



# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

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

JUNE 2025

PAPER No. 4 (Enrolment code: PMM,PSM, CMM,CSM)

## 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. Value system of an organization is part of the \_\_\_\_\_ environment  
(a) Micro (b) Macro (c) External (d) Internal
2. Identify the basic components of business environment analysis  
(a) Scanning (b) Forecasting (c) Assessing (d) All of these
3. Balanced scorecard is an organizational appraisal method introduced by  
(a) Porter (b) Kaplan (c) Brown (d) Holz
4. \_\_\_\_\_ culture is one of the corporate cultures identified by competing values frame work  
(a) Market (b) Business (c) Corporate (d) Tribal
5. In the capitalist economy the industries, trade and production facilities are owned by  
(a) Public corporations (b) Government (c) Private companies (d) None of these

#### Q.2 Fill in the blanks

[5 marks]

1. The official reserves account is one of the components of \_\_\_\_\_
2. Suppliers are a part of the business organization's \_\_\_\_\_ environment
3. \_\_\_\_\_ transforms the physical quantities into monetary values
4. The size of the organization is a factor that affects the \_\_\_\_\_ in the organization
5. \_\_\_\_\_ helps the organization to align its strategy with the economic environment

#### Q.3 Mention True or False

[5 marks]

1. In the Adhocracy culture the organizations focuses on “follow the leader” policy
2. Uncertainty Avoidance Index is the index that indicates the uncertainty of the business projection
3. Competing values framework is a tool to identify the competition faced by the corporation
4. Monetary policy is the policy of the Central bank of the nation
5. The FEMA was introduced to ease external payment and international trade

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

		<b>COLUMN B</b>	
Sr. No.		Sr. No.	
1	Ethics	A	Right to use trademark
2	Job mobility	B	Moral values
3	International trade strategy	C	Globalization
4	Inflation	D	Multi-domestic strategy
5	Franchising	E	Exchange rate

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

- Q5.** (a) What is the characteristic that describe the nature of the business environment? **[5 marks]**  
 (b) Briefly identify and explain all the possible modes of entries for export **[5 marks]**
- Q6.** (a) Identify and explain briefly some of important organizational appraisal methods **[5 marks]**  
 (b) Explain the features of a mixed economy **[5 marks]**
- Q7.** (a) Identify and explain briefly all the steps in the business environmental analysis **[5 marks]**  
 (b) Explain the features of a capitalist economy **[5 marks]**
- Q8.** (a) Identify and explain the factors that influence the exchange rate between countries **[5 marks]**  
 (b) Explain briefly with the help of a chart the components of the business environment **[5 marks]**
- Q9.** (a) What are the components of the internal environment of the organization? **[5 marks]**  
 (b) Identify and explain the macro components of the external environment of the organization **[5 marks]**

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

M/s Super consultants Limited (SCL) are a major consultancy firm having expertise in helping organizations with data driven decision making on a number of areas. M/s South Western Limited (SWL) are a manufacturing company manufacturing electrical appliances. M/s SWL were interested in preparing a long-range plan for their company which will provide a proper direction for the operations of the company. M/s SCL were hired to help M/s SWL. An internal analysis of the company's capability was carried as the first step. The next step evaluated the external environment directly related to the area of operation of M/s SWL. Both these provided encouraging results to go ahead with the expansion as the market was on the uptrend. However M/s SCL informed M/s SWL the need to carry out a risk analysis to identify areas of concern and evaluate the possibility of the kind of risk and the probability of the occurrence of the risk. This data will help M/s SWL to take a decision about the future operations. The data indicated an immediate requirement of additional capacity to meet the market demand. M/s SWL identified to take over an organization through a proper appraisal of the organization. However, M/s SCL cautioned about the limitations of such an analysis. M/s SWL were completely satisfied with the service provided by M/s SCL and thanked them for the support

**Questions:****[4 X 5 marks]**

- What are the components evaluated to identify the internal capability of the company **[5 marks]**
- What components were evaluated relating to the area of operation of M/s SWL **[5 marks]**
- What were the areas in which the risk analysis was carried out by M/s SCL **[5 marks]**
- What were the factors that had an effect on the appraisal result of the organizations? **[5 marks]**