



# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics & SCM  
Post Graduate Diploma in Materials Management - 2 years  
PAPER No. 3 (enrolment code – PGMM, PGSM)  
BUSINESS ECONOMICS

June 2025

Date : 17.06.2025

Max. Marks: 70

Time : 2.00 p.m. to 5.00 pm

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 5 questions out of 8 questions. Each question carries 10 marks Total 50 marks

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**PART – A**

(20X1= 20 Marks)

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

**Q 1. Expand the following:**

**[5 marks]**

- a. AI
- b. CVP
- c. TFC
- d. GAAP
- e. NBFCs

**Q 2. Match the following:**

**[5 marks]**

**Column A**

- a. Scope of Business Economics
- b. Adam Smith
- c. Monopoly
- d. Market Forces
- e. Market Regulations

**Column B**

1. Dynamic factors that influence the demand and supply
2. Profit maximization
3. Father of Economics
4. Safeguarding public interest
5. Single seller/producer

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

**[5 marks]**

- a. A managerial economist is also known as an economic advisor.
- b. The law of demand refers to the relationship between price and quality demanded.
- c. Direct costs are directly involved in the production process.
- d. Fiscal policy refers to the Govt spending and taxation to influence the economy.
- e. Monetary policy does not refer to the actions taken by a country's central bank towards money management of the country.

**Q 4. Fill in the blanks:**

**[5 marks]**

- a. Economics deals with optimum utilisation of available .....
- b. Marginal cost is the cost accrued by producing additional .....
- c. The total income generated by a company from its primary activities is termed as .....
- d. The recurrent fluctuations in economic activity that occur over time is known as ..... Cycles.
- e. The bank that operates as central bank of India is known as .....

**PART - B**

**[Total 50 marks]**

**Answer any FIVE from the following questions:**

**Q 5.** Explain the concept of business economics and also how does it differ from economics. **[10 marks]**

**Q 6.** Explain the Market equilibrium and the perfect competition in details. **[10 marks]**

**Q 7 a.** Describe the types of production cost. **[5 marks]**

**b.** Explain some case study in relation to optimising production. **[5 marks]**

**Q 8 a.** Describe the role of Managerial Economist. **[5 marks]**

**b.** Describe financial crisis and its factors. **[5 marks]**

**Q 9.** Explain Costs and Revenues in business. **[10 marks]**

**Q 10 a.** Describe various types of Organisational Structures. **[5 marks]**

**b.** Explain Incentives and Motivation applied in any organisation. **[5 marks]**

**Q 11 a.** Describe the various market forces that can impact the supply and demand of goods and Services. **[5 marks]**

**b.** Explain Government interventions to regulate economic activities. **[5 marks]**

**Q 12.** Describe the Banking System and its structure in reference to Indian context. **[10 marks]**

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