



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Logistics & SCM
Post Graduate Diploma in Materials Management - 2 years
PAPER No. 2 (enrollment code –CPM, CPS)
PAPER No. 3, (enrollment code- PMM,PSM, CMM,CSM)
Business Economics & Accounting

June 2023

Date : 13.06.2023
Time : 2.00 p.m. to 5.00 p.m.

Max. Marks : 70
Duration : 3 Hrs.

Instructions:

1. From Part A – answer all questions (compulsory). Each sub questions carries 1 mark. **Total : 20 Marks**
2. From Part B – Answer any 5 questions. Each question carries 10 marks. **Total :30 Marks**

PART A **[Total 20 marks]**
(Compulsory- each sub-question carries one mark)

Q.1: Fill in the blanks: **5 Marks**

- a. The variable costs change with the changes in the in the volume or level of -----
- b. Acid test ratio is arrived at by dividing quick _____ by current liabilities.
- c. Budget line is also called _____ line.
- d. Adam Smith has written _____.
- e. Depreciation is defined as the wear and tear of fixed assets with -----.

Q.2: Match the following: **5 Marks**

	Column A		Column B
A	Managerial Economist	1	Financial statement
B	Break Even Point	2	Return on Equity
C	Non -satiation	3	Total revenue and costs are equal
D	DuPont Analysis	4	Consumer can never be entirely satisfied
E	Balance Sheet	5	Performing market Research

Q.3: State True or False: **5 Marks**

- a. Managerial Economist is also known as Economic Advisor.
- b. Supply is not a function of production and price.
- c. The balance sheet is prepared before the preparation of profit & loss trading account.
- d. According to the general classification, there are basically 3 kinds of factors of production.
- e. The cash-flow statement is divided into 3 sections.

Q. 4: Expand the following: **5 Marks**

- a. PPC
- b. MRTSc. SRAC
- d. CIMA
- e. GAAP

PART B

[Total 50 marks]

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

Q. 5: Write short notes on any TWO. (2X5=10 marks)

- a. Role of Managerial Economist
- b. Law of supply
- c. Concept of utility
- d. Concept of cost

Q. 6: a. Explain the factors affecting market demand. **[5 marks]**

b. Explain any 4 types of Demand. **[5 marks]**

Q. 7: Describe the 4steps involved in the process of decision-making. **10 marks**

Q. 8: a. List the components of the financial budget. **5 marks**

b. Explain the human aspects that should be considered while preparing a budget. **5 marks**

Q. 9: a. Explain at least 6 concepts of Financial Accounting. **5 marks**

b. Explain the guidelines for analyzing financial statements **5 marks**

Q.10:a) Explain the Dupont analysis technique. **5 marks**

b) Describe the difficulties in financial statement analysis. **5 marks**

Q.11:a) Explain the steps in costing process to be adopted by an organization that manufactures 2 or more products. **5 marks.**

b) Explain the two types of economics of scale. **5 marks**

Q.12 a) Describe the business activities and its types in an organization. **5 marks**

b) Describe some assumptions of ordinal utility approach. **5 marks**
