

**FINALTERM EXAMINATION**

**Spring 2010**

**MGT602- Entrepreneurship**

**By Muhammad Adnan**

**Time: 90 min**

**Marks: 69**

**Question No: 1 ( Marks: 1 ) - Please choose one**

Which of the following is the most important factor for the entrepreneur, while starting a new venture, to make an assessment of business?

- ▶ Profit
- ▶ **Risk**
- ▶ Market
- ▶ Competitors

**Question No: 2 ( Marks: 1 ) - Please choose one**

Which one of the following is the next stage to the Concept Stage of Product Planning and Development Process?

- ▶ Idea Stage
- ▶ Product Planning Stage
- ▶ **Product Development Stage**
- ▶ Test Marketing Stage

Product planning and development process

Generally divided into five major stages: idea stage, concept stage, product development stage, test marketing stage, and commercialization stage

**Question No: 3 ( Marks: 1 ) - Please choose one**

Which of the following type of commitment is necessary from the for the satisfaction of Investors?

- ▶ Seasonal
- ▶ **Full time**
- ▶ Conditional
- ▶ Satisfactory

**Rationale:** Investors will not be positive about a venture that does not have full-time commitment

**Question No: 4 ( Marks: 1 ) - Please choose one**

Individuals who help the entrepreneur in business activities

- Role models
- Professional-support network**
- Parents
- None of the mentioned options

**Question No: 5 ( Marks: 1 ) - Please choose one**

Which of the following is included in the description of the business?

- ▶ Location
- ▶ Products offered
- ▶ History
- ▶ All of the given options**

**Question No: 6 ( Marks: 1 ) - Please choose one**

Advertising and promotion for the business-to-business market involve all of the following **EXCEPT**:

- ▶ **Indirect sales**
- ▶ Trade magazine advertising
- ▶ Direct sales
- ▶ Trade shows

**Question No: 7 ( Marks: 1 ) - Please choose one**

Which of the following factors along with organization's internal factors may change the direction of plan?

- ▶ Personal
- ▶ Environmental**
- ▶ Business
- ▶ Market

**Updating the Plan** Environmental factors and internal factors can change the direction of the plan. It is important to be sensitive to changes in the company, industry, and market.

**Question No: 8 ( Marks: 1 ) / - Please choose one**

The goals of venture should have all of the following characteristics to be successful, **EXCEPT:**

- ▶ Measurable
- ▶ Specific
- ▶ Properly monitored

▶ **Independent of time**

**Question No: 9 ( Marks: 1 ) - Please choose one**

Which of the following plan has names, addresses, and resumes of the directors and officers of the corporation?

- ▶ Operations
- ▶ Marketing
- ▶ Production

▶ **Organizational**

### **Organizational Plan**

This should include the number of shares authorized, share options, and names and addresses of the directors and officers. It is helpful to provide an organization chart indicating the line of authority. This chart shows the investor who controls the organization and how members interact.

**Question No: 10 ( Marks: 1 ) - Please choose one**

A/an \_\_\_\_\_ is an online connection between the company and its customers.

- ▶ Internet advertising

▶ **Website**

- ▶ E-Commerce
- ▶ World Wide Web

### **Website**

A website is an online connection between the company and its customers and can be developed

**Question No: 11 ( Marks: 1 ) - Please choose one**

Advertising and promotion for the business-to-business market involve all of the following **EXCEPT**:

▶ **Indirect sales**

- ▶ Trade magazine advertising
- ▶ Direct sales
- ▶ Trade shows

**Question No: 12 ( Marks: 1 ) - Please choose one**

Which one of the following provides a guideline in determining hiring procedures?

- ▶ Job description
- ▶ Job specification
- ▶ **Job analysis**
- ▶ Job evaluation

The **job analysis** serves as a guide in determining hiring procedures and **job descriptions** and specifications. As the size of the venture changes, the process becomes more complex.

**Question No: 13 ( Marks: 1 ) - Please choose one**

Which of the following represents the characteristics of the board of advisors?

▶ **Is subject to regulations stipulated in the Sarbanes-Oxley Act**

- ▶ Has no legal status
- ▶ Is not advisable in a family-owned business
- ▶ Is likely to meet more frequently

**Question No: 14 ( Marks: 1 ) - Please choose one**

In which of the following Common stock is permitted?

- ▶ C Corporation

▶ **S Corporation**

- ▶ Limited Partnership
- ▶ Sole Proprietor

**Question No: 15 ( Marks: 1 ) - Please choose one**

Which one of the following an entrepreneur must develop while preparing a pro forma of sales budget?

- ▶ Cash flow statement
- ▶ Balance sheet
- ▶ **Income statement**
- ▶ Statement of retained earnings

**Question No: 16 ( Marks: 1 ) - Please choose one**

Which of the following is the base of Job Advertisement?

- ▶ Job Description
- ▶ Job Specification
- ▶ Job identification
- ▶ **All of the above options**

**Question No: 17 ( Marks: 1 ) - Please choose one**

In the preparation of the pro forma income statement, the entrepreneur must have to develop first:

- ▶ A production budget
- ▶ **A sales budget**
- ▶ An operating budget
- ▶ **A capital budget**

PAGE 75: In the preparation of the pro forma income statement, the entrepreneur must first develop a sales budget, an estimate of the expected volume of sales by month. <http://vustudents.ning.com/>

**Question No: 18 ( Marks: 1 ) - Please choose one**

In which of the following sources the large positive cash flow may need to be invested?

- ▶ Long term
- ▶ **Short term**
- ▶ Average term
- ▶ None of the above options

PAGE 78: Large positive cash flows may need to be invested in short term sources.

**Question No: 19 ( Marks: 1 ) - Please choose one**

Which of the following is a formalized method for obtaining funds from private investors?

- ▶ **Private placement**
- ▶ Private offering
- ▶ Regulation D
- ▶ Bootstrap financing

**PRIVATE PLACEMENT**

A final source of funds is private placement with investors who may be family and friends or wealthy individuals

**Question No: 20 ( Marks: 1 ) - Please choose one**

What is the primary concern of entrepreneurs, who trade equity for their growing venture?

- ▶ Control
- ▶ Valuation
- ▶ Investor capabilities
- ▶ **Capitalization**

**Question No: 21 ( Marks: 1 ) - Please choose one**

When did the Sindh Small Industries Corporation launch its credit scheme?

- ▶ 1972-73
- ▶ 1978-79
- ▶ **1988-89**
- ▶ 1992-93

The SSIC also launched a credit scheme in 88,/89. The rate of markup was 7% for industrial estates and 11% for factories outside the industrial estates.

**Question No: 22 ( Marks: 1 ) - Please choose one**

In the U.S. joint ventures were first formed for large-scale projects in which of the following options?

- ▶ 1700s
- ▶ **1800s**
- ▶ 1900s
- ▶ 1600s

In the U.S. joint ventures were first used for large-scale projects in mining and railroads in the 1800s. The largest joint venture in the 1900s

**Question No: 23 ( Marks: 1 ) - Please choose one**

Using which of the following, the entrepreneur values the underlying worth of the business based on its assets?

- ▶ Liquidity ratio
- ▶ Asset turnover
- ▶ **Asset valuation**
- ▶ Owners' equity

The **asset** valuation method, the entrepreneur values the underlying worth of the business based on its assets.

**Question No: 24 ( Marks: 1 ) - Please choose one**

Which of the following is a second step in the entrepreneurial process?

- ▶ **Developing successful business ideas**
- ▶ Deciding to become an entrepreneur
- ▶ Growing the entrepreneurial firm
- ▶ Moving from an idea to an entrepreneurial firm

Ref. Page No.13 : A good **business plan** must be developed in order to exploit the opportunity defined. A good business plan is important in developing the opportunity and in determining the resources required, obtaining those resources and successfully managing the venture.

**Question No: 25 ( Marks: 1 ) - Please choose one**

The penetration growth strategy is all of the following, **EXCEPT**:

- ▶ Focuses on developing comparable products for the existing market
- ▶ **Relies on creating a new target market share**
- ▶ Expands the firm's product offering with comparable products
- ▶ Encourages more frequent repeat purchases

**Question No: 26 ( Marks: 1 ) - Please choose one**

An entrepreneur is also successful in international business as well if he understands:

- ▶ **Difference of domestic and international business**
- ▶ Domestic business
- ▶ International business
- ▶ None of the given options

**Question No: 27 ( Marks: 1 ) - Please choose one**

Female entrepreneurs differ from male entrepreneurs in terms of all of the following **EXCEPT**:

- ▶ **Motivation**
- ▶ Business skills
- ▶ Departure point
- ▶ Goal orientation

**Question No: 28 ( Marks: 1 ) - Please choose one**

Which of the following distributes profits to owners through dividends?

- ▶ Limited Partnership
- ▶ General Partnership
- ▶ **Corporation**



- ▶ Sole Proprietor

**Question No: 29 ( Marks: 1 ) - Please choose one**

Data that support the opportunity for the venture should be briefly stated in the executive summary. If this venture is an internet business, all of the following facts should be stated by an entrepreneur EXCEPT:

- ▶ Growth in the number of internet users
- ▶ Growth in the average amount of time spent on the internet
- ▶ Growth in sales dollars generated on the internet

▶ **Growth rate of population**

**Question No: 30 ( Marks: 1 ) - Please choose one**

The more complex the organization, the more \_\_\_\_\_ it is to start.

- ▶ Hard
- ▶ Possible
- ▶ **Expensive**
- ▶ Easy

Page 69: The more complex the organization, the more expensive it is to start.

**Question No: 31 ( Marks: 1 ) - Please choose one**

The least expensive form of business startup is \_\_\_\_\_.

- ▶ **Proprietorship**
- ▶ Joint venture
- ▶ Corporation
- ▶ Partnership

The least expensive is the proprietorship, where the only costs may be for filing for a business name.

**Question No: 32 ( Marks: 1 ) - Please choose one**

In which of the following the death of entrepreneur results in the termination of venture?

- ▶ **Proprietorship**
- ▶ Limited company
- ▶ Limited partnership
- ▶ Corporation

**Question No: 33 ( Marks: 1 ) - Please choose one**

It may be desirable to make all payments on time to establish credibility with \_\_\_\_\_.

- ▶ Consumers
- ▶ Retailers
- ▶ **Suppliers**
- ▶ Entrepreneurs

Page 94: In the early stage, it may be desirable to make all payments on time to establish credibility with suppliers.

**Question No: 34 ( Marks: 1 ) - Please choose one**

Which of the following initial step is normally taken by the management for hiring employees?

- ▶ Interviews
- ▶ Short listing
- ▶ **Advertisement**
- ▶ Group discussion

Advertising

advertising in local newspapers and referrals from friends and associates is most effective for entry-level positions.

**Question No: 35 ( Marks: 1 ) - Please choose one**

Which of the following person is normally a role model for any other employee in the organization?

- ▶ Office boy
- ▶ Sales officer
- ▶ **Entrepreneur**
- ▶ Finance manager

**Question No: 36 ( Marks: 1 ) - Please choose one**

Which of the following factor is **NOT** an important issue in managing cash flows by the entrepreneurs?

- ▶ Inventory stocks
- ▶ **Depreciation**
- ▶ Receivables
- ▶ Payables

**Question No: 37 ( Marks: 1 ) - Please choose one**

Which of the following form of business can raise funds through selling shares in the market for the new venture?

- ▶ Partnership
- ▶ **Corporation**
- ▶ Proprietorship
- ▶ All of the given options

**Question No: 38 ( Marks: 1 ) - Please choose one**

Which one of the following ratios is a more rigorous test of the short-term liquidity of the venture?

- ▶ Debt ratio
- ▶ **Activity ratio**
- ▶ **Acid test ratio**
- ▶ Profitability ratio

*Acid test ratio* is a more rigorous test of the short-term liquidity of the venture.

**Question No: 39 ( Marks: 1 ) - Please choose one**

The success of any advertising agency is normally based on their \_\_\_\_\_.

- ▶ Programs
- ▶ Unique Ideas
- ▶ Business studies

▶ **All of the given options**

**Question No: 40 ( Marks: 1 ) - Please choose one**

All of the following are key factors in the evaluation process to measure profitability and activity for the acquisition, **EXCEPT**:

▶ **Poorly managed inventory**

- ▶ Insufficient financial controls
- ▶ Trading volume in stock markets
- ▶ Poor corporate communications

**Question No: 41 ( Marks: 1 ) - Please choose one**

All of the following are goals of entrepreneurial culture EXCEPT:

- ▶ To take responsibility and ownership
- ▶ To be rewarded for actions taken

▶ **To stay within your turf and protect your backside**

- ▶ To develop visions, goals, and action plans

**Question No: 42 ( Marks: 1 ) - Please choose one**

When an entrepreneur makes his first move into the international business, which of the following decision making style he follows?

► **Centralized**

- Democratic
- Decentralized
- Participative

**Question No: 43 ( Marks: 1 ) - Please choose one**

Which one of the following is the most important characteristic of a successful business website?

► **Speed**

- Innovation
- Graphics
- Products

**Question No: 44 ( Marks: 1 ) - Please choose one**

Business plan should be prepared by an entrepreneur. All of the following should be consulted while preparing this plan EXCEPT:

- Lawyers
- Accountants
- Marketing consultants

► **General public**

**Question No: 45 ( Marks: 1 ) - Please choose one**

Which of the following is NOT studied in environmental analysis?

- Economic conditions
- Technology advancements

► Organizational culture

► **Legal concerns**

**Question No: 46 ( Marks: 1 ) - Please choose one**

Which budget is intended to provide base for evaluating expenditures that will impact the business for more than one year?

► Sales budget

► **Capital budget**

► Production budget

► Operating budget

**Capital budgets** are intended to provide a basis for evaluating expenditures that will impact the business for more than one year.

**Question No: 47 ( Marks: 1 ) - Please choose one**

Which of the following is the former name of SME Bank?

► FMBC

► SBFC

► **SMEDA**

► SPCC

**Question No: 48 ( Marks: 1 ) - Please choose one**

On the part of entrepreneur which of the following has/ have a great concern to the Investors?

► Commitment

► Experience

► Knowledge

► **All of the given options**

**Question No: 49 ( Marks: 3 )**

Describe any three issues that should be addressed in executive summary.

1. Brief description of the business concept
2. Any data that support the opportunity for the venture.
3. Statement of you this opportunity will be pursued.

**Question No: 50 ( Marks: 3 )**

What does inventory turnover mean? How is it measured?

Inventory turnover measures the efficiency of the venture in managing and selling its inventory. A high turnover is a positive sign, signifying the venture is able to sell its inventory quickly.

**Inventory turnover:** Cost of goods sold / Inventory

**Question No: 51 ( Marks: 5 )**

While developing the web site what characteristics should be kept in mind?

Answer:

A website is an online connection between the company and its customers and can be developed in-house or outsourced. There are several important features of every website. Each website should have search capabilities. Other functions include:

1. Shopping cart
2. Secure server connection
3. Credit card payment
4. Customer feedback features.
5. Speed, Speed and Speed.

**Question No: 52 ( Marks: 5 )**

Discuss the functions of Small Industries Development Board (SIDB) NWFP.

SIDB is playing a promotional role to support and help out the development of small and cottage industry in the province. It is an independent body, focusing on manpower training, model projects and industrial infrastructure.

**Question No: 53 ( Marks: 5 )**

How can an entrepreneur enhance the motivation in the employees, list down any five motivational factors?

Following are five of some factors:

**1. Sincere empathy**

Be genuine and understanding toward the people who were let go and for the added responsibilities for those who remain. Ask individuals how they feel about the events that occurred. The key here is to allow them to vent their thoughts and emotions. This is the appropriate forum in which to do it, not behind your back, spreading rumors and ill will.

## **2. Be genial:**

Sincerely thank everyone for trying to understand the difficult steps you have taken and for their attention, concern and willingness to put forth additional effort to get through these difficult times.

## **3. Leadership available:**

Explain that you and other management-level people will be available to discuss job questions, uncertainties and performance, gearing your comments to how to overcome obstacles in the way of success.

## **4. Positive action:**

Discuss how the difficult short-term steps will positively affect the future. With the changes you have made, you look forward to brighter, more secure prospects. When business improves, hopefully you will be able to rehire some of the terminated employees. Again, encourage them to share their feelings and try to empathize with them

## **5. Recognition:**

Look for ways to increase employee motivation by recognizing excellence in the workplace. Ring a bell every time an individual or team hits the production target. Put up posters with the photographs of team members who have had the most days without accidents. Give out awards for attendance records. Just do something. It is so inexpensive, yet highly effective in your efforts of employee motivation.

### **FINALTERM EXAMINATION MGT602- Entrepreneurship By ADNAN AWAN**

#### **Question No: 1 ( Marks: 1 ) - Please choose one**

Which of the following geographical area is of least interest to U.S entrepreneurs?

- ▶ Europe
- ▶ The Far East
- ▶ **Central Asia**
- ▶ Transition economies

#### **Question No: 2 ( Marks: 1 ) - Please choose one**

Secondary data can be obtained from all of the following sources, **EXCEPT:**

- ▶ Magazine
- ▶ Bureau of statistics
- ▶ **Focus group**

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- ▶ Internet

**Question No: 3 ( Marks: 1 ) - Please choose one**

Which one of the following is NOT an environmental factor?

- ▶ Economy
- ▶ Culture
- ▶ Technology
- ▶ **Competition**

**Question No: 4 ( Marks: 1 ) - Please choose one**

Which of the following techniques is an excellent method for initially screening ideas and concepts in addition to generating new ideas?

- ▶ Focus group
- ▶ Problem inventory analysis
- ▶ Brain storming
- ▶ **Reverse brainstorming**

**Question No: 5 ( Marks: 1 ) - Please choose one**

Developing a new idea through inquiry and testing is called:

- ▶ Heuristics
- ▶ Forced relationship
- ▶ **Scientific method**
- ▶ Value analysis

**Question No: 6 ( Marks: 1 ) - Please choose one**

Which of the following geographical area is of least interest to U.S entrepreneurs?

- ▶ Europe
- ▶ The Far East
- ▶ **Central Asia**
- ▶ Transition economies

**Question No: 7 ( Marks: 1 ) - Please choose one**

Which of the following is a second step in the entrepreneurial process?

- ▶ **Developing successful business ideas**
- ▶ Deciding to become an entrepreneur
- ▶ Growing the entrepreneurial firm
- ▶ Moving from an idea to an entrepreneurial firm

A good **business plan** must be developed in order to exploit the opportunity defined. A good business plan is important in developing the opportunity and in determining the resources required, obtaining those resources and successfully managing the venture.

**Question No: 8 ( Marks: 1 ) - Please choose one**

Entrepreneurial endeavors consist of all of the following key elements **Except:**

- ▶ New business venturing
- ▶ **Increasing productivity**
- ▶ Innovativeness

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► Proactiveness

**Question No: 9 ( Marks: 1 ) - Please choose one**

For the success of business plan the goals should be:

- Imaginary
- **Specific**
- Generalized
- Limitless

**Question No: 10 ( Marks: 1 ) - Please choose one**

Which one of the following is a longest lasting trade agreement with the objective of liberalizing trade by eliminating or reducing tariffs, subsidies and quotas?

- Free trade area – FTA
- European community – EC
- **General agreement on tariffs and trade – GATT**
- The North American free trade agreement – NAFTA

Secondary data can be obtained from all of the following sources, **EXCEPT**:

- Magazine
- Bureau of statistics
- **Focus group**
- Internet

**Question No: 11 ( Marks: 1 ) - Please choose one**

The marketing plan section should focus for the strategies for how many years?

- First Year
- **First Three Years**
- First four years
- First two years

**Question No: 12 ( Marks: 1 ) - Please choose one**

The discussion among the people in focus group carries in which of the following ways?

- Formal Way
- **Informal Way**
- Convenient Way
- Problematic Way

**Question No: 13 ( Marks: 1 ) - Please choose one**

In terms of chronological age, most entrepreneurs initiate their entrepreneurial carrier between ages of:

- 15 and 22
- **22 and 45**
- 45 and 57
- 57 and 63

**Question No: 14 ( Marks: 1 ) - Please choose one**

In which of the following, banks are usually reluctant to give loan?

- **Sole Proprietor**
- Public Limited Companies

- ▶ Partnership firm
- ▶ Private Limited Companies

**Question No: 15 ( Marks: 1 ) - Please choose one**

In USA Public Limited Companies may have \_\_\_\_\_ Director/s

- ▶ 1
- ▶ 2
- ▶ 3
- ▶ 4

**Question No: 16 ( Marks: 1 ) - Please choose one**

In which of the following majority holds the management control?

- ▶ **Partnership**
- ▶ Corporation
- ▶ Limited liability company
- ▶ All of the given options

**Question No: 17 ( Marks: 1 ) - Please choose one**

Which of the following shows the characteristic of the partnership with reference to taxation system?

- ▶ **Single taxation system**
- ▶ Double taxation system
- ▶ Triple taxation system
- ▶ No taxation system

**Question No: 18 ( Marks: 1 ) - Please choose one**

Which of the following is the systematic assembly of all the facts about a job?

- ▶ **Job Analysis**
- ▶ Job Identification
- ▶ Job Description
- ▶ Job Specification

**Question No: 19 ( Marks: 1 ) - Please choose one**

A party in an agreement that usually supplies money and has a few responsibilities is known as:

- ▶ **Limited partner**
- ▶ Major partner
- ▶ Minor partner
- ▶ General partner

**Question No: 20 ( Marks: 1 ) - Please choose one**

Which of the following is a formalized method for obtaining funds from private investors?

- ▶ Private placement
- ▶ **Private offering**
- ▶ Regulation D
- ▶ Bootstrap financing

**Question No: 21 ( Marks: 1 ) - Please choose one**

LIFO method can be beneficial in following conditions, **EXCEPT:**

- ▶ If rising production costs are anticipated
- ▶ If the business and inventory are growing
- ▶ **If the business has not computerized inventory control capability**

- ▶ If the business is profitable

**Question No: 22 ( Marks: 1 ) - Please choose one**

Using which of the following, the entrepreneur values the underlying worth of the business based on its assets?

- ▶ Liquidity ratio
- ▶ Asset turnover
- ▶ **Asset valuation**
- ▶ Owners' equity

**Question No: 23 ( Marks: 1 ) - Please choose one**

The mean age of entrepreneurial enterprises in Pakistan is:

- ▶ **12 years**
- ▶ 15 years
- ▶ 20 years
- ▶ 22 years

**Question No: 24 ( Marks: 1 ) - Please choose one**

What is the percentage of Pakistani entrepreneurs that have college education?

- ▶ **30%**
- ▶ 10%
- ▶ 60%
- ▶ 45%

**Question No: 25 ( Marks: 1 ) - Please choose one**

Which one of the following is the first step in the entrepreneurial process?

- ▶ **Deciding to become an entrepreneur**
- ▶ Growing the entrepreneurial firm
- ▶ Moving from an idea to an entrepreneurial firm
- ▶ Developing successful business ideas

**Question No: 26 ( Marks: 1 ) - Please choose one**

In order to make organization more flexible and responsive it should tend towards which of the following?

- ▶ Centralization
- ▶ **Decentralization**
- ▶ Employee Motivation
- ▶ Less vulnerable to change

**Question No: 27 ( Marks: 1 ) - Please choose one**

The entrepreneur was distinguished from capital provider in:

- ▶ Middle ages
- ▶ **18<sup>th</sup> century**
- ▶ 17<sup>th</sup> century
- ▶ 19<sup>th</sup> and 20<sup>th</sup> century

**Question No: 28 ( Marks: 1 ) - Please choose one**

An entrepreneur is a person who is a:

- ▶ Risk taker
- ▶ Initiator
- ▶ Actor

- ▶ All of the given options

**Question No: 29 ( Marks: 1 ) - Please choose one**

Which of the following is alternatively called corporate venturing?

- ▶ Entrepreneurship
- ▶ Intrapreneurship
- ▶ Act of stating a new venture
- ▶ Offering new products by an existing company

**Question No: 30 ( Marks: 1 ) - Please choose one**

Which one of the following is not the intrapreneurial leadership characteristic?

- ▶ Understands environment
- ▶ Encourage the team work
- ▶ Not flexible
- ▶ Persistent

**Question No: 31 ( Marks: 1 ) - Please choose one**

Degree of influence and control on other people is called:

- ▶ Locus of control
- ▶ Locomotion of control
- ▶ Locust of control
- ▶ Loss of control

**Question No: 32 ( Marks: 1 ) - Please choose one**

\_\_\_\_\_ is usually represents one or more segments of the entire market.

- ▶ Local market
- ▶ Target market
- ▶ Market orientation
- ▶ Market segmentation

**Question No: 33 ( Marks: 1 ) - Please choose one**

The most often used type of funds in the companies is/are known as:

- ▶ Personal funds
- ▶ Internal funds
- ▶ External funds
- ▶ All of the given options

**Question No: 34 ( Marks: 1 ) - Please choose one**

Which one of the following private investors is NOT a final source of funds for the entrepreneurs?

- ▶ Friends
- ▶ Barbers
- ▶ Financial planners
- ▶ Technical experts

**Question No: 35 ( Marks: 1 ) - Please choose one**

Which of the following factor is primarily based on pricing of the products?

- ▶ Cost
- ▶ Quality
- ▶ Economy

- ▶ Competition

**Question No: 36 ( Marks: 1 ) - Please choose one**

It may be desirable to make all payments on time to establish credibility with \_\_\_\_\_.

- ▶ Consumers
- ▶ Retailers
- ▶ **Suppliers**
- ▶ Entrepreneurs

**Question No: 37 ( Marks: 1 ) - Please choose one**

Which of the following helps to prevent lack of cash?

- ▶ **Financial plan**
- ▶ Cash flow
- ▶ Business plan
- ▶ Personal plan

**Question No: 38 ( Marks: 1 ) - Please choose one**

When two or more separate companies forming a new company, it is known as:

- ▶ **Merger**
- ▶ Acquisition
- ▶ Corporation
- ▶ Joint venture

**Question No: 39 ( Marks: 1 ) - Please choose one**

Which of the following combination can help for achieving targets to greater than that predicted?

- ▶ Merger
- ▶ **Synergy**
- ▶ Acquisition
- ▶ Joint venture

**Question No: 40 ( Marks: 1 ) - Please choose one**

In which of the following the death of entrepreneur results in the termination of venture?

- ▶ **Proprietorship**
- ▶ Limited company
- ▶ Limited partnership
- ▶ Corporation

**Question No: 41 ( Marks: 1 )**

Female entrepreneurs differ from male entrepreneurs in terms of all of the following **EXCEPT**:

- ▶ **Motivation**
- ▶ Business skills
- ▶ Departure point

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- ▶ Goal orientation

**Question No: 42 ( Marks: 1 )**

Which of the following techniques is an excellent method for initial screening of ideas and concepts?

- ▶ Focus group
- ▶ Problem inventory analysis
- ▶ **Brain storming**
- ▶ Reverse brainstorming

**Question No: 43 ( Marks: 10 )**

Business plan should be prepared by an entrepreneur. All of the following should be consulted while preparing this plan EXCEPT:

- ▶ Lawyers
- ▶ Accountants
- ▶ Marketing consultants
- ▶ **General public**

**Question No: 44 ( Marks: 10 )**

Individuals who help the entrepreneur in business activities are called:

- ▶ Role models
- ▶ Moral support networks
- ▶ **Professional support networks**
- ▶ Business support networks

**Question No: 45 ( Marks: 10 )**

"Paying for goods indirectly through another source" refers to:

- ▶ Barter
- ▶ Trading
- ▶ **Third-party arrangement**
- ▶ Balance of payment

**Question No: 46 ( Marks: 1 ) - Please choose one**

Which one of the following can be registered under design patent?

- ▶ New product
- ▶ Original product
- ▶ Ornamental
- ▶ **All of the given options**

**Question No: 47 ( Marks: 1 ) - Please choose one**

Which one of the following is an important source of idea generation due to their familiarity with the needs of market?

- ▶ Existing products and services
- ▶ **Distribution channels**
- ▶ Federal government
- ▶ Consumers

**Question No: 48 ( Marks: 1 ) - Please choose one**

When an entrepreneur makes his first move into the international business, which of the following decision making style he follows?

► **Centralized**

- Democratic
- Decentralized
- Participative

**Question No: 49 ( Marks: 3 )**

What is copyright? What are its limitations.

Answer:

The Legal Agreement which protects the original work of the author.inventer.

A **copyright** protects original works of authorship. The protection does not protect the idea itself. It allows someone else to use the idea in a different manner

**Question No: 50 ( Marks: 3 )**

Briefly explain the procedure to avail Small Business Innovation Research (SBIR) grant.

1. The agencies publish solicitation describing the areas of research they will fund.
2. Submission of the application by a company.
3. Each agency screens the proposals it receives, and those passing are appraised by experts.
4. Awards are granted to those projects that have the best potential for commercialization.
5. Any patent rights, research data, and software generated are owned by the company, not the government.

**Question No: 51 ( Marks: 5 )**

While using brain storming for new idea creation what measures should be taken to acquire a good idea?

Answer:

**Brainstorming**

An idea generating by Group of People with having individually experience about the issue each of them to share ,definitely based of facts.

A group method of obtaining new ideas and solutions is called brainstorming. The brainstorming method for generating new ideas is based on the fact that people can be stimulated to greater creativity by meeting with others and participating with organized group experiences. Although most of the ideas generated from the group have no basis for further development, often a good idea emerges.

**Question No: 52 ( Marks: 5 )**



What are the flexibilities that the law provides to S corporations?

Law provides following flexibility:

- Number of shareholders.
- Who can be permissible to own shares?
- The ability of S corporations to own more than 90% of stock of another corporation.
- Profit's distribution.
- Issuance of different classes of stock.
- Rules affecting the tax basis of incurred losses.

**Question No: 53 ( Marks: 5 )**

Discuss what kind of information should be mentioned in "description of venture" section of a business plan.

**Description of the Venture**

The description of the venture should be detailed in this section. This should begin with the mission statement or company mission, which describes the nature of the business and what the entrepreneur hopes to accomplish. The new venture should be described in detail, including the product, location, personnel, background of entrepreneur, and history of the venture. The emphasis placed on location is a function of the type of business. Maps that locate customers, competitors, and alternative locations can be helpful. If the building or site decision involves legal issues, the entrepreneur should hire a lawyer.

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