



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Logistics & SCM
Post Graduate Diploma in Materials Management - 2 years

Dec 2025

PAPER No. 4 (enrollment code – PGMM, PGSM)

BUSINESS ENVIRONMENT

Date : 18.12.2025
Time : 2.00 p.m. to 5.00 p.m

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. The factors in business environment are _____
(a) Independent (b) intermittent (c) Continuous (d) Inter-related
2. Mission and objectives of an organization are part of the _____ environment
a) Macro environment (b) Micro environment (c) Internal (d) All of these
3. The constituents of the micro business environment consist of
(a) Shareholders (b) General Public (c) Competitors (d) All of these
4. One of the factors that affect the Socio-cultural environment of the organization
(a) Demographic forces (b) Natural forces (c) Cultural factors (d) None of these
5. _____ an useful tool to align the organization's strategy with the economic environment
(a) 4-V Model (b) 5S – Model (c) Porters model (d) Carroll's Model

Q.2 Fill in the blanks

[5 marks]

1. _____ is the base of Carroll's CSR Pyramid
2. 4-V model is the model of _____ leadership
3. _____ is situation in which an individual faces conflicting moral principle
4. Kohlberg's cognitive moral development theory outlines the stages of _____
5. Differences in inflation is one of the factors that determines the _____

Q.3 Mention True or False

[5 marks]

1. Public debt of a country has no effect on the exchange rate of the country's currency
2. Outsourcing is a method to reduce the number of operations of an organization
3. Crowdfunding is a method of raising capital from lenders through the social platform
4. Agency theory is one of the theories associated with corporate social responsibility
5. The right to information is enabled by The information technology act

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

COLUMN A		COLUMN B	
Sr. No.		Sr. No.	
1	Trademarks Act	A	Socialism
2	Classless society	B	Internal environment
3	Market culture	C	Ethical leadership
4	Organizational values	D	Competing values framework
5	4-V model	E	Intellectual property protection

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

- Q5.** (a) Identify the factors contributing to the making of the internal environment of the organization **[5 marks]**
 (b) What are the steps in the environmental scanning process? What are the advantages? **[5 marks]**
- Q6.** (a) Porter's diamond model helps to align with the organization with the economy – Explain **[5 marks]**
 (b) Identify and explain the corporate cultures as identified by competing values framework **[5 marks]**
- Q7.** (a) Identify and explain the constituents of the macro business environment **[5 marks]**
 (b) What are the drivers of CSR in India? Explain each **[5 marks]**
- Q8.** (a) Identify and explain all the methods used for the appraisal of an organization? **[5 marks]**
 (b) Explain the Kohlberg's model of cognitive moral development **[5 marks]**
- Q9.** (a) identify and explain the type of risk prevalent in the market **[5 marks]**
 (b) Identify and explain the steps in the process of business analysis **[5 marks]**

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

M/s New Technologies (NT) are located in the state of Karnataka and have decided to take over a company in a nearby state of Odisha located in a typically backward area. One of the reasons for taking over was backward integration was to have control on the cost and supply of raw material. As the operations started, they noticed multiple differences in the manner in which the people due to the culture of the place. They immediately understood the multiple factors governing the social set-up and decided to set-up a social responsibility cell to proceed in a systematic manner and contribute to the wellness of the society. Being an ethical organization they set up a committee to ensure the practice of ethical principles in the operation of the organization which they expected, will build trust and loyalty with the work force. The CSR activities initiated by the organization in a systematic manner was expected to enhance its competitiveness in the market and help the organization in multiple ways in the long run. M/s NT were confident that with the implementation of these measures they could look forward to a profitable running of both the organizations

Questions:

1. What were the cultural difference noticed by M/s NT while operating the new company? **[5 marks]**
2. What do you think is the systematic system followed by the company? Explain. **[5 marks]**
3. Explain the ethical principles put into practice by the organization? **[5 marks]**
4. What were the factors that could help the organization gain a competitive advantage? **[5 marks]**