



INDIAN INSTITUTE OF MATERIALS MANAGEMENT  
Post Graduate Diploma in Logistics Management

June 2015

PAPER NO. 1 (New)  
MANAGEMENT PRINCIPLES AND BASICS OF ACCOUNTING

Date: 13.06.2015  
Time: 10.00 AM to 1.00 PM  
Hours

Max Marks: 100  
Duration: 3

**Instructions:**

- 1) Part A1 and A2 are compulsory
- 2) Part B: Answer any three questions with a maximum of two from part B1 or B2
- 3) Part C Compulsory

Total Marks=32  
Total Marks=48  
Total Marks=20

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**Part A**

**( 32 x1= 32 marks)**

**Q.1] Select the correct option:**

**8 marks**

1. One of the following is a positive motivation
  - a. Promotion
  - b. Punishment
  - c. Fine
  - d. Reprimand
2. Suspense account is shown in the
  - a. Balance Sheet
  - b. Trial Balance
  - c. Trading account
  - d. Profit-Loss account
3. Father of scientific management theory is
  - a. Herzberg
  - b. Henry Fayol
  - c. Frederick W Taylor
  - d. Peter Drucker
4. Mcclaelland's theory relates to
  - a. communication
  - b. leadership

- c. informal groups
  - d. motivation
5. Father of the modern personnel management is
- a. Robert Owen
  - b. James Watt
  - c. Charles Babbage
  - d. M R Bowlten
6. Deferred revenue expensiture includes one of the following:
- a. Staff salaries
  - b. Preliminary expenses
  - c. Fuel expenses
  - d. Electricity charges
7. The minimum number of persons required to form a partnership is
- a. 3
  - b. 4
  - c. 2
  - d. 5
8. Depreciation is the decrease in the value of assets at the given date due to
- a. obsolecence
  - b. accident
  - c. exhausion
  - d. all of the above

**Q.2] Expand the following:**

**8 marks**

- a. NIPM
- b. CSR
- c. NAFTA
- d. SEEPZ
- e. MBO
- f. TAT
- g. ILI
- h. ICI

**Q.3] Fill in the blanks:**

**8 marks**

- a If the bank statement shows the debit balance at a particular point of time it is known as \_\_\_\_\_.
- b Gross loss is the excess of cost of sales over \_\_\_\_\_
- c Cash book is one of the \_\_\_\_\_ books.
- d Journal is the \_\_\_\_\_ book in which the business transactions are recorded at first time
- e Normal retirement is a natural \_\_\_\_\_ which depends on the company policy.
- f Expenditure to acquire a fixed asset such as plant and machinery is called ----- \_\_\_\_\_ expenditure
- g ROI means return on \_\_\_\_\_
- h The process of transferring the entries from journal to \_\_\_\_\_ accounts is called posting.

**Q.4] State whether the following are true or false:**

**8 marks**

- a. Error of omission can be located by trial balance.
- b . Error of commission can be located by trial balance
- c. Division of work is the first step in building an organizational structure
- d. Balance sheet depicts the financial position of the business on a particular date
- e. Delegation is the process of vesting decision- making power to the higher levels of thh company
- f. Amortization is the process of writng off the tangible assets.
- g. Behavioural theory tries to identify the desirable behaviour patterns in a leader
- h. Management by exception is way of separating tasks between staff and management.

**Part B**

**( Answer any three)**

**3 x16 = 48 marks**

**Q.5] Write short notes on: (any 4)**

**16 marks**

- a Disadvantages of Committees
- b. Group Discussion
- c Human Resource Management
- d Listening
- e Ledger
- f Posting

**Q.6 a] Explain the steps making up the controlling process**

**16 marks**

- b) Discuss the usefulness or advanatges of group working**

Q.7] a. Explain formal groups and their classification.

b. Explain Maslow's theory of hierarchy of needs.

**16 Marks**

Q.8] a. Discuss the key characteristics of a partnership firm.

b. Explain the objectives of accounting.

**16 marks**

Q.9] a. Explain the advantages and disadvantages of double entry system of accounting.

b. Discuss the path-goal theory of leadership.

**16 marks**

**PART C (COMPULSORY)**

**20 Marks**

Q.10] Mr.Rajendra Patel furnishes the following balances as on 31<sup>st</sup> March,2008.:

<i>Particulars</i>	<i>Rs</i>	<i>Particulars</i>	<i>Rs</i>
Interest on Capital	28000	Salaries	1,28,000
Creditors	6,00,000	Capital	8,00,000
Discount Received	23000	Drawings	2,46,000
Loan	1,90,000	Machinery	3,25,000
Purchase Returns	40000	Bills Payable	20000
Sales Return	6000	Furniture	6,00,000
Advertisement	1,88,000	Debtors	5,00,000
Commission Received	28000	Bank Loan	2,40,000
Rent	10000	Patents	60000
Purchases	19,00,000		
Sales	33,00,000		
Opening Stock	12,50,000		

You have to prepare a trial balance with the above information:

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