



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

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

June 2025

PAPER No. 4 (enrollment code – PGMM, PGSM)

BUSINESS ENVIRONMENT

Date : 18.06.2025
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. _____ is one of the drivers of corporate social responsibility
(a) Legal mandate (b) Social awareness (c) Competition (d) None of these
2. _____ is one of the components of the 4-V model of ethical leadership
(a) Victory (b) Voice (c) Visibility (d) Variability
3. _____ is one of the building blocks in creating an ethical organization
(a) Training (b) Hierarchy (c) Human resources (d) Code of conduct
4. _____ is one of the stages in Kohlberg's cognitive moral development
(a) Self-defense (b) Self-interest (c) Self-protection (d) None of these
5. _____ is one of the factors that determines the exchange rate of the currency
(a) Govt. Debt (b) Personal debt (c) Public debt (d) None of these

Q.2 Fill in the blanks

[5 marks]

1. Legal responsibilities is one of the components of _____
2. Value system of an organization is one of the components of the _____
3. Balanced scorecard is one of the methods used for _____ of the organization
4. The competitive nature of the country is assessed with the _____
5. Transaction theory is one of the theories of _____

Q.3 Mention True or False

[5 marks]

1. 4-V is the model of ethical leadership
2. Social contract is a concept of corporate social responsibility
3. According to the deontological theory morality of action is dependent upon the consequences
4. Globalization leads to enhancement of the cultural identity of the country
5. Tax incentive planning is one of the methods used to attract foreign direct investment

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

		COLUMN B	
Sr. No.		Sr. No.	
1	Strategic alliance	A	Globalization
2	Cross cultural exchange	B	Corporate governance
3	Optimum utilization of resources	C	International market entry
4	Stakeholder theory	D	Legal environment
5	Sale of goods act, 1930	E	Corporate social responsibility

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

- Q5.** (a) Explain the four model of corporate governance **[5 marks]**
 (b) Explain the steps followed in effective environmental scanning and what are its benefits? **[5 marks]**
- Q6.** (a) What are the factors that contribute to the socio - cultural environment of the organization? **[5 marks]**
 (b) What do you understand by the term capitalist economy? What are its features? **[5 marks]**
- Q7.** (a) What are the component factors of the technological environment of an organization? **[5 marks]**
 (b) Explain the 8 traits of ethical leadership. **[5 marks]**
- Q8.** (a) What are the components of CSR as explained by Carroll's CSR pyramid? **[5 marks]**
 (b) Explain the tool that helps in aligning with the economic environment of the country **[5 marks]**
- Q9.** (a) Explain Hofstede's cultural dimensions that are responsible for the cultural differences **[5 marks]**
 (b) What are the reasons for government intervention in business? **[5 marks]**

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

M/s Intelligence bureau (IB) is a major consultancy firm. They have expertise in the preparation of project reports for new projects, performance evaluation, trouble shooting and helping firms to overcome their difficulties. M/s Rising Star (RS) is a company planning to expand and wanted to identify its competencies. They approached IB and asked them carry out an all-round evaluation. IB carried out the evaluation and provided the feedback to M/s RS and it was highly encouraging. M/s RS had finalized the product for expansion. They had the option of implementing the expansion in 3 locations. IB was requested to carry out a detailed evaluation of the 3 locations to identify the best fit for the product. M/s IB carried out a detailed analysis of multiple factors and provided the details to M/s RS. Based on the finalized location M/s RS initiated the product expansion. Another company in the same location with complementing products suggested a JV with RS. M/s IB was roped in to appraise this company. M/s IB carried out a detailed appraisal in 6 methods and provided the results. An additional input provided by M/s IB was the need to include the local community in the activities of M/s RS in order to promote the company's image and marketing efforts.

Questions:

1. In order to ensure an all-round evaluation what factors were considered by IB? **[5 marks]**
2. What kind of factors were evaluated by M/s IB while preparing the report on locations **[5 marks]**
3. What were the appraisal methods followed by M/s IB? **[5 marks]**
4. What were the advantages likely to accrue to M/s RS with the local community inclusion? **[5 marks]**