



# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics & SCM  
Post Graduate Diploma in Materials Management - 2 years

DEC 2023

PAPER No. 6 (enrollment code - CPM, CPS)

PAPER No. 4 (enrollment code - PMM, PSM, CMM, CSM)[ **OFFLINE EXAM**]

## BUSINESS ENVIRONMENT

Date : 13.12.2023  
Time : 2.00 pm to 5.00 pm

Max. Marks: 70  
Duration : 3 Hrs.

### Instructions:

1. Part A, contains 4 main questions (with 5 sub-questions) each question carries 1 mark - Total 20 marks
2. Part B answer any 3 questions out of 5 questions. Each question carries 10 marks - Total 30 marks
3. Part C is a case study. Read the case carefully and answer the questions - Total 20 marks

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### **PART – A**

(20X1= 20 Marks)

(Compulsory - Attempt all questions each question carries 1 mark)

#### **Q.1 Select the right answer**

**[5 marks]**

1. One of the cultures defined in the competing values framework is the \_\_\_\_\_ culture of the organization  
(a) Competence (b) Market (c) Profitability (d) Sociability
2. Stability of the \_\_\_\_\_ structure plays an important part in a conducive business environment  
(a) Political (b) Organizational (c) Financial (d) Environmental
3. One of the methods used for the evaluation of the organizational performance is  
(a) Benchmarking (b) SWOT analysis (c) Procurement (d) Manufacturing
4. Political environment is part of the \_\_\_\_\_ business environment  
(a) Micro (b) Socio-cultural (c) Demographical (d) Macro
5. Environmental ethics is the when organization behaves responsibly towards the \_\_\_\_\_  
(a) Society (b) Environment (c) Customers (d) All of these

#### **Q.2 Fill in the blanks**

**[5 marks]**

1. International factors are part of the \_\_\_\_\_ environment of the business
2. The value system that is practiced by the business organization is part of the \_\_\_\_\_
3. \_\_\_\_\_ planning for a business must be based on the business environmental analysis
4. Estimating the likelihood of the occurrence of the event is part of \_\_\_\_\_ analysis
5. \_\_\_\_\_ are the practice of calculating financial ratios for the organization for comparison

#### **Q.3 Mention True or False**

**[5 marks]**

1. Level of education is not an important part of the socio culture effect of the environment
2. Sale of goods act is a part of the legal system that governs businesses
3. Monopolies and Restrictive Trade Practices Act is an economic legislation
4. LONGPESTLE is an analysis of the organizations strengths and weakness relating to the environment
5. Suppliers as one of the stake holders and are an important factor in the micro environment of the business

**Q.4 Match The following****[5 marks]**

		<b>COLUMN B</b>	
Sr. No.		Sr. No.	
1	Revolution in Information technology	A	Used in daily transactions
2	Business ethics and values	B	Exchange rate of currency
3	Current account deficits	C	Corporate social responsibility
4	Job insecurity	D	Industry competitiveness
5	Optimum utilization of resources	E	Globalization

**PART - B****[Total 30 marks]****Answer any THREE out of the following five questions:**

- Q5.** (a) What are the important aspects of business environment? Explain each briefly. **[5marks]**  
 (b) What are the basic components of business environmental analysis? **[5marks]**
- Q6.** (a) What are the main legislations that governs the intellectual property rights? Briefly explain. **[5marks]**  
 (b) Explain the features of a socialist economy **[5marks]**
- Q7.** (a) What are the factors that must be considered for enhancing FDI? **[5marks]**  
 (b) What is the purpose of Porter's diamond model? Explain with a figure. Explain the entities **[5marks]**
- Q8.** (a) Explain the dimensions that are used to explain the cultural differences between people **[5marks]**  
 (b) What is the purpose of SWOT analysis. Explain each of the terms **[5marks]**
- Q9.** (a) What are the factors affecting organizational appraisal approach? **[5marks]**  
 (b) Explain the need for corporate governance along with the guidelines to be followed? **[5marks]**

**PART - C****[Total: 20 Marks]****Q.10****CASE STUDY (Compulsory)**

Mr. John Smith is a budding entrepreneur who has dreams of setting up an industry in the apparel sector. He is confident that his endeavor will be successful. He has decided to cater to the export market. He is aware that he has to implement his enterprise with caution and take all preventive steps to mitigate the likely risks.

Mr. John Smith has his sights set on the market of 3 major countries in the Europe. The success of his enterprise is heavily dependent on his success in entering the markets in Europe. You have to help Mr. Smith to identify the opportunities / problems he is likely to face in the process of establishing his products in Europe. Since Mr. Smith is confident of his success, he has a long-term strategy for expanding in the European market. He has to examine multiple options to achieve his objective of capturing the market. You have to help him in this regard highlighting the pros and cons of each.

Mr. John Smith is principled and ethical persona and he understands the importance of ethical business. He would like to carry out inculcate all his ethical principles in the functioning of the organization.

**Questions:**

1. What are the risks that Mr. John Smith has to guard against?
2. Help Mr. Smith to identify the factors that are important for the success of his product.
3. Your help is required to identify the various export options available to Mr. Smith.
4. What do you think is in the mind of Mr. Smith for insisting on running the business ethically?