



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics & SCM

Post Graduate Diploma in Materials Management - 2 years

June 2025

PAPER No. 5, (enrollment code- PMM, PSM, CMM,CSM) Business Ethics and Corporate Social Responsibility

Date: 19.06.2025

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

Max. Marks: 70

Duration: 3 Hrs.

Instructions:

1. From Part A – answer all questions (compulsory). Each sub questions carries 1 mark.
2. From Part B – Answer any 3 questions out of 5 questions. Each question carries 20 marks.
3. Part C is a case study (compulsory) Read the case study carefully and answer the questions

Total : 20 Marks

Total : 30 Marks

Total:20 Marks

Part – A

[20 Marks]

(Attempt all questions. Each sub question carries 1 mark.)

Q.1 Select the right answer

[5 marks]

- 1) Ethical theories guide the process of-----
(a) *Decision making* (b) *Planning* (c) *organising* (d) *All of these*
- 2) Ethics is _____ word which means character
(a) *Greek* (b) *English* (c) *Latin* (d) *Persian*
- 3) Which of the following refers to an individual's ability to understand a situation to taken place instinctively
(a) *Intuition* (b) *Creativity* (c) *Commitment* (d) *knowledge*
- 4) According to which law of Karma meets one's belief translate into action
(a) *The law of giving and hospitality* (b) *There law of here and now*
(c) *The law of change* (d) *none*
- 5) Which feature applies to Public procurement process
(a) *supports shareholders interest* (b) *Focused on social benefit*
(c) *Profit centric* (d) *Closed to Public security Virtue ethics*

Q.2 Fill in the blanks

[5 marks]

- 1) Business ethics is the basic _____ which lays out the foundation for conducting business properly
- 2) Equanimity is a state of -----
- 3) -----denotes the final liberation from worldly pursuits
- 4) Nishkam Karma is the ----- action performed
- 5) The two benefits of value based leadership are fewer -----and better results.

Q.3. State True or False

[5 marks]

- 1) Bad corporate governance can lead to doubts on a company's integrity, reliability and obligation to shareholders
- 2) Business cannot operate in an isolated economically oriented environment
- 3) India has made mandatory for organisations to invest in CSR initiatives
- 4) The ministry of commerce, the Govt. of India formulates various policies, acts and rules for CSR practices
- 5) A CSR strategy should exclude a company's normal business operation

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

COLUMN A		COLUMN B	
Sr.No.		Sr. No.	
1	Value based Management(VBM)	A	Ethics expert
2	Dharma	B	Ethical leadership
3	Ethos	C	A set of beliefs
4	4V model	D	right way of living
5	Kirk O Harrison	E	Values

PART B**(Attempt any 3. Each question carries 10 marks)****Q.5.a) Explain the importance of ethics in business** [5 marks]**b) Differentiate between ethos and ethics** [5 marks]**Q.6. a) Outline the importance of values in Global business management** [5 marks]**b) Describe the way to manage ethical dilemma** [5 marks]**Q.7.a) Outline the objectives of corporate governance** [5 marks]**b) Enumerate the obstacles in CSR implementation** [5 marks]**Q.8. a) Discuss the concept of Public Procurement** [5 marks]**b) Outline the guiding principle of VCSR** [5 marks]**Q.9. Write short notes on (any two) (2 x 5 = 10 marks)**

a) Sustainable development	b) Types of values
c) Management lessons from Mahabharata	d) The 4V model

PART - C**[20 marks]****Q. 10. Case study – Compulsory**

EcoChem limited, a leading chemical manufacturer, faced a dilemma when cost effective but polluting raw material was suggested to meet delivery time lines. The operations manager raised concerns, citing the company's CSR pledge towards sustainability and community health. Whether finance team pushed for the lower cost of material to improve short term profitability, the HR and CSR heads warned of long term reputations risks. It is obvious that any deviation from the sustainable pledge that company has taken will have an impact on the firm's reputation. Hence HR put pressure on all the concerned departments to go for an environment friendly material.

After several rounds of internal discussions, the CEO of the company supported the ethical path- choosing eco-friendly materials despite higher costs.

EcoChem reinforced its brand as a responsible corporate citizen, and the decision attracted global clients prioritizing ESG - compliant suppliers. This highlights the balance between ethical decisions and business growth, demonstrating how CSR can be strategic asset, not a cost burden

Questions:

1. How can ethical sourcing decisions strengthen a company's brand equity and shareholder trust ?**[5 marks]**
2. Evaluate how cross functional collaboration between CSR and procurement and top management influenced the final decision**[5 marks]**
3. Suggest a framework that the company could implement to routinely assess ethical risks in SCM **[5 marks]**
4. Assuming you are a part of leadership team, how would you balance ethical responsibilities with financial performance pressures **[5 marks]**
