



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

DEC 2024

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

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

BUSINESS ENVIRONMENT

Date : 18.12.2024

Max. Marks: 70

Time : 2.00 p.m to 5.00 p.m

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. Physical resources and financial capabilities are part of the _____ environment
(a) Macro (b) Micro (c) Internal (d) External
2. _____ defines the overall purpose for the existence of the business
(a) Values (b) Objectives (c) Vision (d) Mission
3. Important factors that have an influence on the performance of an organization are _____
(a) Key factors (b) Financial ratios (c) Physical turnover (d) None of these
4. Structure and characteristics of a population are classified under _____ forces
(a) Environmental (b) Demographic (c) Cultural (d) Political
5. One of the factors that is identified as a useful tool in identifying the organizations values is the _____
(a) Porter's model (b) Balance score card (c) Competing value framework (d) 5 Values model

Q.2 Fill in the blanks

[5 marks]

1. _____ helps to differentiate between the morally right and the morally wrong
2. Job mobility is one of the main challenges faced due to _____
3. Differences in interest rates is one of the key factors that determine the _____ of a currency
4. Optimum utilization of resources is one of the important factors that are part of _____
5. The rights and duties arising out of a contract are governed by the _____

Q.3 Mention True or False

[5 marks]

1. Porter's diamond model is a tool to develop the organization's strategy to the economic environment
2. A society that is open to changes and innovation has a high Uncertainty Avoidance Index (UAI)
3. One of the versions of the PESTLE analysis is "PESTLI"
4. Technological factors are part of the Internal environment of the organization
5. Customers are one of the constituents of the macro business faced by the organization

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

		COLUMN B	
Sr. No.		Sr. No.	
1	Current account deficits	A	Corporate Social Responsibility
2	Responsibility to stakeholders	B	Intellectual Property
3	Clear identification of role and power	C	Private ownership
4	Patents Act 1970	D	Exchange rate
5	Capitalism	E	Corporate governance

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

- Q5.** (a) Explain your understanding of the socialist economy. What are its features? **[5 marks]**
 (b) What are the major competitive trends in the emerging business environment? **[5 marks]**
- Q6.** (a) What are the factors essential for the sustenance of Foreign Direct Investment (FDI)? **[5 marks]**
 (b) Briefly explain the mode of entries available to enter international markets? **[5 marks]**
- Q7.** (a) Explain the six dimensions of Hofstede's cultural differences among people? **[5 marks]**
 (b) What do you understand by mixed economy and what are its features? **[5 marks]**
- Q8.** (a) Explain the need for corporate governance and list out some of the guidelines? **[5 marks]**
 (b) What is the impact of inflation on the business? **[5 marks]**
- Q9.** (a) What do you understand by business ethics? What are its features and general principles? **[5 marks]**
 (b) What do you understand by Balance of Payment (BOP) and what are its components? **[5 marks]**

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

Mr. Ram Kumar is a young entrepreneur and he wants to set up a manufacturing company which is based on his unique design of the UPS. This equipment is expected to give higher efficiencies compared to the UPS available in the market. Hailing from a family of businessmen he was well aware of the multitude of external factors that is likely to affect his start up company. Being prepared to face these factors and preparing plans to mitigate them was the number one priority in his mind. Mr. Ram Kumar decided to follow a systematic procedure to understand the environment and arrive at a meaning analysis. Having carried out this systematic analysis of the environment, the results highlighted a multitude of risks that is likely to be faced by his organization. Mr. Ram Kumar knew that if he were to succeed in his ambition as an entrepreneur, he has to address these risks as well and be fully prepared to tackle these risks. Mr. Ram Kumar was satisfied with his preparatory work he has carried out for commencing his business. While he was discussing with his friend about his preparatory work and his plans, his friend pointed out the need for ensuring that his UPS design was not copied by his competitors and suggested methods by which Mr. Ram Kumar can take care of this risk. All these preparatory works helped Mr. Ram Kumar commence his business with minimum problems.

Questions:**[4 X 5 marks]**

1. List out the multitude of factors that Mr. Ram Kumar expects to be prepared to face and avoid?
2. What was the systematic approach adopted by Mr. Ram Kumar for analyzing the environment?
3. What were these risks that were identified during the outcome of the analysis of the environment?
4. What was the method suggested by Mr. Ram Kumar's friend to prevent copying of his design?