languages contain fewer errors and programs are more reliable than programs of procedural languages. OOP languages will ultimately create an object based market to develop any application, users will buy different types of objects available in the market and link them together to create required application just like to manufacture a car, a car manufacturer buy different components from different supplier and link these components together to manufacture a car instead of manufacturing every part of car himself.

There are many popular OOP languages in market like Java, C++, and Delphi etc.

Ans. 8 (i) Strengths of Group Godrej are : -

- (a) 113 year old brand name and great brand value.
- (b) Well diversified business cyclical, stable, rural and urban.
- (c) Sell a wide range of products to 1 lakh farmers, metropolitan cities.
- (d) Wide range of customers from five year old, housewives, IT Co. Govt. of India.
- (e) Has made 7 acquisitions, including acquisition of Indonesian's megasari Group for Rs.1200 cr.

Ans. 8 (ii) Weakness of Group Godrej are : -

- (a) Youngest generation reaction to the group
- (b) Abstains from new age, sunrise industries like health cure & IT.
- (c) It is increasing its forum but has limited it only to three regions – Asia, Africa & Latin America.

Ans. 8 (iii) The present group godrej's perception with regards to innovation and consumers are : -

- (a) Renewed focus on Consumer.
- (b) Expanding customer base and reaching out the rural India.
- (c) It has gone in for destructive innovation
- (d) Search for the defects in company and comes up with consumer attractive product as it has done by launching chotukool.
- (e) Today's innovations policy is based on 'U & US.

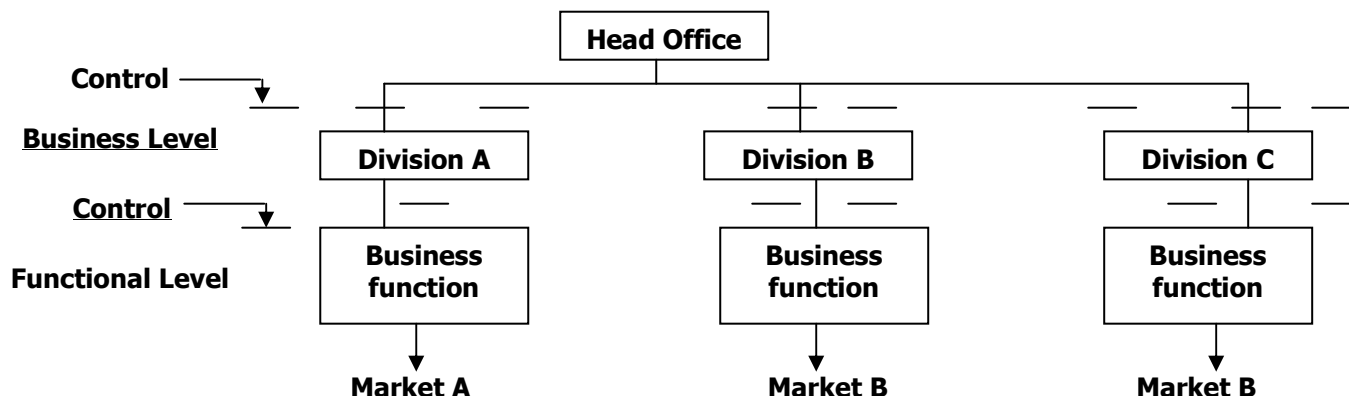
Ans. 8 (iv) The reason why do firm go global are :-

- (a) helps expand its foot print & gives a different avenue for growth.
- (b) Acquisition overseas add status and pedigree to brand owners.
- (c) Competition increases which leads to overall quality evaluation of the firm leads to better production.
- (d) Foreign investments will increase
- (e) The firm will be having wider customer base.
- (f) The motivation to go global in high-tech industries is slightly different, Companies in development for new product and thus may be compelled to seek ways to improve sale value to support high overhead expenses. If domestic sales and exports do not generate sufficient cash flow, the companies naturally might look to overseas market. Plant and sales branches to generate higher sales and better cash flow.

Ans 9 (a) (i) Incorrect: Major differences in how organizations carry out the *various steps and associated activities* in the strategic planning process are more of a matter of the size of the organization -- *than its for-profit/nonprofit status*. Small nonprofits tend to conduct somewhat similar planning activities that are different from those conducted in large organizations. On the other hand, large nonprofits and large for-profits tend to conduct somewhat similar planning activities that are different from those conducted in small organizations. (The focus of the planning activities is often different between for-profits and nonprofits. Nonprofits tend to focus more on matters of board development, fundraising and volunteer management. For-profits tend to focus more on activities to maximize profit.)

Ans. 9 (a) (ii)

Corporate level



Control System runs parallel with strategic level to check the deviation from the standard and to achieve the desired goal of the whole firm and not for a single level.

- Ans. 9 (b) (i) hope
(ii) stages
(iii) goal

Ans. 10 (i) Forward and backward integration forms part of vertically integrated diversification. In vertically integrated diversification, firms opt to engage in businesses that are vertically related to the existing business of the firm. The firm remains vertically within the same process. While diversifying firms opt to engage in businesses that are linked forward or backward in the chain and enters specific product/process steps with the intention of making them into new businesses for the firm.

Ans. 10 (ii) Backward integration is a step towards, creation of effective supply by entering business of input providers. Strategy employed to expand profits and gain greater control over production of a product whereby a company will purchase or build a business that will increase its own supply capability or lessen its cost of production. On the other hand forward integration is moving forward in the value chain and entering business lines that use existing products. Forward integration will also take place where organisations enter into businesses of distribution channels.

Ans. 10 (iii) Horizontal integrated diversification

Through the acquisition of one or more similar business operating at the same stage of the production-marketing chain that is going into complementary products, by-products or taking over competitors' products.

Ans. 10 (iv) Conglomerate diversification : In conglomerate diversification, no such linkages exist; the new businesses/products are disjointed from the existing businesses/products in every way; it is a totally unrelated diversification. In process/technology/function, there is no connection between the new products and the existing ones. Conglomerate diversification has no common thread at all with the firm's present position.

Ans. 10 (v) Divestment Strategies : Divestment strategy involves the sale or liquidation of a portion of business, or a major division, profit centre or SBU. Divestment is usually a part of rehabilitation or restructuring plan and is adopted when a turnaround has been attempted but has proved to be unsuccessful. The option of a turnaround may even be ignored if it is obvious that divestment is the only answer.

Ans. 10 (vi) Liquidation Strategies : A retrenchment strategy considered the most extreme and unattractive is liquidation strategy, which involves closing down a firm and selling its assets. It is considered as the last resort because it leads to serious consequences such as loss of employment for workers and other employees, termination of opportunities where a firm could pursue any future activities, and the stigma of failure.

Ans. 10 (vii) Concentric diversification : Concentric diversification too amounts to related diversification. In concentric diversification, the new business is linked to the existing businesses through process, technology or marketing. The new product is a spin-off from the existing facilities and products/processes. This means that in concentric diversification too, there are benefits of synergy with the current operations.

Ans. 11 (a) The Ansoff's product market growth matrix (proposed by Igor Ansoff) is a useful tool that helps businesses decide their product and market growth strategy. With the use of this matrix a business can get a fair idea about how its growth depends upon it markets in new or existing products in both new and existing markets. Companies should always be looking to the future. One useful device for identifying growth opportunities for the

future is the product/market expansion grid. The product/market growth matrix is a portfolio-planning tool for identifying company growth opportunities.

Market Penetration: Market penetration refers to a growth strategy where the business focuses on selling existing products into existing markets. It is achieved by making more sales to present customers without changing products in any major way. Penetration might require greater spending on advertising or personal selling. Overcoming competition in a mature market requires an aggressive promotional campaign, supported by a pricing strategy designed to make the market unattractive for competitors. Penetration is also done by effort on increasing usage by existing customers.

Market Development: Market development refers to a growth strategy where the business seeks to sell its existing products into new markets. It is a strategy for company growth by identifying and developing new markets for current company products. This strategy may be achieved through new geographical markets, new product dimensions or packaging, new distribution channels or different pricing policies to attract different customers or create new market segments.

Product Development: Product development is refers to a growth strategy where business aims to introduce new products into existing markets. It is a strategy for company growth by offering modified or new products to current markets. This strategy may require the development of new competencies and requires the business to develop modified products which can appeal to existing markets.

Diversification: Diversification refers to a growth strategy where a business markets new products in new markets. It is a strategy by starting up or acquiring businesses outside the company's current products and markets. This strategy is risky because it does not rely on either the company's successful product or its position in established markets. Typically the business is moving into markets in which it has little or no experience

As market conditions change overtime, a company may shift product-market growth strategies. For example, when its present market is fully saturated a company may have no choice other than to pursue new market.

Existing

	Products	Products	New Products
New Markets		Market Penetration	Product Development
Existing Markets		Market Development	Diversification

Ans. 11 (b) The opportunities will be for the firms are : -

- Real Estates – as Division of families will be there move demand of residential houses.
- Fast food points
- Telecom Companies – as it become need.
- Electrical Co-move demand for electrical goods and move consumption of electricity

And, offers threats to following firms

- Agricultural companies – the crop would not be purchased by the direct consumer so profit will low to sell other fast food firm.
- Firm which are based on sale – man force, as no body will be there in home to the product.

Ans 12: The concept of e-commerce is fast becoming advantageous for both the vendor and consumer in today's fast moving and electronically-connected world.

For many businesses, e-commerce is becoming the only option, as companies become more and more interested in expanding their operations online. E-commerce has many benefits and advantages not found in the typical brick and mortar location, and therefore, explains why so many businesses are flocking to the web.

E-commerce offers advantages that include the ability to expand into global markets with a minimum of expense, thus allowing firms to reach narrow market segments that are geographically scattered.

As the Internet is a cost effective medium of delivery, the main advantage of online ecommerce is its cost efficiency. And here's why: Ecommerce decreases the cost of creating, processing, distributing, storing and retrieving paper-based information. High mailing and printing costs are also lowered or, in many cases, completely eliminated as the buyer most often pays for the shipping of the products that they buy.

The cost of marketing of promotional material also drops drastically. Another major advantage that most companies see is the increase in sales e-commerce brings, and increased sales typically mean increased profits as well.

Yet another advantage of moving a business online is that it allows the flexibility to target market segmentation, which in turn allows companies to focus on a select group of customers, thus having a competitive advantage in giving them what they want and satisfying unique needs.

This benefit ties in with the advantage of 'customer customization,' in which the concept of 'built-to-order', allowing for inexpensive customization of products and services and provides a competitive advantage for companies who adapt this strategy.

Doing business online also has the advantage of removing barriers of global trading due to the fact that the Internet is a zero-cost delivery channel, and thus, many products and services, which are generally delivered as a physical object or service, are now delivered virtually in the form of data. This removes barriers such as time, distance and of course cost.

E-commerce marketing also allow for real-time communications and the interchange of data in the supply chain, making the supply chain more effective.

By having better visibility across the supply chain, company inventory levels can be reduced, as supplies are more predictable. With lower inventory levels, costs can once again be automatically be decreased.

Lastly, this sort of ecommerce also allows information to flow freely between cooperating businesses, making it easier and simpler for organizations to share information.

The cost savings and efficiencies from sharing and economies of scale can have a profound effect on the profitability of any online business. As a result this has lead to the development of collaborative working practices around the world, as collaborating businesses manage, share, and enhance project work regardless of location.

It is important to consider, however, that buyers or customers also benefit from doing their buying online. As sales opportunities expand for the vendor, they also increase the buying opportunities and power for the buyer. It's a win / win for all involved.

Many buyers choose to shop online as it provides them with an almost unlimited variety of choices from many different products and services from a wider variety of sellers.

Consumers also benefit from less expensive products and services as e-commerce allows customers to shop the convenience to shop from any location and at any given time of the day.

Ans 13. (a) Strategy used in corporate planning whereby the top management personnel set the goals and control planning activities for all the lower levels of management. Top-down planning provides a consistent direction for the marketing effort.

Strategy used in corporate planning whereby information is gathered from sales personnel, product managers, advertising personnel, and other members working in the organizational unit to set goals and create a marketing plan. Bottom-up planning is considered good for morale because it fosters employees to participation in corporate planning. However, the strategy is sometimes difficult to coordinate because many different assumptions about the same concept must be considered. For example, there may be conflicting ideas about the impact of advertising on the sales of a particular product, making the establishment of a consistent and integrated plan quite difficult.



Ans. 13 (b) : The following three aspects or levels of strategy formulation, each with a different focus, need to be dealt with in the formulation phase of strategic management. The three sets of recommendations must be internally consistent and fit together in a mutually supportive manner that forms an integrated hierarchy of strategy, in the order given.

Corporate Level Strategy

Corporate level strategy fundamentally is concerned with selection of businesses in which your company should compete and with development and coordination of that portfolio of businesses.

Corporate level strategy is concerned with:

- **Reach** – defining the issues that are corporate responsibilities. These might include identifying the overall vision, mission, and goals of the corporation, the type of business your corporation should be involved, and the way in which businesses will be integrated and managed.
- **Competitive Contact** – defining where in your corporation competition is to be localized.
- **Managing Activities and Business Interrelationships** – corporate strategy seeks to develop synergies by sharing and coordinating staff and other resources across business units, investing financial resources across business units, and using business units to complement other corporate business activities.
- **Management Practices** – corporations decide how business units are to be governed: through direct corporate intervention (centralization) or through autonomous government (decentralization).

Business Unit Level Strategy

A strategic business unit may be any profit center that can be planned independently from the other business units of your corporation. At the business unit level, the strategic issues are about both practical coordination of operating units and about developing and sustaining a competitive advantage for the products and services that are produced.

Functional Level Strategy

The functional level of your organization is the level of the operating divisions and departments. The strategic issues at the functional level are related to functional business processes and value chain. Functional level strategies in R&D, operations, manufacturing, marketing, finance, and human resources involve the development and coordination of resources through which business unit level strategies can be executed effectively and efficiently.

Functional units of your organization are involved in higher level strategies by providing input into the business unit level and corporate level strategy, such as providing information on customer feedback or on resources and capabilities on which the higher level strategies can be based. Once the higher level strategy or strategic intent is developed, the functional units translate them into discrete action plans that each department or division must accomplish for the strategy to succeed.

Ans. 14 (a) A newer and somewhat more radical organizational design, the network structure is an example of what could be termed a "non-structure" by its virtual elimination of in house business functions. Many activities are outsourced. A corporation organized in this manner is often called a virtual organization because it is composed of a series of project groups or collaborations linked by constantly changing non-hierarchical, cobweb-like network. The network structure becomes most useful when the environment of a firm is unstable and is expected to remain so. Under such conditions, there is usually a strong need for innovation and quick response. Instead of having salaried employees, it may contract with people for a specific project or length of time. Long-term contracts with suppliers and distributors replace services that the company could provide for itself through vertical integration. Electronic markets and sophisticated information systems reduce the transaction costs of the marketplace, thus justifying a "buy" over a "make" decision. Rather than being located in a single building or area, an organization's business functions are scattered worldwide. The organization is, in effect, only a shell, with a small headquarters acting as a "broker", electronically connected to some completely owned divisions, partially owned subsidiaries, and other independent companies. In its ultimate form, the network organization is a series of independent firms or business units linked together by computers in an information system that designs, produces, and markets a products or service.

Companies like Nike, Reebok and Benetton use the network structure in their operations function by subcontracting manufacturing to other companies in low-cost,

Ans. 14 (b)

7 P's of Marketing Mix (from Selling Company's perspective)
• Product • Price • Place • Promotion • People • Physical Environment • Process

7 C's of Marketing Mix (from Customer's perspective)
• Customer Solution • Customer Cost • Convenience • Communication • Customer Interaction • Customer Service • Chain of Processes and activities.