



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Materials Management

Dec 2014

Graduate Diploma in Materials Management

PAPER No. 3 (New)

BUSINESS ECONOMICS & FINANCIAL ACCOUNTING

Date : 15.12.2014
Time : 2.00 p.m to 5.00 pm

Max. Marks :100
Duration : 3 Hrs.

Instructions :

- | | |
|--|------------------------|
| 1. From Part A – answer all questions (compulsory). | Total: 32 Marks |
| 2. From Part B – Answer any 3 questions out of 5 questions. Each question carries 16 marks | Total: 48 Marks |
| 3. Part C is a case study (compulsory). Read the case study carefully and answer the questions
Each Question carries 10 marks | Total: 20 Marks |
-

PART A (compulsory). (32 x1 = 32 marks)

Q 1 . please state whether the following statements are true or false : 8 marks

1. Every firm utilizes various combination of all factors of production .
2. In the long run all factors are variable .
3. Market price changes with the nature of the commodity .
4. Gross income means depreciation of capital is included
5. $NNP \text{ at market price} = NNP \text{ at factor cost} + \text{indirect taxes} - \text{subsidy}$
6. Cost accountancy aims at reducing cost of production and increase profit .
7. Operating expenses ratio compares expenses to revenue
8. $\text{Working capital} = \text{current asset} - \text{current liabilities}$.

Q 2 . Expand the abbreviations :

8 marks .

1. GNP
2. LRAC
3. SEBI
4. GATT
5. HDI
6. RPI
7. NPA
8. AICPA

Q 3 . Fill in the blanks :

8 marks .

1. are public hospital, Schools, Police and Army
2. studies the behavior of the aggregate economy .
3. An shows all combinations of two inputs to produce given level of output .
4. Self – employed people are in the sector .
5. Convention of requires that accounting statements should be honestly prepared.
6. Capital Adequacy Ratio of banks is the requirement of Agreement .
7. Non – performing Assets is more among banks .
8. shows the sources and uses of fund

Q 4 . Match the following :

8 marks .

A

1. NNP
2. SAIL
3. Rural poverty
4. III Five year plan .
5. IRDA .
6. Cash in hand
7. Non – current asset .
8. Debenture .

B

- a. MNREGA .
- b. Sino- Indian war .
- c. Public sector .
- d. Insurance sector .
- e. Plant and Machinery .
- f. National Income
- g. Current asset .
- h. Non – current liability .

PART B
(Answer any three)

3x16 = 48 marks

Q 5 . Write short notes an any four .

1. Methods of measuring national income .
2. Foreign Portfolio Investment .
3. Exceptions to law of demand .
4. Book keeping .
5. Sources of funds .

Q 6 . What are the objectives of accounting ?

Q 7 . Role of MNC's in the economic development of developing and underdeveloped countries ?

Q 8 . What are the challenges before the Indian economy and how to solve them?

Q 9 . Explain the various types of Infrastructures in India.

PART- C

Q.10. (COMPULSORY)

20 marks

Prepare a statement of changes in working capital from the following balance sheet of X ltd .

Balance sheet as on 31-12-2009 and 31-12-2010

Liabilities	2009 (Rs)	2010 (Rs)	Assets	2009 (Rs)	2010 (Rs)
Equity share capital	300000	300000	Fixed assets	330000	340000
Debentures	140000	140000	Long terms investment	100000	95000
Tax payables	52000	48000	Bills receivables	65000	76000
Interest payables	28000	33000	Stock	49000	49000
Sundry creditors	41000	48000	Debtors	32000	23000
Dividend payables	35000	32000	Cash	20000	18000
Total	596000	601000		596000	601000
