INdian Institute of Materials Management
Post Graduate Diploma in Materials Management
Graduate Diploma in Materials Management
PAPER No. 3 (New)


Date : 13.06.2016
Time : 2.00 p.m to 5.00 pm
Max. Marks : 100
Duration : 3 Hrs.

Instructions:
1. From Part A – answer all questions (compulsory).
   Total: 32 Marks
2. From Part B – Answer any 3 questions out of 5 questions. Each question carries 16 marks
   Total: 48 Marks
3. Part C is a case study (compulsory). Read the case study carefully and answer the questions
   Each Question carries 10 marks
   Total: 20 Marks

PART A (compulsory). ( 32 x1 = 32 marks)

Q1. Select the most appropriate answer from the options given below: 8 marks

1. Which of the following is in the tertiary sector of the economy?
   a. transport       b. farming
   c. fishing         d. electricity

2. Which of the following is in the secondary sector of the economy?
   a. banking        b. gas
   c. finance        d. forestry

3. Which of the following is in the primary sector of the economy?
   a. mining         b. education
   c. animal husbandry   d. retail

4. A type of goods for which demand declines as the level of income or real GDP in the economy
   increases is called –
   a. normal goods   b. giffen goods
   c. complimentary goods d. inferior goods

5. Which of the economic systems is followed by India?-  
   a. mixed economy   b. communist system
   c. capitalist system  d. none of the above

6. IFRS is International Financial Reporting-
   a. scheme        b. standard
   c. system        d. none of the above
7. The number of basic types of corporate financial statements is-
   a. two
   b. three
   c. four
   d. six

8. One of the following is a current asset-
   a. bills payable
   b. dividend payable
   c. bank overdraft
   d. bills receivable

Q2. State whether the following are true or false: 8 marks
   a. Only listed companies are required to prepare and present cash flow statement.
   b. Vertical Analysis establishes a quantitative relationship of the various items in the financial statements on a particular date.
   c. Ratio Analysis does not help in decision making.
   d. A common size statement analysis indicates the relation of each component to the whole.
   e. Oligopsony is a market dominated by many sellers and a few buyers.
   f. The education system in India consists of primarily three levels.
   g. A multinational corporation can also be referred to as an International Corporation.
   h. Drawings is the amount of cash or other assets withdrawn by the owner for his/her official use.

Q3. Expand the abbreviations- 8 marks
   a. HDI
   b. CBDT
   c. SEBI
   d. NABARD
   e. STCI
   f. NHB
   g. GAPP
   h. GNI

Q4. Fill in the blanks with appropriate words: 8 marks
   a. ___________ economics concentrates on behaviour of the economy as a whole.
   b. The factors of production are land, labour, capital and ____________.
   c. A graph of all possible combinations of inputs that result in the production of a given level of output is called _____________.
   d. Information is included in the _____________ sector of the economy.
   e. Insurance is included in the _____________ sector of the economy.
   f. The _____________ statement is also called as the profit and loss account statement.
   g. Economic indicators fall into three categories, viz., leading, lagging and _____________.
   h. A mixed economy means it supports both private and ___________ ownership.
PART B
(Answer any three) 3x16 = 48 marks

Q. 5 Write short notes on any four
    a. Market
    b. Financial Market
    c. Wholesale price index
    d. Infrastructure
    e. Accounting methods
    f. Accounting standards

Q 6. a. Discuss the role of Public and private sectors.
     b. Explain the different forms of Business organizations.

Q 7. a. Explain the criteria for market classification.
     b. Explain the role of government in an economy.

Q 8. a. Explain the risks an individual investor considers while investing in the capital market.
     b. Discuss the types of demand.

Q 9. a. Explain the main objectives of Accounting.
     b. Explain the qualitative characteristics of financial statements.

PART- C

Q.10. (COMPULSORY) 20 marks

Prepare a statement of changes in working capital from the following balance sheet of ABC Ltd.

Balance Sheet as on 31/12/2013 and 31/12/2014

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2013 (Rs)</th>
<th>2014 (Rs)</th>
<th>Assets</th>
<th>2013 (Rs)</th>
<th>2014 (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Share Capital</td>
<td>3,00,000</td>
<td>3,00,000</td>
<td>Fixed Assets</td>
<td>3,30,000</td>
<td>3,40,000</td>
</tr>
<tr>
<td>Debentures</td>
<td>1,40,000</td>
<td>1,40,000</td>
<td>Long term Investments</td>
<td>1,00,000</td>
<td>95,000</td>
</tr>
<tr>
<td>Tax payable</td>
<td>52,000</td>
<td>48,000</td>
<td>Bills Receivable</td>
<td>65,000</td>
<td>76,000</td>
</tr>
<tr>
<td>Interest payable</td>
<td>28,000</td>
<td>33,000</td>
<td>Stock</td>
<td>49,000</td>
<td>49,000</td>
</tr>
<tr>
<td>Sundry Creditors</td>
<td>41,000</td>
<td>48,000</td>
<td>Debtors</td>
<td>32,000</td>
<td>23,000</td>
</tr>
<tr>
<td>Dividend payable</td>
<td>35,000</td>
<td>32,000</td>
<td>Cash</td>
<td>20,000</td>
<td>18,000</td>
</tr>
<tr>
<td>Total</td>
<td>5,96,000</td>
<td>6,01,000</td>
<td></td>
<td>5,96,000</td>
<td>6,01,000</td>
</tr>
</tbody>
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