



**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 PMM/PSM/CMM/CSM)**

**BUSINESS ENVIRONMENT**

Date : 18.12.2025

Time : 2.00 p.m to 5.00 p.m

Max. Marks: 70

Duration : 3 hours

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. The nature of business environment depends on multiple factors like  
(a) Uncertainty                      (b) Inter-relatedness                      (c) Complexity                      (d) All of these
2. Business environment analysis consists of many components like  
(a) Monitoring                      (b) Assessing                      (c) Forecasting                      (d) All of these
3. Customers are an important part of the \_\_\_\_\_ environment of an organization  
(a) Macro                      (b) Internal                      (c) Micro                      (d) None of these
4. Balance score card is a tool that is used for \_\_\_\_\_ of an organization  
(a) Analysis                      (b) Performance                      (c) The progress                      (d) Appraisal
5. Porter's diamond model is used to align organization's strategy with the \_\_\_\_\_ of the country  
(a) Politics                      (b) Economy                      (c) Culture                      (d) All of these

**Q.2 Fill in the blanks**

**[5 marks]**

1. \_\_\_\_\_ is a set of principles that differentiates between what is morally right and wrong
2. Differences in inflation is a factor that determines the \_\_\_\_\_
3. \_\_\_\_\_ is the process when two or more companies combine into a single entity
4. Currency fluctuation is one of the negative effects of \_\_\_\_\_
5. \_\_\_\_\_ requires the communication of a code of conduct to all stakeholders

**Q.3 Mention True or False**

**[5 marks]**

1. PESTLE analysis an method of analyzing the micro environment of an organization
2. Public debt is a factor that influences the exchange rate of a currency
3. One of the disadvantages of FDI is the requirement of large resources
4. One of the advantages of franchising in foreign markets is that it helps to avoid trade barriers
5. TRIPS helps to protect the intellectual property of an organization

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

		<b>COLUMN B</b>	
Sr. No.		Sr. No.	
1	Human resources	A	Ethical dilemma
2	Exchange rate	B	Monetary policy
3	No clear right way	C	Current account deficit
4	Capitalist economy	D	Internal environment
5	Central bank	E	Free market

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

- Q5.** (a) Identify some of the values that are critical for all type of business **[5 marks]**  
 (b) Explain the credit and debit transactions of BOP and the accounting heads used in BOP **[5 marks]**
- Q6.** (a) Identify the factors that are essential for the development and sustenance of FDI **[5 marks]**  
 (b) Identify the positive effects of globalization **[5 marks]**
- Q7.** (a) Identify and explain briefly some of the components of social responsibility **[5 marks]**  
 (b) Identify and explain the features of mixed economy **[5 marks]**
- Q8.** (a) Identify and explain briefly the components of socio-cultural environment **[5 marks]**  
 (b) What were the dimensions proposed by Hofstede to explain the cultural differences **[5 marks]**
- Q9.** (a) What is computing values framework? What are the organizational values proposed by it? **[5 marks]**  
 (b) Identify and explain briefly the components of internal environment of an organization **[5 marks]**

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

M/s Electronic Components Industries (M/s ECI) is a well established company manufacturing certain types of electronic components. These components are widely used in industrial electronic systems. M/s ECI identified a good demand for these components in the overseas market. M/s ECI hired a consultant to help them in this new venture. The consultant explained the multiple options available. M/s ECI informed the consultants that the capacity available could easily meet the export demand. The input materials required for manufacture were available in the local market. The technology was developed by M/s ECI. Taking these factors into account, the consultant suggested an export option. M/s ECI also charted out an additional strategy for future expansion. The economic condition of the present export market identified was not stable. Hence there was a need to locate another economy that was similar to Indian economy. M/s ECI expected a high growth in the demand for their components in the medium term. This market requirement could not be met with direct exports. They required a partner who would be willing to make the investment for a new manufacturing facility and be a part of M/s ECI

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

- List the various modes of export options available for M/s ECI **[5 marks]**
- Identify the export option suggested by the consultant? What are the reasons? **[5 marks]**
- What is the nature of Indian economy? What are its characteristic **[5 marks]**
- What is the option M/s ECI has planned for the future expansion. What are the merits **[5 marks]**