



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

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

JUNE 2024

PAPER No. 4 - New Syllabus - ONLINE 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**

PART – A

(20X1= 20 Marks)

(Compulsory - Attempt all questions each question carries 1 mark)

Q.1 Select the right answer

[5 marks]

1. Financial risk is one of the risks presented by _____ to the organization
(a) The bank (b) The competitor (c) The market (d) The suppliers
2. One of the constituents of the Micro Business environment is
(a) Share-holders (b) The Competitors (c) The ad agency (d) The bank
3. Computing values framework is the tool used for identifying the _____
(a) Organization health (b) Organization values (c) Organization system (d) None of these
4. In the _____ economy all the industries are owned by private corporations
(a) Socialist (b) Mixed (c) Capitalist (d) All of these
5. In Carroll's CSR pyramid _____ responsibilities is the foundation of CSR activities
(a) Economic (b) Philanthropic (c) Legal (d) Social status

Q.2 Fill in the blanks

[5 marks]

1. Value system of an organization is part of the _____
2. The natural environment is part of the _____ faced by the organization
3. Carroll's CSR pyramid outlines the _____ of Corporate Social Responsibility
4. Values, Virtue, Voice and Vision are the framework of _____ ethical leadership
5. The second stage of cognitive moral development in individuals is _____

Q.3 Mention True or False

[5 marks]

1. According to relativism ethics theory human actions are strictly categorized as right or wrong
2. Current account deficits is one of the factors determining the exchange rate between the country
3. Safeguarding the interest of the shareholders is one of the objectives of corporate governance
4. The nature of business environment is generally stable and simple
5. One of the methods of organizational analysis is historical analysis

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

		COLUMN B	
Sr. No.		Sr. No.	
1	Organization appraisal	A	Competing values framework
2	Market culture	B	Micro environment
3	Lawrence Kohlberg	C	Environmental scanning
4	Customers	D	Value chain analysis
5	PESTLE	E	Cognitive moral development model

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

- Q5.** (a) Explain the nature of business environment **[5 marks]**
 (b) Explain the factors that are part of the internal business environment **[5 marks]**
- Q6.** (a) Compare corporate social responsibility and corporate governance **[5 marks]**
 (b) Explain the concept of corporate social responsibility with Carroll's CSR framework **[5 marks]**
- Q7.** (a) Explain the methods adopted for the development of an ethical organizational culture. **[5 marks]**
 (b) Explain the eight traits of an ethical leadership **[5 marks]**
- Q8.** (a) Explain the objectives of corporate governance **[5 marks]**
 (b) What do you understand by mixed economy. Explain its features **[5 marks]**
- Q9.** (a) What is the Porter's diamond model and what is its purpose **[5 marks]**
 (b) Explain some of the methods followed in the appraisal of an organization **[5 marks]**

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

M/s Southern Industries is an apparel company located in Chennai serving the Tamil Nadu market. They would like to expand their operations to Karnataka. They feel the need to understand the market in Karnataka before venturing into it. The scanning has revealed multiple risks that is likely to be faced by the company. Instead of setting up a manufacturing unit M/s Southern industries feels it is better to take over an existing company in Karnataka and develop it the take care of the Karnataka market. This can give M/s Southern industries a head start in Karnataka market development. But identifying and evaluating some of the existing company is a difficult task. The company appraisal has to carried out systematically if required through multiple methods. What in your opinion are the methods that could be used by M/s Southern industries in the appraisal process. While carrying out this appraisal M/s Southern industries are keen to understand the organization's culture and check if this will match with the existing culture of M/s Southern industries. They are not clear as to how this can be carried out and have asked you, as the consultant, to identify the method that can be used. With the completion of all the above activities M/s Southern industries feel that they will be in a good position to come to an informed decision about the expansion plan

Questions:

- How would M/s Southern industries get to understand the Karnataka market? **[5 marks]**
- What kind of risks are likely to be faced in the markets by the company? **[5 marks]**
- What kind of appraisal methods could be used by M/s Southern industries? **[5 marks]**
- What methodology can be used to assess the culture of the organization? **[5 marks]**