

**For CA INTERMEDIATE**

**SM**

**STRATEGIC  
MANAGEMENT**

**VOLUME – II**

**QUESTION BANK**

**FEATURES:**

- ✓ Based on the Institute's Revised Module
- ✓ Updated Outline of the Chapters
- ✓ Bird's Eye View giving Complete Overview of Chapters
- ✓ OFUs for Understanding Technical Concepts
- ✓ Compiled Question Bank : Theoretical, RTP and MCQs
- ✓ All Answers in Point Form – Easy to grasp & understand
- ✓ Simple and Lucid Language

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**For C.A. Intermediate**  
**Enterprise Information System**

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## **VISION:**

***To provide simple yet standardized, short yet complete, conceptual yet affordable, education to students enhancing their knowledge from heart & mind.***

## **MISSION:**

***Providing personalized and affordable coaching and support of best possible standard, in shortest possible time.***

**CA. AMIT TATED**

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# Preface

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It gives me immense pleasure to present the FIFTH edition of SM. This edition has updated syllabus which is applicable from May 22 Exam and onwards.

Volume I - Theory

Volume II - Compiled Question Bank up to December 2021

This book has everything which student may require to understand, remember and reproduce SM. The book has been developed keeping in mind the technicality of the subject to bring it at a student's grasping level.

At the initial of each chapter, outline is provided in layman terms which helps to understand the overview of chapter at the start itself. Bird's Eye view has been added to give the overall outlook of the chapter. Only For Understanding (OFU) concept is added at many places which helps to liquidate the topic, at an example level. Charts are also added for user friendly environment.

This book will suffice to go with institute language as well as understanding the concept. Please note this book must be used as a summary book. Students should refer to the Module / Study Material provided by the Institute.

In recent exam papers we saw that the questions asked are more practical. Thus, students need to understand the concepts and logical reasoning of the Chapter. Only mugging-up shall not suffice to score in this subject.

For more MCQ questions - students can refer Amit Tated Application on play store.

Every effort has been made to avoid any errors and omissions in this book. Despite all the efforts we believe some errors might have crept in. The students are welcome to point out any errors / suggestions.

Best wishes,

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March, 2022

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# CHAPTER 1. INTRODUCTION TO STRATEGIC MANAGEMENT

## MULTIPLE CHOICE QUESTIONS

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1. Ever Grand Group is a diversified company active in a wide range of business lines, including Financial Services, Fertilizers, Information Technology enabled Services (ITeS), FMCG and Real Estate. The Board of Directors understand the need of the hour and are determined to further develop the ITeS business, whereby they want better allocation of human resources and provision of industry-best customer services. To achieve the same, they have suggested implementation of specific business strategies but the managers are facing difficulties in allocating the responsibility for implementation of the business strategy amongst them. You being a management expert, indicate the appropriate persons responsible for translating general statements and business strategies pertaining to the ITeS Strategic Business Unit (SBU) and ensure a smooth implantation.
- (a) Corporate level managers (b) Functional level managers  
(c) General level managers (d) Business level managers
2. Velvet Limited is a full-service airline. The company is making the following decisions:  
(i) Should a 'no-frills', 'low-fare' subsidiary be set-up?  
(ii) If it is set-up, how should the cabin staff be recruited?  
Which of the above decisions will be taken by corporate level managers?
- (a) Only (i) (b) Only (ii) (c) (i) & (ii) (d) Neither (i) nor (ii)
3. Which of the following is correct?
- (a) Strategy is always pragmatic and not flexible  
(b) Strategy is not always perfect, flawless and optimal  
(c) Strategy is always perfect, flawless and optimal  
(d) Strategy is always flexible but not pragmatic
4. Reactive strategy can also be termed as-
- (a) Planned strategy (b) Adaptive strategy  
(c) Sound strategy (d) Dynamic strategy
5. Formulation of strategies and their implementation in a strategic management process is undertaken by-
- (a) Top level executives (b) Middle level executives  
(c) Lower -level executives (d) All of the above



6. Which of the following are responsible for formulating and developing realistic and attainable strategies?
- (a) Corporate level and business level managers  
 (b) Corporate level and functional level managers  
 (c) Functional managers and business level managers  
 (d) Corporate level managers, business level managers and functional level managers
7. Strategic management enables an organization to \_\_\_\_\_ instead of companies just responding to threats in their business environment.
- (a) be proactive (b) determine when the threat will subside  
 (c) avoid the threats (d) defeat their competitors
8. Read the following three statements:
- (i) Strategies have short-range implications  
 (ii) Strategies are action oriented  
 (iii) Strategies are rigidly defined
- From the combinations given below select an alternative that represent statements that are true:
- (a) (i) and (ii) (b) (i) and (iii) (c) (ii) and (iii) (d) (i), (ii) and (iii)
9. What involves formulating, implementing and evaluating cross- functional decisions that enable an organization to achieve its objectives?
- (a) Strategy formulation (b) Strategy evaluation  
 (c) Strategy implementation (d) Strategic management
10. Strategic management allows an organization to be more
- (a) Authoritative (b) Participative (c) Commanding (d) Proactive

### ANSWER KEY

Question No.	Answer
1	(b) Functional level managers
2	(a) Only (i)
3	(b) Strategy is not always perfect, flawless and optimal
4	(b) Adaptive strategy
5	(d) All of the above
6	(d) Corporate level managers, business level managers and functional level managers
7	(a) be proactive
8	(a) (i) and (ii)
9	(d) Strategic management
10	(d) Proactive

## REVISION TEST PAPER (MAY - 20)

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### QUESTION - 1

Health Wellnow is a Delhi based charitable organisation promoting healthy lifestyle amongst the office-goers. It organises free of cost programmes to encourage and guide office-goers on matters related to stress relief, yoga, exercises, healthy diet, weight management, work-life balance and so on. Many business organisations and resident welfare associations are taking services of Health Wellnow in Delhi and adjoining areas and make financial contributions to its cause. The Health Wellnow is able to generate sufficient funds to meet its routine expenses.

How far strategic management is relevant for Health Wellnow? Discuss.

### ANSWER

REFER VOLUME - I THEORY BOOK POINT NO-IV

### QUESTION - 2

Explain the difference between three levels of strategy formulation

### ANSWER

REFER VOLUME - I THEORY BOOK POINT NO. V

## REVISION TEST PAPER (NOV - 20)

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### QUESTION - 1

Ramesh Sharma has fifteen stores selling consumer durables in Delhi Region. Four of these stores were opened in last three years. He believes in managing strategically and enjoyed significant sales of refrigerator, televisions, washing machines, air conditioners and like till four years back. With shift to the purchases to online stores, the sales of his stores came down to about seventy per cent in last four years.

Analyse the position of Ramesh Sharma in light of limitations of strategic management.

### ANSWER

REFER VOLUME - I THEORY BOOK POINT NO. IV - (3)

## QUESTION - 2

"Strategy is partly proactive and partly reactive." Discuss.

## ANSWER

REFER VOLUME - I THEORY BOOK POINT NO. III (1)

## REVISION TEST PAPER (MAY - 21)

### QUESTION - 1

Dharam Singh, the procurement department head of Cyclix, a mountain biking equipment company, was recently promoted to look after sales department along with procurement department. His seniors at the corporate level have always liked his way of leadership and are assures that he would ensure the implementation of policies and strategies to the best of his capacity but have never involved him in decision making for the company.

Do you think this is the right approach? Validate your answer with logical reasoning around management levels and decision making.

## ANSWER

REFER VOLUME - I THEORY BOOK POINT NO. V - (1)

### QUESTION - 2

Define strategic management. Also discuss the limitations of strategic management.

## ANSWER

REFER VOLUME - I THEORY BOOK POINT NO. IV - (3)

## REVISION TEST PAPER (NOV - 21)

### QUESTION - 1

Mr. Mehta sharing with his friend in an informal discussion that he has to move very cautiously in his organization as the decisions taken by him has organisation wide impact and involves large commitments of resources. He also said that his decisions decide the future of his organisation. Where will you place Mr. Mehta in the organizational hierarchy and explain his role in the organization.

## ANSWER

REFER VOLUME - I THEORY BOOK POINT NO. V - (1)