



# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

## Post Graduate Diploma in Logistics & SCM

### Post Graduate Diploma in Materials Management - 2 years

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

#### Business Economics & Accounting

June 2025

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}**

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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		

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