



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics & SCM
Post Graduate Diploma in Materials Management - 2 years

JUN 2023

PAPER No. 6 (enrollment code - CPM, CPS)

PAPER No. 4 (enrollment code - PMM, PSM, CMM, CSM)

BUSINESS ENVIRONMENT

Date : 14.06.2023
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. STEEPLE are the _____ scanning factors
(a) Market (b) Vendor (c) Environment (d) None of these
2. Money supply is part of the _____ policy of the central bank
(a) Commercial (b) Fiscal (c) Marketing (d) Monetary
3. Business process outsourcing is the process of
(a) Buying materials (b) Hiring manpower (c) Hiring vendors (d) None of these
4. What is the approach that helps in overcoming an ethical dilemma
(a) Objectivity (b) Subjectivity (c) Financial stability (d) All of these
5. Organizational values play an important part in the practice of
(a) Decision making (b) Business ethics (c) Internal relationship (d) Purchase practices

Q.2 Fill in the blanks

[5 marks]

1. _____ helps in the identification of business opportunities and threats
2. _____ are the ethical beliefs that guide the organization in its mission and objectives
3. SWOT analysis is a tool used to analyze the _____ environment of the organization
4. Value chain analysis is one of the important methods of _____ appraisal
5. _____ are the factors that determine the structure of the population

Q.3 Mention True or False

[5 marks]

1. Diamond model is used to align the organization strategy with the political environment
2. A capitalist economy works on the principle of free market mechanism
3. Corporate social responsibility is the responsibility of the organization to ensure employment
4. Licensing is one of the methods followed to penetrate international markets
5. In an organization with good business ethics rules and regulations are universally applicable to all

Q.4 Match the following

[5 marks]

		COLUMN B	
Sr. No.		Sr. No.	
1	Technology	A	Organization values
2	Competing values framework	B	e-Commerce
3	Mixed economy	C	Macro environment
4	IT act 2000	D	Export method
5	Franchising	E	Socialism and capitalism

PART - B

[Total 30 marks]

Answer any THREE out of the following five questions:

- Q5. (a) Explain briefly all the factors that contribute to the business micro environment [5marks]
(b) Explain the steps in the business environmental analysis process? [5marks]
- Q6. (a) Explain some of the organization appraisal methods used for business environment analysis [5marks]
(b) Explain briefly all the factors that affect the macro business environment [5marks]
- Q7. (a) What are the features of the capitalist economy [5marks]
(b) Explain the socio-cultural factors that have a major impact on the business operation [5marks]
- Q8. (a) Explain briefly the components of social responsibility [5marks]
(b) Explain some of the negative effects of globalization [5marks]
- Q9. (a) What are some of the general guidelines to be followed in business ethics [5marks]
(b) Explain some of the positive effects of globalization [5marks]

PART - C

[Total: 20 Marks]

Q.10 CASE STUDY (Compulsory)

Mr. Quinn is in the process of establishing a product manufacturing company. The product planned is an industrial product. Mr. Quinn would like to set up this company systematically and avoid the common pitfalls encountered while setting up a new company. He is looking for a proper method to match the economic environment with that of the organization's strategy. Such an approach, he believes, will help him in the right direction and give him good guidance.

He has tentatively identified multiple locations for setting up the facility. He is aware of the role played by the environment (especially factors that are not in the control of the organization) for the smooth running of the industry. He was determined to collect all the relevant information by scanning all the factors that are part of the environment as he has more than one location in mind

Mr. Quinn has planned that his organization must be an example and leader in the field. He needs help to identify the multiple internal factors that bring excellence in the organization's functioning.

Notwithstanding all of the above Mr. Quinn has to identify the likely risks and find methods to either avoid or mitigate these risks. His ability to identify and handle these risks is likely to be an important factor in the success of the company's functioning.

Questions:

1. Suggest a suitable model that will help Mr. Quinn to match the economic conditions with the organization's strategy.
2. What are the non controllable factors that are part of the environment and needs to be scanned
3. Identify the internal factors that are important for the smooth and excellent functioning of the organization
4. Help Mr. Quinn to identify the common / major risks that his organization is likely to face
