



**INDIAN INSTITUTE OF MATERIALS MANAGEMENT**  
**Post Graduate Diploma in Logistics Management**

**Dec 2015**

**Paper 1 (New)**  
**Management Principles and Business Finance**

**Date: 12.12.2015**  
**Time: 10.00 AM to 1.00 PM**

**Max Marks: 100**  
**Duration: 3 Hours**

**Instructions:**

- 1) Part A is compulsory
- 2) Part B: Answer any three questions
- 3) Part C Compulsory

Total Marks=32  
Total Marks=48  
Total Marks=20

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**Part A**

( 32x1= 32 marks)

**(Compulsory , each sub question carry 1 mark)**

**Q1 A Give the expansion**

- a. MBO
- b. MIS
- c. MNC
- d. BRS
- e. GAAP
- f. OD
- g. EBIT
- h. EPS

**Q 2 Fill up the blanks**

- a. \_\_\_\_\_provides a map of future
- b. The other side of planning is .\_\_\_\_\_
- c. Bad debt is recorded in . \_\_\_\_\_
- d. \_\_\_\_\_ Goodwill is an asset
- e. \_\_\_\_\_ Strategic plan is prepared by management
- f. The test of partnership is \_\_\_\_\_

- g. \_\_\_\_\_method of depreciation is also called fixed installment method  
 h. A partnership with more than twenty partners is called \_\_\_\_\_

**Q.3 State True or False**

- a. In partnership it is compulsory to share the loss  
 b. Cash account will always have credit balance  
 c. There is no depreciation of land  
 d. Communication is a two way process  
 e. Informal groups do not have any importance for management  
 f. Problem solving and decision making are one and the same  
 g. Patent is an intangible asset  
 h. Depreciation is recorded in journal proper

**Q. 4 Match the following**

Column A	Column B
1. ERG Theory	a. Maslow
2. Need hierarchy	b. Alderfer
3. Hawthorn experiment	c. Operation research
4. Expectancy Model	d. Mc Gregor
5. WDV	e. Balance Sheet
6. Positional statement	f. Depreciation
7. Theory X	g. Herzberg
8. PERT	h. Vroom

**Part B**

( 3 x 16= 48 marks)

**(Answer any three. Each question carry 16 marks)**

- Q. 5** Explain in detail the barriers to communication  
**Q. 6.** Critically examine Vrooms theory of motivation  
**Q. 7.** Discuss in detail MBO  
**Q. 8** Explain different accounting principles  
**Q. 9** Describe the different features of partnership

**( Compulsory)**

**Q.10 :**

**A. Prepare Bank reconciliation statement from the following**

1. Balance as per cash book as on 31/3/2015 – INR 10,000
2. Cheques deposited in March INR 20,000 out of which INR 6,000 not cleared till 31/3/2015
3. Cheques issued in March INR 15,000 out of which INR 4,000 was presented in April
4. A direct deposit of INR 2,000 into the bank was not recorded in cash book
5. Payment of insurance premium of INR 2,000 not recorded in cash book
6. Bank charges of INR 200, bank interest of INR 600 not recorded in cash book
7. Payment side of cash book overcast by INR 2,000

**B.** X Ltd purchased a machine on 1/4/2012 for INR 80,000 and spent INR 5,000 on installation. The scrap value at the end of life span of 5 years is INR 5,000. Another machine was purchased on 1/7/2013 for INR 60,000 with life of 5 years. On 31/3/2015 the first machine was sold for INR 35,000. Prepare machinery account.

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