



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics & SCM

June 2025

Post Graduate Diploma in Materials Management - 2 years

PAPER No. 3, (enrolment code- PMM,PSM, CMM,CSM)

Business Economics & Accounting

Date : 17.06.2025

Max. Marks : 70

Time : 2.00 p.m. to 5.00 p.m.

Duration : 3 Hrs.

Instructions:

1. From Part A – answer all questions (compulsory). Each sub questions carries 1 mark. Total : 20 Marks

2. From Part B – Answer any 5 questions. Each question carries 10 marks. Total : 50 Marks

PART A

[Total 20 Marks]

(Compulsory- each sub-question carries one mark)

Q 1. Expand the following:

{ 5 Marks}

- a. ICAI
- b. MRTS
- c. SRTC
- d. PBIT
- e. BEP

Q 2. Match the following:

{ 5 Marks}

Column A

- a. Dual Aspect Concept
- b. Profit & Loss Account
- c. Asset = Capital+Liability
- d. Isoquant Curve
- e. Desire

Column B

- 1. Specified level of output
- 2. Accounting Concept
- 3. Crediting all incomes
- 4. The wish to acquire a commodity
- 5. Accounting Equation

Q 3. State True or False:

{ 5 Marks}

- a. As business and economics are interrelated, any change in the Govt policy will affect the dynamics of a business.
- b. Time and price of the product are two factors that affect the supply of the product.
- c. A balance-sheet indicates the source of cash inflow and outflow of an organisation.
- d. Transactions in Journal are recorded in a chronological order.
- e. The bonus should be linked with the budgetary system.

Q 4. Fill in the blanks:

{ 5 Marks}

- a. The resource-consuming activities create costs. This is an assumption of the..... costing.
- b. The technique of transferring the debit and credit amounts from a journal to the classified accounts in ledger is known as
- c. Anticipate no profit and provide for all the possible losses.
- d. A Budget line is also called
- e. The second law of economics is also known as the.....

PART B**[Total 50 Marks]****Answer any five out of the following eight questions (10 Marks each)****Q 5.** Explain the concept and scope of Business Economics. : **{10 Marks}****Q 6.** Explain Supply and Demand equilibrium with suitable example of some item. **{10 marks}****Q 7 a.** Describe the role of Managerial Economist. **{5 marks}**
b. Explain Marginal Utility. **{5 marks}****Q 8 a.** Describe the Production Possibility Curve. **{5 marks}**
b. Describe Cost and its elements. **{5 marks}****Q 9.** Journalise following transactions in the books of M/s Zenith Corporations: : **{10 Marks}**

- a)** Purchased Furniture for cash Rs 60,000.
- b)** Sold Goods for Rs 1,30,000 in cash.
- c)** Sold Goods for Rs 1,50,000 to M/s Yash on credit.
- d)** Cash payment of Rs 80,000 to M/s Raj.
- e)** Cash received in bank account from M/s Yash Rs 1,20,000 as full and final payment.

Q 10 a. Describe DuPONT ANALYSIS. **{5 marks}**
b. Explain preparation of Trial Balance. **{5 marks}****Q 11 a.** Describe relationship among Financial, Cost and Management Accounting. **{5 marks}**
b. Explain the various production decisions that managers have to face. **{5 marks}****Q 12.** Prepare Trading, Profit & Loss a/c and Balance Sheet of M/s Magnum Ltd from following Trial Balance as at 31 March 2024: **{10 Marks}**

| | | | |
|------------------|----------|-------------------|--------|
| Opening Stock | 46,000 | Bad Debts | 5,000 |
| Salaries | 82,000 | Repair | 1,600 |
| Commission paid | 2,000 | Cash in Hand | 2,000 |
| Freight | 3,000 | Debtors | 40,000 |
| Purchase | 1,13,500 | Income Tax | 10,500 |
| Sales | 3,49,000 | Drawings | 6,500 |
| Trade Expenses | 200 | Capital | 50,000 |
| Bills Receivable | 6,000 | Bills Payable | 5,000 |
| Rent | 2,000 | Loan | 9,000 |
| Plant | 1,20,000 | Discount received | 4,000. |
| Creditors | 23,300 | | |

1. Closing Stock as at 31st March 2024 was Rs 55,000/.
2. Outstanding Salary was Rs 18,000/.
3. Prepaid Rent was Rs 500/.