



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics & SCM
Post Graduate Diploma in Materials Management - 2 years
PAPER No. 3 (enrolment code – PGMM, PGSM)
BUSINESS ECONOMICS

Dec 2025

Date : 17.12.2025

Max. Marks: 70

Time : 2.00 p.m. to 5.00 pm

Duration : 3 Hrs.

Instructions:

1. Part A, contains 4 main questions (with 5 sub-questions) each question carries 1 mark
 2. Part B answer any 5 questions out of 8 questions. Each question carries 10 marks
- Total 20 marks
Total 50 marks

PART – A

(20X1= 20 Marks)

Q.1 Expand the following:

{ 5 Marks}

- a. MU b. AVC c. TPP d. ABC e. KYC

Q 2. Match the following:

{ 5 Marks}

| COLUMN A | | COLUMN B | |
|----------|------------------------------|----------|-------------------------------------|
| Sr. No. | | Sr. No. | |
| a. | Role of managerial Economist | 1. | Fair and efficient market practices |
| b. | Higher Utility | 2. | Performing Market Research |
| c. | Production Cost | 3. | Increased Demand |
| d. | Market Regulations | 4. | Financial intermediation |
| e. | Banking system | 5. | Sum of Fixed and Variable Costs |

Q 3. State True or False:

{ 5 Marks}

- a. The time and price of the product are the two factors that affect the supply of the product.
- b. Variable costs per unit decrease as production levels increase.
- c. Consumers' preferences, needs and wants play a crucial role in shaping their behaviour.
- d. Central banks raise interest rates during period of economic expansion to encourage borrowing and investment.
- e. SWOT analysis assesses both internal and external factors affecting a company's performance and strategic planning.

Q 4. Fill in the blanks:

{ 5 Marks}

- a. The law of supply describes the relationship between and a product of.
- b. is often associated with allocative and productive efficiency.
- c. represents all natural resources used in production.
- d. focuses on analysing the marginal costs associated with producing one additional unit of output.
- e. In....., governments may regulate mergers and acquisitions to maintain market competition.

PART - B

[Total 50 marks]

Answer any five out of the following eight questions: (10 Marks each)

- Q 5.** Explain the scope of Business Economics and also how it is related in business decision-making. **[10 marks]**
- Q 6.** Explain Demand its various types and Demand Curve **[10 marks]**
- Q 7 a.** Describe Supply and factors affecting supply. **[5 marks]**
- b.** Explain Consumer Behaviour and future trends in consumer behaviour. **[5 marks]**
- Q 8 a.** Describe the Perfect Competition. **[5 marks]**
- b.** Describe Monopoly and Monopolistic Competition. **[5 marks]**
- Q 9.** Explain Production Cost, types and theories of cost. **[10 marks]**
- Q 10 a.** Describe Business Cycle and its various phases. **[5 marks]**
- b.** Explain measures to control Business Cycle. **[5 marks]**
- Q 11 a.** Describe the Economics of Non-Profit Organisation. **[5 marks]**
- b.** Explain different types of Market Regulations. **[5 marks]**
- Q 12.** Describe the Money Creation and role of Central Bank in money creation. **[10 marks]**