



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

**June 2024**

**PAPER No. 4 - OFFLINE EXAM**  
*(enrollment code - PGMM, PGSM)*  
**BUSINESS ENVIRONMENT**

**Date : 12.06.2024**  
**Time : 2.00p.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**

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**PART – A**

**(20X1= 20 Marks)**

**(Compulsory- Attempt Questions each question carries 1 mark)**

**Q. 1. Select the right answer from the multiple choices**

**(5 marks)**

- i) All of the following are factors of internal environment EXCEPT
  - a) Organization structure
  - b) Value system
  - c) Corporate culture
  - d) Technology
- ii) A strategic tool used by organizations to evaluate their internal activities is
  - a) Value chain analysis
  - b) Benchmarking
  - c) SWOT analysis
  - d) Balanced score card
- iii) Policy regarding expenditure and tax is dealt under
  - a) Import policy
  - b) Fiscal policy
  - c) Monetary policy
  - d) Pricing policy
- iv) The 4 V model is related to
  - a) Organizational culture
  - b) Environmental scanning
  - c) Ethical leadership
  - d) Internal appraisal
- v) In the Carroll's pyramid, compliance with laws and regulations is covered under
  - a) Legal responsibility
  - b) Ethical responsibility
  - c) Economic responsibility
  - d) Philanthropic responsibility

**Q. 2. State True or False (Do not reproduce the statement)**

**(5 marks)**

- a) Business environment can be easily analyzed.
- b) Socio-cultural environment determines the value system of a society.
- c) Feminine societies value assertiveness and demonstration of success.
- d) Internet of Things allow business to access computing resources and storage on demand.
- e) Service sector continues to be a major employment provider.

**Q.3. Fill in the blanks (Do not reproduce the statement):**

**(5 marks)**

- a) \_\_\_\_\_ environment impacts the working of a particular business.
- b) Under resource analysis, physical quantities are transformed into \_\_\_\_\_ units.
- c) Parliament is the supreme \_\_\_\_\_ body of the Indian union.
- d) Corporate governance seeks to treat all shareholders fairly and \_\_\_\_\_ .

e) Service represents the \_\_\_\_\_ sector of an economy.

**Q. 4. Match A and B**

**(5 marks)**

	Column A		Column B
1.	Structural dimension	A	Code of conduct
2.	Information disclosure dimension	B	Overall framework for decision making
3.	Ethical dimension	C	Sustainable business practices
4.	Social responsibility dimension	D	Long-term sustainability
5.	Risk management dimension	E	Financial reporting

**PART - B**

**[Total 30 marks]**

**Answer any THREE out of the following five questions:**

- Q.5** a) Explain the aspects that fall under business environment. **(5 marks)**  
b) What are the steps in business environment analysis. **(5 marks)**
- Q.6** a) Explain organizational appraisal methods. **(5 marks)**  
b) Explain four corporate cultures. **(5 marks)**
- Q.7** a) Explain the factors of technological environment. **(5 marks)**  
b) Explain shadow banking. **(5 marks)**
- Q.8** Differentiate between: **( 2 x 5 = 10 marks)**  
a) Micro environment and Macro environment    b) Economic policy and Fiscal policy
- Q.9** Write short notes on any two: **( 2 x 5 =10 marks)**  
a) Positive effects of globalization                      b) Ethical dilemma  
c) Corporate social responsibility                      d) Balance of payments

**PART - C**

**[Total: 20 Marks]**

**Q.10 CASE STUDY (Compulsory)**

Naman and Govind after finishing their graduation under vocational stream decided to start their own travel agency which will book Rail Tickets and Air Tickets on commission basis. They also thought of providing tickets within ten minutes through the use of internet. They discussed the idea with their Professor Mr. Mehta who liked the idea and suggested them to first analyse the business environment which consists of investors', competitors and other forces like social, political etc. that may affect their business directly or indirectly. He further told them about the technological improvements and shifts in consumer preferences that were taking place and hence they should be aware of the environmental trends and changes which may hinder their business performance. He emphasized on making plans keeping in mind the threat posed by the competitors, so that they can deal with the situation effectively. This alignment of business operations with the business environment will result in better performance.

**Questions:**

1. Identify and state the components of business environment that Naman and Govind should evaluate. **(5marks)**
2. Carry out a SWOT analysis for this business. **(5 marks)**
3. State any two features of business environment as discussed by Professor Mehta with Naman and Govind. **(5 marks)**
4. Also state two points of importance of business environment as stated by Professor Mehta in the above situation. **(5 marks)**