

VINOBA BHAVE UNIVERSITY
Entrepreneurship Development Program
MODEL QUESTION PAPER
Multiple Choice Questions.

1. An individual who starts, creates and manages a new business can be called

- _____.
- A. A leader
 - B. A manager
 - C. A professional
 - D. An entrepreneur

ANSWER: D

2. Trademarks relate to _____.

- A. Practice and knowledge acquired through experience
- B. The protection of proprietary information of commercial value
- C. The right to reproduce ones own original work
- D. Brand identity

ANSWER: D

3. Which could provide an individual with the motivation to start a new business venture?

- A. The financial rewards.
- B. A desire to be independent.
- C. Risk taking
- D. All the above.

ANSWER: D

4. Which of the following factors should not be included in PESTLE analysis?

- A. Government re-cycling policy.
- B. Proposed reduction in interest rates.
- C. Competitor activity.
- D. Demographic changes.

ANSWER: C

5. Which industrial sector promotes small-scale businesses and Entrepreneurship, and has lower barriers to market entry?

- A. Service.
- B. Manufacturing.
- C. Distribution.
- D. Agriculture.

ANSWER: A

6. Why are small businesses important to a country's economy?

- A. They give an outlet for entrepreneurs.
- B. They can provide specialist support to larger companies.
- C. They can be innovators of new products.
- D. All the above.

ANSWER: D

7. A business arrangement where one party allows another party to use a business name and sell its products or services is known as _____.

- A. A cooperative.
- B. A franchise.
- C. An owner-manager business.
- D. A limited company.

ANSWER: B

8. Which of the following is the reason for business failure _____.

- A. Lack of market research.
- B. Poor financial control.
- C. Poor management.
- D. All the above.

ANSWER: D

9. The use of informal networks by entrepreneurs to gather information is known as _____.

- A. Secondary research.
- B. Entrepreneurial networking.
- C. Informal parameters.
- D. Marketing

ANSWER: B

10. Good sources of information for an entrepreneur about competitors can be obtained from _____.

- A. Websites.
- B. Product information leaflets.
- C. Company reports and published accounts.
- D. All the above.

ANSWER: D

11. A new venture's business plan is important because _____.

- A. It helps to persuade others to commit funding to the venture.
- B. Can help demonstrate the viability of the venture.
- C. Provides a guide for business activities by defining objectives.
- D. All the above.

ANSWER: D

12. Primary data is _____.

- A. the most important data.

- B. the data that is collected first.
- C. new data specifically collected for a project.
- D. data that is collected second.

ANSWER: C

13. Innovation can best be defined as _____.

- A. the generation of new ideas.
- B. the evolution of new ideas.
- C. the opposite of creativity.
- D. the successful exploitation of new ideas.

ANSWER: D

14. Which of these statements best describes the context for entrepreneurship?

- A. Entrepreneurship takes place in small businesses.
- B. Entrepreneurship takes place in large businesses.
- C. Entrepreneurship takes place in a wide variety of contexts.
- D. Entrepreneurship does not take place in social enterprises.

ANSWER: C

15. Entrepreneurs are motivated by _____.

- A. money.
- B. personal values.
- C. pull influences.
- D. All the above.

ANSWER: D

16. Which of the following are described as one of the Big Five personality traits?

- A. tolerance of others.
- B. need for achievement.
- C. propensity to leadership.
- D. locus of control.

ANSWER: B

17. Which of the following is least likely to influence the timing of new business births?

- A. Government policies.
- B. Profitability.
- C. Consumer expenditure.
- D. Weather conditions.

ANSWER: D

18. Which of the following statements is false?

- A. Market segmentation is a useful process for small businesses to undertake.
- B. Selling is essentially a matching process.
- C. A benefit is the value of a product feature to a customer.
- D. It is a good idea for small businesses to compete solely on price.

ANSWER: D

19. The purpose of all good small business strategy is_____.

- A. to increase turnover.
- B. to increase profitability.
- C. to achieve competitive advantage.
- D. to achieve stated objectives.

ANSWER: D

20. Which of the following is a recognized disadvantage of setting up as a start-up as compared with other routes to market entry?

- A. less satisfaction of the owners.
- B. less help from various agencies.
- C. there are more funds required.
- D. there is a high failure rate.

ANSWER: D

21. Someone legally appointed to resolve the financial difficulties of an insolvent firm is called_____.

- A. an administrator.
- B. a predator.
- C. an auditor.
- D. a turnaround consultant.

ANSWER: A

22. Goods or services reach the market place through _____.

- A. marketing channels.
- B. multilevel pyramids.
- C. monopolies.
- D. multiplication.

ANSWER: A

23. To provide financial assistance to entrepreneurs the government has set up a number of_____.

- A. financial advisors.
- B. financial intermediaries.
- C. Industrial estates.
- D. financial institutions.

ANSWER: D

24. State Industrial corporations engage in the development of_____.

- A. industrial estates.
- B. institutional estates.
- C. individual investors.
- D. agricultural entrepreneurs.

ANSWER: A

25. _____ is the first development bank of the country.

- A. ICICI.
- B. IDBI.
- C. SFC.

D. IFCI.

ANSWER: D

26. IFCI stands for_____.

- A. Industrial finance corporation of India.
- B. Institutional finance corporation of India.
- C. Industrial funding corporation of India.
- D. Indian finance corporation and institution.

ANSWER: A

27. IFCI has been converted into a_____.

- A. joint stock company.
- B. co-operative society.
- C. partnership firm.
- D. sole proprietorship.

ANSWER: A

28. SIDBI was set up as a subsidiary of_____.

- A. IDBI.
- B. IFCI.
- C. ICICI.
- D. SFC.

ANSWER: A

29. Which of the following is a function of SIDBI?

- A. Extension of seed capital.
- B. Discounting of bills.
- C. Providing factoring services.
- D. All of the above.

ANSWER: D

30. SFC is prohibited from granting financial assistance to any company whose aggregate paid up capital exceed_____.

- A. 1 crore.
- B. 1.5 crores.
- C. 2 crores.
- D. 2.5 crores.

ANSWER: A

31. SIPCOT's financial assistance is in the form of_____.

- A. term loan.
- B. seed capital scheme.
- C. underwriting the capital issues.
- D. All of the above.

ANSWER: D

32. The business development department of SIPCOT guides entrepreneurs in_____.

- A. applying for licences.

- B. approval on collaboration.
- C. allocation of scarce raw materials.
- D. All the above.

ANSWER: D

33. TIIC is sponsored by the_____.

- A. Government of Karnataka.
- B. Government of Andhra Pradesh.
- C. Government of Kerala.
- D. Government of Tamil Nadu.

ANSWER: D

34. In backward areas, term loans for expansion or setting up a new unit are available at _____.

- A. concessional terms.
- B. differential terms.
- C. standard terms.
- D. specific terms.

ANSWER: A

35. A commercial banker would prefer a _____ debt-equity ratio over the years as it indicates financial strength of a unit.

- A. Declining.
- B. Increasing.
- C. Stable.
- D. Fluctuating.

ANSWER: A

36. EDPs course contents contains _____.

- A. General introduction to entrepreneurs.
- B. Motivation training.
- C. Managerial skills.
- D. All the above.

ANSWER: D

37. Entrepreneurial Guidance Bureau(EGB) was set up by_____.

- A. SISI.
- B. SIPCOT.
- C. IIC.
- D. SIDCO.

ANSWER: C

38. _____ can be defined as a specifically evolved work plan designed to achieve a specific objective within a specific period of time

- A. Idea generation.
- B. Opportunity Scanning.
- C. Project.
- D. Strategy.

ANSWER: C

39. Large investment is made in fixed assets, the project will be termed as _____.

- A. Capital Intensive.
- B. Labour Intensive.
- C. Product Intensive.
- D. Market Intensive.

ANSWER: A

40. PERT stands for _____.

- A. Programme Evaluation and Research Techniques.
- B. Project Evaluation and Review Techniques.
- C. Programme Evaluation and Review Techniques.
- D. Project Evaluation and Research Techniques.

ANSWER: C

41. _____ is used to accomplish the project economically in the minimum available time with limited resources

- A. Project Scheduling.
- B. Network Analysis.
- C. Budget Analysis.
- D. Critical Planning.

ANSWER: A

42. _____ is a form of financing especially for funding high technology, high risk and perceived high reward projects

- A. Fixed capital.
- B. Current capital.
- C. Seed capital.
- D. Venture capital.

ANSWER: D

43. In _____, machines and equipments are arranged in the order or sequence in which they are to be used for manufacturing the product

- A. Factory Layout.
- B. Product Layout.
- C. Process Layout.
- D. Combined Layout.

ANSWER: B

44. The term _____ denotes bonus or financial aid which is given by a government to an industry to help it compete with other units

- A. Incentive.
- B. Subsidy.
- C. Bounty.
- D. Concession.

ANSWER: C

45. The granting of cash subsidy on the capital investment is called _____.

- A. Concessional finance.
- B. Quantum of Subsidy.
- C. Interest Subsidy.
- D. Central Investment Subsidy.

ANSWER: D

46. New Small Scale industries are exempted from the payment of income tax under section 80J is called _____

- A. Development Rebate..
- B. Investment Allowance.
- C. Rehabilitation Allowance.
- D. Tax Holiday

ANSWER: B

47. _____ is primarily concerned with the identification of the project demand potential and the selection of the optimal technology.

- A. Techno-economic analysis.
- B. Feasibility analysis.
- C. Input analysis.
- D. Financial analysis.

ANSWER: A

48. _____ refers to some action which is a time consuming effort necessary to complete a specific event.

- A. A Network.
- B. An Activity.
- C. An Event.
- D. A Node.

ANSWER: B

49. _____ is a graphical representation of the various activity and event relating to a project.

- A. Network analysis.
- B. Scheduling technique.
- C. Logical Model.
- D. Network Diagram

ANSWER: D

50. Activities which must be finished before a given event can occur are termed as _____.

- A. Preceding Activities.
- B. Succeeding Activities
- C. Concurrent Activities
- D. Dummy Activities.

ANSWER: A

51. Activities which can be accomplished simultaneously are termed as _____.

- A. Preceding Activities.

- B. Succeeding Activities.
- C. Concurrent Activities
- D. Dummy Activities.

ANSWER: C

52. EST stands for _____.

- A. Earliest Start Time.
- B. Event Start Time.
- C. Effective Start Time.
- D. Essential Start Time.

ANSWER: A

53. Additional time which a non-critical activity can consume without increasing the project duration is called _____.

- A. Total Float.
- B. Free Float
- C. Independent Float.
- D. Dependant Float

ANSWER: A

54. _____ is an event-oriented approach .

- A. CPM.
- B. GERT.
- C. PERT.
- D. WASP.

ANSWER: C

55. _____ is an activity-oriented approach.

- A. CPM
- B. PERT
- C. GERT
- D. WASP

ANSWER: A

56. _____ is the analysis of costs and benefits of a proposed project with the goal of assuming a rational allocation of limited funds.

- A. Project formulation.
- B. Project evaluation.
- C. Project appraisal .
- D. Project Design.

ANSWER: C

57. _____ may be defined as the excess of present value of project cash inflows over that of out flows.

- A. Net present value technique.
- B. Average rate of return.
- C. Benefit-Cost ratio.
- D. Internal rate of return

ANSWER: A

58. Decisions taken by an entrepreneur on behalf of his enterprise are known as _____.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions

ANSWER: A

59. Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as _____.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions.

ANSWER: D

60. _____ is a problem -solving technique designed to produce numerous ideas in a short period

- A. Synectics.
- B. Delphi technique.
- C. Brain storming.
- D. Nominal group technique.

ANSWER: C

61. . _____ is the systematic development of a project idea for the eventual purpose of arriving at an investment decision.

- A. Project identification.
- B. Project formulation.
- C. Project feasibility.
- D. Project evaluation.

ANSWER: B

62. The process of preparing an inventory of skills needed for effective implementation of the project is called as _____.

- A. Economic viability.
- B. Financial feasibility.
- C. Technical feasibility.
- D. Managerial competence.

ANSWER: D

63. _____ implies the availability or otherwise of plant and machinery and technical know how to produce the product.

- A. Economic viability.
- B. Financial feasibility.
- C. Technical feasibility.
- D. Managerial competence

ANSWER: C

64. CPM stands for _____.

- A. Continuous Path Method.
- B. Clear Path Method.
- C. Critical Path Method.
- D. Critical Probabilistic Method.

ANSWER: C

65. _____ is granted to small scale units under section 33B of the Income tax act, 1961.

- A. Depreciation Allowance.
- B. Development Debate.
- C. Investment Allowance.
- D. Rehabilitation Allowance.

ANSWER: D

66. DGTD stands for _____.

- A. Directorate General of Technical Development.
- B. District General of Technical Development.
- C. District General of Taxation Deduction.
- D. Directorate General of Taxation Deduction.

ANSWER: A

67. A provisional SSI registration certificate is valid for a period of _____.

- A. four Years.
- B. three Years.
- C. two Years.
- D. one year.

ANSWER: D

68. National Alliance of Young Entrepreneurs (NAYE) Sponsored an Entrepreneurial Development scheme with Bank of India in _____.

- A. January 1920.
- B. August 1920.
- C. January 1972.
- D. August 1972.

ANSWER: D

69. Which of the following is not one of the 4 Ms?

- A. motivation.
- B. management.
- C. materials.
- D. money.

ANSWER: C

70. Which of the list below does not form Intellectual Property?

- A. Trade marks.
- B. Patents.

C. Tangible assets.

D. Copyright.

ANSWER: C

71. The 'T' in a PESTLE analysis refers to _____.

A. Time.

B. Technology.

C. Training.

D. Talent.

ANSWER: B

72. A business arrangement where one party allows another party to use a business Name and sell its products or services is known as _____.

A. A cooperative.

B. A franchise.

C. An owner-manager business.

D. A limited company.

ANSWER: B

73. What is the role of a Business Angel?

A. To provide small business advice.

B. To provide capital for business development in exchange for a stake in the Business ownership.

C. To set up a franchise business.

D. To assist an entrepreneur to open a lifestyle business.

ANSWER: B

74. A key aspect of the financial section of the business plan is _____.

A. A statement of management skills.

B. A realistic sales forecast.

C. Production capacity.

D. A description of competitors.

ANSWER: B

75. Which one of the following describes unemployment?

A. The number of people who voluntarily choose not to work.

B. The number of people who are jobless and are actively seeking work.

C. The number of people who are not actively seeking work.

D. The number of people actively seeking work who find work.

ANSWER: B

76. Idea of new product is tested in potential consumers to determine consumer acceptance at _____ stage.

A. Concept.

B. Product development.

C. Test marketing.

D. Commercialization.

ANSWER: C

77. Which one of the following is not considered as one of the building blocks of the model entrepreneur?

- A. technical skills.
- B. management competencies.
- C. business awareness.
- D. personal attributes.

ANSWER: C

78. Which of the following factors does the macro-environment not include?

- A. political and regulatory factors.
- B. customer needs in a given market.
- C. social and demographic factors.
- D. technological changes.

ANSWER: B

79. Which of the following statements is false? Electronic commerce:

- A. can allow new ventures to compete on more or less equal terms with large firms.
- B. can lead to small businesses having reduced contact with its customers.
- C. is rarely used in small businesses.
- D. is used in many different industries and markets.

ANSWER: C

80. Strategic entrepreneurial marketing has been summarised as the 4Is: identification of target markets, interactive marketing methods, informal intelligence gathering and what is the fourth?

- A. independence.
- B. instructiveness.
- C. innovation.
- D. internet.

ANSWER: C

81. An entrepreneur who owns more than one business at a time is called _____.

- A. an intrapreneur.
- B. a corporate entrepreneur.
- C. a portfolio entrepreneur.
- D. None of the above.

ANSWER: C

82. Industries producing complete articles for direct consumption & also processing industries is called as _____.

- A. Manufacturing industries.
- B. Feeder Industries.
- C. Service Industries.
- D. Mining or Quarrying.

ANSWER: A

83. _____ is primarily concerned with the identification, qualification and evaluation of the project resources.

- A. Techno-economic analysis.
- B. Feasibility analysis.
- C. Input analysis.
- D. Financial analysis.

ANSWER: B

84. LOB stands for_____.

- A. Line of Business.
- B. Line of Balance.
- C. Loss of Business.
- D. Loss of Balance

ANSWER: B

85. Underestimation of project cost leads to _____.

- A. Time under run.
- B. Cost under run
- C. Time over run.
- D. Cost over run

ANSWER: D

86. New entrepreneurs entering the field of medium industry for the first time can have market studies with the subsidiary of _____.

- A. 75% of the cost or Rs.15000 whichever is less.
- B. 75% of the cost or Rs.15000 whichever is high
- C. 50% of the cost or Rs.15000 whichever is less.
- D. 50% of the cost or Rs.15000 whichever is high

ANSWER: A

87. Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as_____.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions.

ANSWER: D

88. Section 80 HHB provides for a deduction of _____ of profits and gains earned by a resident Indian company.

- A. 65%.
- B. 60%.
- C. 55%.
- D. 50%

ANSWER: D

89. Decisions which are non-repetitive and novel nature and required to solve unstructured problem is called as _____.

- A. Programmed decisions.
- B. Non-programmed decisions.

C. Routine decisions.

D. Strategic decisions.

ANSWER: B

90. The application for registration of a small scale unit should be submitted to the _____ .

A. General manager, DIC.

B. Director, DIC.

C. General manager. NSIC.

D. Director, NSIC.

ANSWER: A

91. The type of diversification in which the company adds complementary to the existing product or service line is _____.

A. conglomerate diversification.

B. horizontal integration.

C. vertical integration.

D. concentric integration.

ANSWER: C

92. Which of the following is not an aspect of appraisal of term loans by commercial banks?

A. Financial feasibility.

B. Technical feasibility.

C. Economic feasibility.

D. Societal feasibility.

ANSWER: D

93. The type of diversification in which the company adds up same type of products at the same level of production is _____.

A. conglomerate diversification.

B. horizontal integration.

C. vertical integration.

D. concentric integration.

ANSWER: B

94. When a firm enters into some business which is related with its present business in terms of technology, marketing or both it is called as _____.

A. conglomerate diversification.

B. horizontal integration.

C. vertical integration.

D. concentric integration.

ANSWER: D

95. When a firm enters into business which is unrelated to its existing business both in terms of technology and marketing _____.

A. conglomerate diversification.

B. horizontal integration.

C. vertical integration.

D. concentric integration

ANSWER: A

96. District Industries Centres are located _____.

- A. in each district.
- B. in each state.
- C. only in selected districts.
- D. only in selected states.

ANSWER: A

97. The purpose of soft loan scheme is to encourage units to undertake _____.

- A. modernization of plant and machinery.
- B. replacement of plant and machinery.
- C. renovation of plant and machinery.
- D. all the above

ANSWER: D

98. Seed capital assistance _____.

- A. a long-term assistance.
- B. initial assistance
- C. a help for the purchase of seeds.
- D. a short-term assistance.

ANSWER: B

99. EXIM bank is a _____.

- A. State-level institution.
- B. Regional -level institution.
- C. All India institution.
- D. International institution.

ANSWER: C

100. DIC is headed by General Manager in the rank of _____.

- A. Joint Director of industries.
- B. Assistant Director of industries.
- C. Non-departmental officer.
- D. Departmental officer.

ANSWER: A

101. Institutional agencies grant financial assistance to small scale industries for _____.

- A. participation in equity capital only.
- B. acquisition of fixed assets.
- C. working capital assistance.
- D. all of the above.

ANSWER: D

102. Under section 80J of the income tax act, 1961, small-scale industries are exempted from the payment of income tax on their profits at _____.

- A. 6% p.a.
- B. 6% p.m.

C. 5% p.a.

D. 5% p.a.

ANSWER: A

103. The policy which stressed the role of cottage and small-scale industries for balanced industrial development of the country is _____.

A. IPR 1940.

B. IPR 1948.

C. IPR 1956.

D. IPR 1977.

ANSWER: B

104. The policy which emphasized the need of promoting small-scale industries through integrated industrial development is _____.

A. IPR 1948.

B. IPR 1956.

C. IPR 1977.

D. IPR 1980.

ANSWER: C

105. The small scale unit wishing to export has to obtain exporters code number from _____.

A. The Reserve Bank of India.

B. The Central Bank of India.

C. Any Regional Bank.

D. Any International Bank.

ANSWER: A

106. The expenses incurred on the setting up of the enterprise are called as _____.

A. Cost of financing.

B. Cost of promotion..

C. Cost of fixed assets.

D. Cost of current assets.

ANSWER: B

107. Over - capitalization arises due to _____.

A. excess of assets over the liabilities.

B. excess of liabilities over the assets.

C. actual earnings are lower than the expected earnings.

D. actual earnings are higher than the expected earnings.

ANSWER: C

108. Under-capitalization arises due to _____.

A. excess of assets over the liabilities.

B. excess of liabilities over the assets.

C. actual capitalization is higher than the proper capitalization.

D. actual capitalization is lower than the proper capitalization.

ANSWER: D

109. Which of the following leads to over-capitalization?

- A. acquiring fixed assets on excessive amounts.
- B. under-estimation of initial rate of earnings.
- C. using lower-rate of capitalization.
- D. under estimation of required funds.

ANSWER: A

110. Which of the following leads to under-capitalization?

- A. raising of more money by issue of shares.
- B. acquiring fixed assets on excessive amounts.
- C. over-estimation of earnings for enterprise.
- D. under-estimation of initial rate of earnings.

ANSWER: D

111. Business means _____.

- A. Commerce.
- B. industry and commerce.
- C. trade and commerce.
- D. selling and buying of goods.

ANSWER: B

112. A valid definition of a business purpose is to _____.

- A. create a customer.
- B. maximize profits.
- C. serve the society.
- D. increase the wealth of the firm.

ANSWER: B

113. Reserve bank of India is a/an _____.

- A. statutory corporation.
- B. company limited by guarantee.
- C. company limited by shares.
- D. unlimited company.

ANSWER: A

114. A public corporation means _____.

- A. public company.
- B. government company.
- C. statutory corporation.
- D. department of union government

ANSWER: C

115. Promoter is a person who _____.

- A. takes part in the incorporation of a company .
- B. is a director.
- C. is a relative of the managing director.
- D. works to publicity to the company.

ANSWER: A

116. The term Capitalization is used in relation to _____.

- A. sole-proprietorship.
- B. Partnership.
- C. joint stock companies.
- D. co-operative societies

ANSWER: C

117. Which of the following sources is not use for medium term financing?

- A. Issue of equity shares.
- B. Issue of debentures.
- C. Term loans from banks.
- D. Sale of current asset.

ANSWER: A

118. Which of the following securities proves a burden on finances of the company, when company is not earning profits?

- A. Equity shares.
- B. Preference shares.
- C. Redeemable preference shares.
- D. Debentures.

ANSWER: D

119. Investment in which of the following is most risky?

- A. Equity shares.
- B. Preference shares.
- C. Debentures.
- D. Land.

ANSWER: C

120. A project, which may not add to the existing profits, should be financed by _____

- A. debentures.
- B. preference share capital.
- C. equity capital.
- D. public deposits.

ANSWER: A

121. Business risks can be _____.

- A. avoided.
- B. reduced.
- C. ignored.
- D. erased.

ANSWER: B

122. O & M refers to _____

- A. overall efficiency of business.
- B. efficiency of office and administrative work.

C. office work measurement.

D. office and management study.

ANSWER: D

123. The oldest form of business organization is _____.

A. Partnership.

B. sole proprietorship.

C. joint stock company.

D. co-operative undertaking.

ANSWER: B

124. Memorandum of association of a firm contains _____.

A. rules regarding the internal management of the company.

B. rules regarding the constitution and activities of the company.

C. rules regarding the external management.

D. rules regarding the constitution.

ANSWER: B

125. A Company is called an artificial person because ____.

A. it does not have the shape of a natural person.

B. it cannot be used in the court of law.

C. it is invisible and intangible.

D. it exists only in contemplation of law.

ANSWER: C

126. The charter of a company is its _____.

A. prospectus.

B. statement lieu of prospectus.

C. memorandum of association.

D. articles of association.

ANSWER: A

127. A person owning and running a small firm, is known as_____.

A. A manager-owner.

B. An owner-manager.

C. A professional adapter.

D. An enterprise worker.

ANSWER: B

128. Which of the following is a characteristic typical of _____?Most entrepreneurs

A. Choose high risk ventures.

B. Choose low risk ventures.

C. Choose moderate (or calculated) risk ventures.

D. Choose no risk ventures.

ANSWER: C

129. The UK government has implemented a number of policies to encourage Entrepreneurship in schools. One such initiative is _____.

- A. Young Enterprise.
- B. Youth venture.
- C. Young Business.
- D. Young Initiative.

ANSWER: A

130. One of the disadvantages of a franchise business for a franchisee is _____.

- A. Lack of independence.
- B. Franchise businesses typically have a high failure rate.
- C. Lack of brand identity.
- D. Training is not normally provided by the franchisor.

ANSWER: A

131. The Markets and Competitors section of a business plan should contain _____.

- A. A statement of the target market.
- B. The size of each market segment.
- C. The key characteristics of buyers in each business segment.
- D. All the above.

ANSWER: D

132. As a new company grows, the entrepreneur will need to _____.

- A. be responsive to changes in the market.
- B. ensure financial controls are maintained.
- C. build a management team.
- D. all the above.

ANSWER: D

133. An entrepreneur into the hosiery business found out the reason his hosiery was not selling was due to its color. What could be the best source of this information?

- A. Supplier.
- B. Retailer.
- C. Competition.
- D. Government bureau.

ANSWER: B

134. Entrepreneurship can best be described as _____.

- A. a process that requires setting up a business.
- B. taking a significant risk in a business context.
- C. having a strong vision.
- D. a process involving innovation, new products or services, and value creation.

ANSWER: D

135. _____, which is included in the project cost, is estimated on the basis of the year when the enterprise breaks even.

- A. working capital
- B. cost of capital
- C. cost of production
- D. cost of equity

ANSWER: A

136. The minimum amount of-----,irrespective of such private participation,could be specified at a minimum 17.5 per cent of project costs by lending institutions.

- A. bank loans
- B. promoters contribution
- C. fixed capital
- D. working capital

ANSWER: B

137. _____ set up for the purpose of financing, facilitating, and promoting foreign trade of India.

- A. Repco bank
- B. SBI
- C. EXIM bank
- D. HDFC

ANSWER: C

138. Which of the following is not considered to be a characteristic of a project?

- A. An established objective
- B. Complex tasks
- C. A clear beginning and end
- D. Only for internal use

ANSWER: D

139. Project management is ideally suited for a business environment requiring all of the following except _____.

- A. Flexibility
- B. Innovation
- C. speed
- D. Repetability

ANSWER: D

140. Integration of project management with the organization takes place with the _____.

- A. master budget
- B. strategic plan
- C. Process of managing actual projects
- D. both b and c

ANSWER: D

141. The content of the final report typically includes the following topics _____.

- A. Executive summary
- B. review and analysis
- C. recommendations
- D. If all the above are correct.

ANSWER: D

142. Project mission and objectives, procedures and systems used, and organization resources used typically appear in the _____ section of the final project report.

- A. Analysis
- B. Recommendation
- C. lessons learned
- D. financial feasibility

ANSWER: A

143. what are the components of then project report _____.

- A. requirement of funds
- B. location
- C. manpower
- D. all the above

ANSWER: D

144. market potential of the project report includes _____.

- A. demand and supply conditions
- B. market strategy
- C. after sales service
- D. all the above

ANSWER: D

145. Every entrepreneur should draw an _____ for his project to ensure the timely completion of all activities involved in setting up an enterprise.

- A. cost structure
- B. implementation plan
- C. market structure
- D. production structure

ANSWER: B

146. _____ describes the direction, the enterprise is going in, what its goals are, where it wants to be, and how it is going to get there.

- A. project report
- B. technical analysis
- C. market analysis
- D. financial analysis

ANSWER: A

147. Today, many companies are using managerial techniques that are designed to encourage _____.

- A. increasing profits
- B. legal compliances
- C. Ethical behaviour
- D. shareholders value

ANSWER: C

148. Entrepreneurial development is the key to achieve all-round _____ through

- A. economic development
- B. increase in profits
- C. shareholders value
- D. business development

ANSWER: A

149. Swot Analysis is a _____ tool

- A. Conceptual

- B. Modern
- C. Scientific
- D. Traditional

ANSWER: A

150. NABARD is a Bank for _____ development

- A. Urban
- B. Agricultural and Rural
- C. Scientific
- D. Agriculture and research

ANSWER: B