



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

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	Column B
a. Scope of Business Economics	1. Dynamic factors that influence the demand and supply
b. Adam Smith	2. Profit maximization
c. Monopoly	3. Father of Economics
d. Market Forces	4. Safeguarding public interest
e. Market Regulations	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]**
