



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Materials Management

Graduate Diploma in Materials Management

PAPER No. 3 (New)

BUSINESS ECONOMICS & FINANCIAL ACCOUNTING.

Dec 2015

Date : 14.12..2015

Max. Marks :100

Time : 2.00 p.m to 5.00 pm

Duration : 3 Hrs.

Instructions :

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

Total: 32 Marks

Total: 48 Marks

Total: 20 Marks

PART A (compulsory).

(32 x1 = 32 marks)

Q.1. Expand the following abbreviations:

8 marks

- a. MWA
- b. NIPM
- c. QLI
- d. RPI
- e. PQLI
- f. HDI
- g. NPA
- h. GAAP

Q. 2 Match column A with column B

8 marks

Column A

Column B

- a. Delegation of power
- b. Coal India Ltd
- c. Debenture
- d. Micro-economics
- e. Protectionism
- f. Democratic control
- g. Income Tax Act, 1961
- h. Cash in hand

- a. Non – current liability
- b. Current Asset
- c. study of firms
- d. Foreign Trade policy
- e. CPSU
- f. Manager to subordinate
- g. Exemptions
- h. cooperatives

Q. 3. State True or False

8 marks

- a. Human Development Index measures literacy
- b. CPI shall have more primary goods than WPI
- c. GNP deflator gives correct measure of national income
- d. MNC's have same role in India as in other countries
- e. Currency risk is fluctuation in foreign exchange rate
- f. Accounting is both Science and Art
- g. Non-monetary factors are considered in accounting
- h. Owners equity refers to the claim of workers

Q.4.Fill in the blanks

8 marks

- a. Basel III agreement requires capital ratio
- b. National Income accounting is part of Economics
- c. Goodwill is an asset
- d. NITI Aayog is new body
- e. Source and use of fund are shown in Statement
- f. Informal sector coversemployed people
- g. The process of buying and selling Government securities by RBI is called market operations
- h. Goods-in –transit shall be disclosed under

PART B

(Answer any three)

3x16 = 48 marks

Q. 5 Write short notes on any four

- a. Monetary policy of RBI
- b. SME's in India
- c. Resource Market
- d. Niche brands
- e. Book keeping system

Q.6 What are the limitations of financial statements

Q.7 What are the procedures for preparing fund flow statements

Q. 8 Explain Income method of estimating national income.

Q.9 Distinguish between the functions of IMF and WTO in the world economy.

PART- C

Q.10. (COMPULSORY)

20 marks

Prepare a statement of change in working capital from the balance sheet given below

Liabilities	2009	2010	Asset	2009	2010
Equity Share Capital	300000	300000	Fixed Assets	330000	340000
Debentures	140000	140000	Long term Investment	100000	95000
Tax payable	52000	48000	Bills Receivables	65000	76000
Interest payable	28000	33000	Stock	49000	49000
Sundry creditors	41000	48000	Debtors	32000	23000
Dividend payable	35000	32000	Cash	20000	18000
TOTAL	596000	601000	TOTAL	596000	601000
