(GI-2, GI-6, GI-7, VI-1, VDI-1, DRIVE & FMT)
DATE: 05.09.2023 **MAXIMUM MARKS: 100** **TIMING: 3¼ Hours**

EIS & SM

SECTION – A : ENTERPRISE INFORMATION SYSTEMS AND MANAGEMENT
Q. No. 1 & 2 is Compulsory,
Answer any three questions from the remaining four questions

Answer 1:

1. Ans. d
2. Ans. c
3. And. d
4. Ans. b
5. Ans. a
6. Ans. b
7. Ans. b
8. Ans. c **{1 M Each}**
9. Ans. d
10. Ans. b
11. Ans. d
12. Ans. a
13. Ans. a
14. Ans. c
15. Ans. a

Answer 2:
Following features in Enterprise Risk Management (ERM) provides enhanced capabilities to enable management to operate more effectively in environments filled with risks:

♦ **Align risk appetite and strategy:** Risk appetite is the degree of risk, on a broad-based level that an enterprise is willing to accept in pursuit of its goals. Management considers the entity's risk appetite first in evaluating strategic alternatives, then in setting objectives aligned with the selected strategy and in developing mechanisms to manage the related risks.

♦ **Link growth, risk and return:** Entities accept risk as part of value creation and preservation, and they expect return commensurate with the risk. ERM provides anenhanced ability to identify and assess risks, and establish acceptable levels of risk relative to growth and return objectives.

♦ **Enhance risk response decisions:** ERM provides the rigor to identify and select among alternative risk responses - risk avoidance, reduction, sharing and acceptance. ERM provides methodologies and techniques for making these decisions.

♦ **Minimize operational surprises and losses:** Entities have enhanced capability to identify potential events, assess risk and establish responses, thereby reducing the occurrence of surprises and related costs or losses.

♦ **Identify and manage cross-enterprise risks:** Every entity faces a myriad of risks affecting different parts of the enterprise. Management needs to not only manage individual risks, but also understand interrelated impacts.

♦ **Provide integrated responses to multiple risks:** Business processes carry many inherent risks and ERM enables integrated solutions for managing the risks.

♦ **Seize opportunities:** Management considers potential events, rather than just risks, and by considering a full range of events, management gains an understanding of how certain events represent opportunities.

{1 M Each for Any 5 Points}

♦ **Rationalize capital:** More robust information on an entity's total risk allows management to more effectively assess overall capital needs and improve capital allocation.

Answer 3:

(a) The various sub-processes that are involved in information Security are as follows:

♦ **Information Security Policies, Procedures and practices:** This refers to the processes relating to approval and implementation of information security. The security policy is basis on which detailed procedures and practices are developed and implemented at various units/department and layers of technology, as relevant. These cover all key areas of securing information at various layers of information processing and ensure that information is made available safely and securely. For example – Non-disclosure agreement with employees, vendors etc., KYC procedures for security.

♦ **User Security Administration:** This refers to security for various users of information systems. The security administration policy documents define how users are created and granted access as per organization structure and access matrix. It also covers the complete administration of users right from creation to disabling of users is defined as part of security policy.

♦ **Application Security:** This refers to how security is implemented at various aspects of application right from configuration, setting of parameters and security for transactions through various application controls. For example – Event Logging.

♦ **Database Security:** This refers to various aspects of implementing security for the database software. For example - Role based access privileges given to employees.

♦ **Operating System Security:** This refers to security for operating system software which is installed in the servers and systems which are connected to the servers.

♦ **Network Security:** This refers to how security is provided at various layers of network and connectivity to the servers. For example - Use of virtual private networks for employees, implementation of firewalls etc.

♦ **Physical Security:** This refers to security implemented through physical access controls. For example - Disabling the USB ports.

{1 M Each for Any 6 Points}

Answer:

(b) The limitations of Internal Control System that hinder the success of ABC Company are as follows:

♦ Management's consideration that the cost of an internal control does not exceed the expected benefits to be derived.

♦ The fact that most internal controls do not tend to be directed at transactions of unusual al nature. The potential for human error, such as, due to carelessness, distraction, mistakes of judgement and misunderstanding of instructions.

♦ The possibility of circumvention of internal controls through collusion with employees or with parties outside the entity.

♦ The possibility that a person responsible for exercising an internal control could abuse that responsibility, for example, a member of management overriding an internal control.

♦ Manipulations by management with respect to transactions or estimates and judgements required in the preparation of financial statements.

{1 M Each for Any 4 Points}

Answer 4:
(a) The steps involved in the Data Mining process are as follows:

    a. **Data Integration:** Firstly, the data are collected and integrated from all the different sources which could be flat files, relational database, data warehouse or web etc.

    b. **Data Selection:** It may be possible that all the data collected may not be required in the first step. So, in this step we select only those data which we think is useful for data mining.

    c. **Data Cleaning:** The data that is collected are not clean and may contain errors, missing values, noisy or inconsistent data. Thus, we need to apply different techniques to get rid of such anomalies.

    d. **Data Transformation:** The data even after cleaning are not ready for mining as it needs to be transformed into an appropriate form for mining using different techniques like - smoothing, aggregation, normalization etc.

    e. **Data Mining:** In this, various data mining techniques are applied on the data to discover the interesting patterns. Techniques like clustering and association analysis are among the many different techniques used for data mining.

    f. **Pattern Evaluation and Knowledge Presentation:** This step involves visualization, transformation, removing redundant patterns etc. from the patterns we generated.

    g. **Decisions / Use of Discovered Knowledge:** This step helps user to make use of the knowledge acquired to take better informed decisions.

{1 M Each for Any 6 Points}

Answer:
(b) The characteristics of Core Banking Systems (CBS) are as follows:

- CBS is centralized Banking Application software that has several components which have been designed to meet the demands of the banking industry.
- CBS is supported by advanced technology infrastructure and has high standards of business functionality.
- Core Banking Solution brings significant benefits such as a customer is a customer of the bank and not only of the branch.
- CBS is modular in structure and is capable of being implemented in stages as per requirements of the bank.
- A CBS software also enables integration of all third-party applications including in- house banking software to facilitate simple and complex business processes.
- There is a common database in a central server located at a Data Center which gives a consolidated view of the bank's operations.
- Branches function as delivery channels providing services to its customers.

{1 M Each for Any 4 Points}

Answer 5:
(a) In computer systems, the levels at which the controls shall be checked are as follows:

    (i) **Configuration:** Configuration refers to the way a software system is set up. It is the methodical process of defining options that are provided during system setup. When any software is installed, values for various parameters should be set up (configured) as per policies and business process work-flow and business process rules of the enterprise. The various modules of the enterprise such as Purchase, Sales, Inventory, Finance, User Access etc. must be configured. Configuration will define how software will function and what menu options are displayed.
Some examples of configuration are given below:

{2$^{1/2}$ M}

♦ Mapping of accounts to front end transactions like purchase and sales
♦ Control on parameters: Creation of Customer Type, Vendor Type, year-end process
♦ User activation and deactivation
♦ User Access & privileges - Configuration & its management
♦ Password Management

(ii) **Masters:** It refer to the way various parameters are set up for all modules of software like Purchase, Sales, Inventory, and Finance etc. These drive how the software will process relevant transactions. The masters are set up first time during installation and these are changed whenever the business process ru les or parameters are changed. The way masters are set up will drive the way software will process transactions of that type.

Some examples of masters are given here:
♦ **Vendor Master:** Credit period, vendor bank account details, etc.
♦ **Customer Master:** Credit limit, Bill to address, Ship to address, etc.
♦ **Material Master:** Material type, Material description, Unit of measure, etc.
♦ **Employee Master:** Employee name, designation, salary details, etc.

{2$^{1/2}$ M}

(iii) Transactions: It refers to the actual transactions entered through menus and functions in the application software, through which all transactions for specific modules are initiated, authorized, or approved.
For example: Sales transactions Purchase transactions, Stock transfer transactions, Journal entries and Payment transactions.

{1 M}

Answer:
(b) Bring Your Own Device (BYOD) risks can be classified into four areas that are as follows:
♦ Network Risks: It is normally exemplified and hidden in 'Lack of Device Visibility'. When company-owned devices are used by all employees within an organization, the organization's IT practice has complete visibility of the devices connected to the network. This helps to analyze traffic and data exchanged over the Internet. As BYOD permits employees to carry their own devices (smart phones, laptops for business use), the IT practice team is unaware about the number of devices being connected to the network. As network visibility is of high importance, this lack of visibility can be hazardous. For example, if a virus hits the network and all the devices connected to the network need be scanned, it is probable that some of the devices would miss out on this routine scan operation. In addition to this, the network security lines become blurred when BYOD is implemented.
♦ Device Risks: It is normally exemplified and hidden in 'Loss of Devices'. A lost or stolen device can result in an enormous financial and reputational embarrassment to an organization as the device may hold sensitive corporate information. Data lost from stolen or lost devices ranks as the top security threats as per the rankings released by Cloud Security Alliance. With easy access to company emails as well as corporate intranet, company trade secrets can be easily retrieved from a misplaced device.
♦ Application Risks: It is normally exemplified and hidden in 'Application Viruses and Malware'. A related report revealed that most employees' phones and smart devices that were connected to the corporate network weren't protected by security software. With an increase in mobile usage, mobile vulnerabilities have increased concurrently. Organizations are not clear in deciding that 'who is responsible for device security – the organization or the user'.

{1 M Each}

♦ Implementation Risks: It is normally exemplified and hidden in 'Weak BYOD Policy'. The effective implementation of the BYOD program should not only cover the technical issues mentioned above but also mandate the development of a robust implementation policy. Because corporate knowledge and data are key assets of an organization, the absence of a strong BYOD policy would fail to communicate employee expectations, thereby increasing the chances of device misuse. In addition to this, a weak policy fails to educate the user, thereby increasing vulnerability to the above-mentioned threats.

Answer 6:

(a) The various e-market models that help businesses to achieve the value adding processes are as follows:

♦ **e-Shops (e-tailers):** An e-shop is a virtual store front that sells products and services online. E-shop is an online version of retail stores where customers can shop at any hour of the day or night without leaving home. They are convenient way of effecting direct sales to customers; allow manufacturers to bypass intermediate operators and thereby reduce costs and delivery times. For example: www.sonicnet.com, www.wforwomen.com

♦ **e–Malls:** The e-mall is defined as the retailing model of a shopping mall, a conglomeration of different shops situated in a convenient location in e-commerce. E-malls help the consumers from a variety of stores. e.g., Yahoo! Stores

♦ **e–auctions:** Electronic auctions provide a channel of communication through which the bidding process for products and services can take place between competing buyers. At e-auctions, people buy and sell through an auction website. In e- auctions, almost perfect information is available about products, prices, current demand, and supply. E-auction has become an increasingly popular tool for the buyer to access the lowest price the suppliers are willing to charge. Example – www.onsale.com, www.ebay.com

♦ **Portals:** Portal is a website that serves as a gateway or a main entry point on the internet to a specific field of interest or an industry. It is a website that is positioned as an entrance to other sites on the internet. A portal consists of web pages that act as a starting point for using the web or web-based services. The control of content can be a source of revenue for firms through charging firms for advertising or charging consumers a subscription for access. Some major general portals include Yahoo, Excite, and Netscape.

♦ **Buyer Aggregators:** The Buyer Aggregator brings together large numbers of individual buyers so that they can gain the types of savings that are usually the privilege of large volume buyers. In this, the firm collects the information about goods/service providers, make the providers their partners, and sell their services under its own brand. Example - www.zomato.com

♦ **Virtual Communities:** Virtual Community is a community of customers who share a common interest and use the internet to communicate with each other. Amazon.com provides websites for the exchange of information on a wide range of subjects relating to their portfolio of products and services. Virtual communities' benefit from network externalities whereby the more people who join and contribute to the community, the greater the benefits that accrue, but without any additional cost to participants.

♦ **e–marketing:** E-marketing (Electronic Marketing) is the process of marketing a product or service using the Internet. Of course, information on websites also empowers customers and helps the organizations to achieve

{1 M Each for Any 6 Points}

their objectives. For example, they can compare prices of products by rival firms. The internet changes the relationship between buyers and sellers because market information is available to all parties in the transaction.

♦   **e-procurement:** e-procurement is the management of all procurement activities via electronic means. Business models based on e-procurement seek efficiency in accessing information on suppliers, availability, price, quality and delivery times as well as cost savings by collaborating with partners to pool their buying power and secure best value deals. E-procurement infomediaries specialize in providing up-to- date and real-time information on all aspects of the supply of materials to businesses.

♦   **e–distribution:** e-distributor is a company that supplies products and services directly to individual business. The e-distribution model helps distributors to achieve efficiency savings by managing large volumes of customers, automating orders, communicating with partners and facilitating value-adding services such as order tracking through each point in the supply chain. An example of a firm specializing in e-distribution is www.wipro.com that uses the internet to provide fully integrated e- business-enabled solutions that help to unify the information flows across all the major distribution processes including sales and marketing automation, customer service, warehouse logistics, purchasing and inventory management, and finance.

Answer:
(b)   The key areas that auditors should pay attention to while evaluating Managerial controls are as follows:

(i)   **Planning:** Auditors need to evaluate whether top management has formulated a high- quality information system's plan that is appropriate to the needs of an organization or not. A poor-quality information system is ineffective and inefficient leading to losing of its competitive position within the marketplace.

(ii)   **Organizing:** Auditors should be concerned about how well top management acquires and manages staff resources.

(iii)   **Leading:** Generally, the auditors examine variables that often indicate when motivation problems exist or suggest poor leadership – for example, staff turnover statistics, frequent failure of projects to meet their budget and absenteeism level to evaluate the leading function. Auditors may use both formal and informal sources of evidence to evaluate how well top managers communicate with their staff.

{1 M Each}

(iv)   **Controlling:** Auditors should focus on subset of the control activities that should be performed by top management – namely, those aimed at ensuring that the information systems function accomplishes its objectives at a global level. Auditors must evaluate whether top management's choice to the means of control over the users of IS services is likely to be effective or not.

SECTION – B : STRATEGIC MANAGEMENT
Q. No. 7 & 8 is Compulsory,
Answer any three questions from the remaining four questions

Answer 7:

1.	Ans. d
2.	Ans. a
3.	Ans. c
4.	Ans. a
5	Ans. d
6.	Ans. b
7.	Ans. a
8.	Ans. d
9	Ans. c
10.	Ans. a
11.	Ans. a
12.	Ans. a
13.	Ans. d
14.	Ans. b
15	Ans. c

{1 M Each x 15 = 15 Marks}

Answer 8:

XYZ Corporation is aiming to transform into a dominant technology company under the leadership of Mohan, the new CEO. He aims to develop competencies for managers for achieving better performance and a competitive advantage for the corporation. Mohan is also well aware of the importance of resources and capabilities in generating and sustaining the competitive advantage. Therefore he must focus on characteristics of resources and capabilities of the corporation.

The sustainability of competitive advantage and a firm's ability to earn profits from it depends, to a great extent, upon four major characteristics of resources and capabilities which are as follows:

1. **Durability:** The period over which a competitive advantage is sustained depends in part on the rate at which a firm's resources and capabilities deteriorate. In industries where the rate of product innovation is fast, product patents are quite likely to become obsolete. Similarly, capabilities which are the result of the management expertise of the CEO are also vulnerable to his or her retirement or departure. On the other hand, many consumer brand names have a highly durable appeal.

2. **Transferability:** Even if the resources and capabilities on which a competitive advantage is based are durable, it is likely to be eroded by competition from rivals. The ability of rivals to attack position of competitive advantage relies on their gaining access to the necessary resources and capabilities. The easier it is to transfer resources and capabilities between companies, the less sustainable will be the competitive advantage which is based on them.

3. **Imitability:** If resources and capabilities cannot be purchased by a would-be imitator, then they must be built from scratch. How easily and quickly can the competitors build the resources and capabilities on which a firm's competitive advantage is based? This is the true test of imitability. Where capabilities require networks of organizational routines, whose effectiveness depends on the corporate culture, imitation is difficult.

4. **Appropriability:** Appropriability refers to the ability of the firm's owners to appropriate the returns on its resource base. Even where resources and capabilities are capable of offering sustainable advantage, there is an issue as to who receives the returns on these resources.

{5 M}

Answer 9:

(a) XYZ Ltd. is a sick company with accumulated losses that have eroded its net worth. The multi-product company may analyse its various products to take decisions on the viability of each. The company may consider retrenchment strategy. Retrenchment becomes necessary for coping with hostile and adverse situations in the environment and when any other strategy is likely to be suicidal. **{1 M}**

Retrenchment strategy is adopted because of continuous losses and unviability and stability can be ensured by reallocation of resources from unprofitable to profitable businesses.

Retrenchment strategy is followed when an organization substantially reduces the scope of its activity. This is done through an attempt to find out the problem areas and diagnose the causes of the problems. Next, steps are taken to solve the problems. These steps result in different kinds of retrenchment strategies as follows: **{1 M}**

Turnaround Strategy: If the organization chooses to transform itself into a leaner structure and focuses on ways and means to reverse the process of decline, it adopts a turnaround strategy. It may try to reduce costs, eliminate unprofitable outputs, generate revenue, improve coordination, better control, and so on. **{1 M}**

Divestment Strategy: 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. **{1 M}**

Liquidation Strategy: In the retrenchment strategy, the most extreme and unattractive is liquidation strategy. It 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. **{1 M}**

The management of multiproduct sick company manufacturing various items need to understand pros and cons of each strategic option. The decision will depend upon the specific circumstances of each product and management goals of the company.

Answer:

(b) A differentiation strategy may help to remain profitable even with: rivalry, new entrants, suppliers' power, substitute products, and buyers' power.

1. Rivalry - Brand loyalty acts as a safeguard against competitors. It means that customers will be less sensitive to price increases, as long as the firm can satisfy the needs of its customers.
2. Buyers – They do not negotiate for price as they get special features and also they have fewer options in the market.
3. Suppliers – Because differentiators charge a premium price, they can afford to absorb higher costs of supplies and customers are willing to pay extra too.
4. Entrants – Innovative features are an expensive offer. So, new entrants generally avoid these features because it is tough for them to provide the same product with special features at a comparable price.
5. Substitutes – Substitute products can't replace differentiated products which have high brand value and enjoy customer loyalty.

{1 M each for each point}

Answer 10:

(a) As the decisions taken by Rohit Seth have organisation wide impact, involves large commitments and have implication on the future, he is at the top level in organisational hierarchy. These characteristics also indicate that he is taking strategic decisions in the organisation. The major dimensions of strategic decisions are as follows:

- Strategic decisions require top-management involvement: Strategic decisions involve thinking in totality of the organization. Hence, problems calling for strategic decisions require to be considered by the top management.
- Strategic decisions involve commitment of organisational resources: For example, Strategic decisions to launch a new project by a firm requires allocation of huge funds and assignment of a large number of employees.
- Strategic decisions necessitate consideration of factors in the firm's external environment: Strategic focus in organization involves orienting its internal environment to the changes of external environment.
- Strategic decisions are likely to have a significant impact on the long-term prosperity of the firm: Generally, the results of strategic implementation are seen on a long-term basis and not immediately.
- Strategic decisions are future oriented: Strategic thinking involves predicting the future environmental conditions and how to orient for the changed conditions.
- Strategic decisions usually have major multifunctional or multi-business consequences: As they involve organization in totality they affect different sections of the organization with varying degree.

{1 M each for any 5 points}

Answer:

(b) Gautam wishes to diversify in a business that is not related to their existing line of product and can be termed as conglomerate diversification. He is interested in acquiring another industrial unit located in Faridabad manufacturing stationery items such as permanent markers, notebooks, pencils and pencil sharpeners, envelopes and other office supplies, which is not related to their existing product. In conglomerate diversification, the new businesses/ products are disjointed from the existing businesses/products in every way; it is a 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.

{2 M}

On the other hand, Siddhartha seeks to move forward in the chain of existing product by adopting vertically integrated diversification/ forward integration. The cloth being manufactured by the existing processes can be used as raw material of garments manufacturing business. In such diversification, firms opt to engage in businesses that are related to the existing business of the firm. The firm remains vertically within the same process and moves forward or backward in the chain. It enters specific product/process steps with the intention of making them into new businesses for the firm. The characteristic feature of vertically integrated diversification is that here, the firm does not jump outside the vertically linked product-process chain.

{2 M}

Both types of diversifications have their own risks. In conglomerate diversification, there are no linkages with customer group, customer marketing functions and technology used, which is a risk. In the case of vertical integrated diversification, there is a risk of lack of continued focus on the original business.

{1 M}

Answer 11:

(a) Various approaches for determining a business's worth can be grouped into three main approaches:

(i) Net worth or stockholders' equity: Net worth is the total assets minus total outside liabilities of an organisation.

{1 M}

(ii) Future benefits to owners through net profits: These benefits are considered to be much greater than the amount of profits. A conservative rule of thumb is to establish a business's worth as five times the firm's current annual profit. A five-year average profit level could also be used.

{1 M}

(iii) Market-determined business worth: This approach involves three methods. First, the firm's worth may be based on the selling price of a similar company. The second approach is called the price-earnings ratio method whereby the market price of the firm's equity shares is divided by the annual earnings per share and multiplied by the firm's average net income for the preceding years. The third approach can be called the outstanding shares method whereby one has to simply multiply the number of shares outstanding by the market price per share and add a premium. **{3 M}**

Answer:

(b) The top management of Quick Ltd is doing benchmarking. The benchmarking helps an organization to get ahead of competition. A benchmark may be defined as a standard or a point of reference against which things may be compared and by which something can be measured and judged. In simple words, benchmarking is an approach of setting goals and measuring productivity based on best industry practices. In recent years, different commercial and non-commercial organizations are discovering the value of benchmarking and are applying it to improve their processes and systems.

Benchmarking processes used by different organisations lack standardization. However, common elements are as follows:

I. Identifying the need for benchmarking: This step will define the objectives of the benchmarking exercise. It will also involve selecting the type of benchmarking. Organizations identify realistic opportunities for improvements. **{1 M}**

II. Clearly understanding existing business processes: This step will involve compiling information and data on performance. This will include mapping processes. **{1 M}**

III. Identify best processes: Within the selected framework, best processes are identified. These may be within the same organization or external to it. **{1 M}**

IV. Compare own processes and performance with that of others: While comparing gaps in performance between the organization and better performers is identified. Further, gaps in performance are analysed to seek explanations. Feasibility of making the improvements is also examined. **{1 M}**

V. Prepare a report and Implement the steps necessary to close the performance gap: A report on the Benchmarking initiatives containing recommendations is prepared. Such a report includes the action plan(s) for implementation.

VI. Evaluation: A business organization must evaluate the results of the benchmarking process in terms of improvements vis-à-vis objectives and other criteria set for the purpose. It should also periodically evaluate and reset the benchmarks in the light of changes in the conditions that impact its performance. **{1 M}**

Answer 12:

(a) The tools of strategic management process are effectively being used by a number of not-for-profit or charitable organizations. While 'Do Good Group' may have social and charitable existence, still it has to generate resources and use them wisely to achieve organizational objectives. Organization needs to be managed strategically, irrespective whether they have profit motive. The strategic Management at 'Do Good Group' should essentially cover:

❖ Analyzing and interpreting the strategic intent in terms of vision, mission and objectives.

❖ Generating requires resources in terms of finance and manpower (volunteers, paid employees). **{1 M each for each point}**

- ❖ Undertaking SWOT analysis from time to time.
- ❖ Setting goals in the area of childcare. It can be in terms of geographical coverage and number of children.
- ❖ Analyzing the desired future position with the past and present situation.

Answer:

(b) Ram is a follower of transactional leadership style that focuses on designing systems and controlling the organization's activities. Such a leader believes in using authority of its office to exchange rewards, such as pay and status. They prefer a more formalized approach to motivation, setting clear goals with explicit rewards or penalties for achievement or non-achievement. Transactional leaders try to build on the existing culture and enhance current practices. The style is better suited in persuading people to work efficiently and run operations smoothly. **{2$^{1/2}$ M}**

On the other hand, Shyam is a follower of transformational leadership style. The style uses charisma and enthusiasm to inspire people to exert them for the good of the organization. Transformational leaders offer excitement, vision, intellectual stimulation and personal satisfaction. They inspire involvement in a mission, giving followers a 'dream' or 'vision' of a higher calling so as to elicit more dramatic changes in organizational performance. Such a leadership motivates followers to do more than originally affected to do by stretching their abilities and increasing their self-confidence, and also promote innovation throughout the organization. **{2$^{1/2}$ M}**

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