



# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

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

DEC 2023

PAPER No. 4 (enrollment code - PMM, PSM, CMM, CSM) [ONLINE 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

---

### PART – A

( 20X1= 20 Marks )

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

**Q.1 Select the right answer**

[5 marks]

1. Removal of tariff barriers is one of the methods to improve the \_\_\_\_\_  
(a) Competitiveness (b) Finances (c) Material position (d) None of these
2. \_\_\_\_\_ is a method to improve the competitive advantage of an organization  
(a) Good suppliers (b) Good market (c) Cash management (d) Business ethics
3. Customers are an important part of the \_\_\_\_\_ environment  
(a) Competitive (b) Macro (c) Micro (d) None of these
4. The trademarks act is one of the legislations for the protection of \_\_\_\_\_  
(a) Individual property (b) Intellectual property (c) voting rights (d) None of these
5. Historical analysis is one of the methods to analyze the \_\_\_\_\_ of an organization  
(a) Trend (b) Path (c) Performance (d) Future

**Q.2 Fill in the blanks**

[5 marks]

1. Mission and objectives are part of the \_\_\_\_\_ of an organization
2. \_\_\_\_\_ environment are those factors that are common to and affect all businesses
3. Customers are one of the important elements of the \_\_\_\_\_ environment
4. Balance score card is one of the methods used for \_\_\_\_\_ of an organization
5. Porter's diamond model uses clusters to analyze the \_\_\_\_\_ of the country

**Q.3 Mention True or False**

[5 marks]

1. An organization that is formal, structured and controlling is called as the hierarchical organization
2. The co-existence of public and private sector is described as socialist economy
3. Indian Contracts Act 1872 is the main law that is part of the legal system governing businesses
4. Language is one of the important socio-cultural factors affecting business
5. Franchising is one of the methods of direct exports

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

		<b>COLUMN B</b>	
Sr. No.		Sr. No.	
1	Physical resources	A	Environmental analysis
2	Key factor rating	B	Policy on expenditure and tax
3	STEEPLE	C	Internal environment
4	Fiscal policy	D	Policy on foreign currency dealings
5	FEMA	E	Performance analysis

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

- Q5.** (a) List out and explain the points that explain the business environment. **[5marks]**  
 (b) Explain some of the current competitive trends in the business environment **[5marks]**
- Q6.** (a) What are the factors that determine the exchange rate of a currency? **[5marks]**  
 (b) What are the features of a mixed economy? **[5marks]**
- Q7.** (a) What are the responsibilities of the government in a capitalistic economy? **[5marks]**  
 (b) What is an ethical dilemma? What are the questions that can overcome the dilemma? **[5marks]**
- Q8.** (a) Name the various types of corporate culture and explain each of them. **[5marks]**  
 (b) What are the risks present in the market? Explain each briefly **[5marks]**
- Q9.** (a) Identify and list out some of the important legislations that govern business. Explain briefly. **[5marks]**  
 (b) What are some of the indirect methods to enter the export market? **[5marks]**

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

Mr. Bob Wills is the head of a Research and Development organization, "Invent" developing technologies for the industry. There is a need for safeguarding these from misuse and plagiarism. The safeguarding of the title is essential for the commercial success of "Invent." Mr. Wills needs advice on the legal protection of the title of their inventions.

The growth in the service sector gives additional opportunities for Mr. Wills which, he feels, must be exploited for the future growth and progress of "Invent."

The growth of the service sector (new services) is providing excellent growth opportunities for Mr. Wills. "Invent" must use these opportunities to expand and diversify.

One of the major issues continuously faced by "Invent" is the shortage of funds. This can happen when there is poor demand for new technology (due fund constraints for the buyers), due to delay or failed innovations and further funds are required to sort out these issues

**Questions:**

1. What are the legal provisions available for the protection of the technologies developed?
2. What are the areas in which the organization can contribute that will also help the organization?
3. What is the area that will be suitable for the exploitation by "Invent" and why do you think so?
4. What could be the solutions that could be offered by the banks to overcome the cash crunch?