

[Dashboard](#) / [My courses](#) / [Foundations of Entrepreneurship \(EP60020\) - Spring 2021](#) / [Topic 2](#) / [Class Test 2](#)

Started on Friday, 19 March 2021, 9:17 AM

State Finished

Completed on Friday, 19 March 2021, 9:45 AM

Time taken 27 mins 42 secs

Grade 9.00 out of 20.00 (45%)

Question 1

Not answered

Marked out of 1.00

The following data are related to a company for the financial year 2016-2017.

Gross profit: Rs.800

Interest payment: Rs.50

Depreciation: Rs.50

Other operating expenses: Rs.400

Dividend: Rs.100

Assume that the company doesn't pay any income tax, what is the retained profit?

- ☐ 150
- ☐ 300
- ☐ 200
- ☐ 100

The correct answer is: 200

Question 2

Correct

Mark 1.00 out of 1.00

Identify the correct statement

- ☐ The profit & loss account pertains to a particular date
- ☐ The cash flow statement pertains to a particular date
- ☒ The cash flow statement pertains to a period
- ☐ The balance sheet of a company pertains to a period such as a financial year
- ☐ Both the balance sheet and profit & loss account pertains to a financial year.



The correct answer is: The cash flow statement pertains to a period

Question 3

Not answered

Marked out of 1.00

The outstanding balance in the long-term bank loan account as of 31-3-2019 is ₹ 7,500. During the year 2019-20, the company raises a fresh loan of ₹ 3,500, repays ₹ 1,000, and pays interest of Rs.2,000 charged during the year. What is the outstanding balance in the loan account as of 31-03-2020?

- ☐ ₹ 10,000
- ☐ ₹ 8,500
- ☐ ₹ 7,500
- ☐ ₹ 8,000

The correct answer is: ₹ 10,000

Question 4

Not answered

Marked out of 1.00

For a particular company:

The unit price of a product: ₹ 300

Total variable cost per unit: ₹ 200

Total fixed cost per year: ₹ 2,00,000

Raw material cost per unit: ₹ 80

Depreciation: ₹ 10,000

If a company wants to make a profit of ₹ 20,000, how many units it should produce and sell? (be mindful of redundant data)

- ☐ 2,200
- ☐ 11,000
- ☐ 200
- ☐ 1,223

The correct answer is: 2,200

Question 5

Correct

Mark 1.00 out of 1.00

The following data are related to a particular company for the year 2019-20:

Fixed cost per year: 500

Variable cost per year: 1000

Number of units produced and sold during the year: 100

Unit selling price: 20

The break-even point is:

- ☐ Undefined
- ☒ 50
- ☐ 5000
- ☐ 500



The correct answer is: 50

Question 6

Incorrect

Mark 0.00 out of 1.00

Guy Kawasaki recommended

- ☐ Twenty-minute presentation, thirty slides, and minimum ten font size
- ☐ Ten-minute presentation, twenty slides, and minimum thirty font size
- ☐ Twenty-minute presentation, ten slides, and minimum thirty font size
- ☒ Thirty-minute presentation, twenty slides, and minimum ten font size



The correct answer is: Twenty-minute presentation, ten slides, and minimum thirty font size

Question 7

Correct

Mark 1.00 out of 1.00

Which of the following statements is most appropriate?

- ☐ A business model describes the rationale of how an organization develops products or services using modern cutting-edge and futuristic technologies.
- ☐ A business model is mostly a written document or slide deck delineating the process of execution, marketing and growth plan, and the projected financial performance.
- ☒ A business model describes the rationale of how an organization creates, delivers, and captures value, in economic, social, cultural, or other contexts. ✓
- ☐ A business model describes the rationale of how an organization builds a team, identifies opportunities, and goes-to-market.

The correct answer is: A business model describes the rationale of how an organization creates, delivers, and captures value, in economic, social, cultural, or other contexts.

Question 8

Incorrect

Mark 0.00 out of 1.00

Which of the following statements concerning marketing research is **correct**?

- ☐ Secondary research (gathering secondary data) involves personal interviews with the potential customers, and thus, is costlier than primary data collection.
- ☐ The primary market research (primary data collection) is often a useful precursor to secondary research.
- ☒ Data obtainable from secondary sources are used for in-depth analysis of market acceptance of a product. ✗
- ☐ Secondary data can be organized in-house through a questionnaire survey.
- ☐ Secondary market research (gathering secondary data) is quicker than primary research.

The correct answer is: Secondary market research (gathering secondary data) is quicker than primary research.

Question 9

Not answered

Marked out of 1.00

In the life-cycle of a new enterprise, when is 'marketing research' relevant?

- ☐ The company should do marketing when it reaches to the saturation stage so that they can find new customers to achieve further growth.
- ☐ Starting from the idea stage till the end of the company.
- ☐ When the company finds it difficult to find customers they should do marketing to reach out to acquire new customers and grow the business.
- ☐ When the enterprise is ready with their product and is ready to go to market and it is relevant till the product find acceptance to the customers.
- ☐ Beginning from the idea to the time when the company is in the growth phase.

The correct answer is: Starting from the idea stage till the end of the company.

Question 10

Correct

Mark 1.00 out of 1.00

Which of the following is one of the causes of the chasm? Choose the best answer.

- ☐ A company fails in successfully validating its products by the customers in the respective market.
- ☒ Product not gaining acceptance by the early majority of the customers and lack of organizational preparedness to manage growth. ✓
- ☐ Customers do not buy the products due to the lack of product-market-fit.
- ☐ Running out of cash and not being able to continue to operate.

The correct answer is: Product not gaining acceptance by the early majority of the customers and lack of organizational preparedness to manage growth.

Question 11

Correct

Mark 1.00 out of 1.00

Which of the following is the correct interpretation of the construct 'insurgent mission' in the context of entrepreneurship mentality?

- ☐ You are in a blue ocean market and want to translate that into a red ocean.
- ☐ You are on a mission to wage a war with the customers and want to win them over at any cost.
- ☒ You are at war against competitors on behalf of the underserved customers and would not stop until you win. ✓
- ☐ You want to acquire customers by hook or crook and that no rule applies to you.

The correct answer is: You are at war against competitors on behalf of the underserved customers and would not stop until you win.

Question 12

Correct

Mark 1.00 out of 1.00

Which of the following is NOT correct about marketing mix?

- ☒ Marketing mix includes 'process' and it includes how the process technology can help the company to optimize resources and offer the best value for the customers' money. ✓
- ☐ Marketing mix includes 'product' and it focuses on the product-market-fit, competitive advantage in terms of differentiators, quality, efficacy, branding, and such.
- ☐ Marketing mix includes 'place' such as delivery channels, purchase & payment method, and after-sales services.
- ☐ Marketing mix includes 'promotion' including advertisement, public relation, social network, content marketing and more.
- ☐ Marketing mix includes 'pricing' to enhance sales by offering competitive price, easy payment terms, bundle offer, etc.

The correct answer is: Marketing mix includes 'process' and it includes how the process technology can help the company to optimize resources and offer the best value for the customers' money.

Question 13

Incorrect

Mark 0.00 out of 1.00

Which of the following statements is NOT correct as regards the business model canvas?

- ☐ The revenue model is one of the blocks that explains the ways and means for an enterprise to earn money.
- ☐ The cost structure is one of the blocks that explains the various expenses to be incurred to dispense the value proposed.
- ☒ The value proposition is the central part and it explains how the value proposition is made, how is it dispensed to the market segment, and some idea on profitability thereof. ✗
- ☐ The vision, mission, and value statement is one of the important building blocks of the business model canvas.

The correct answer is: The vision, mission, and value statement is one of the important building blocks of the business model canvas.

Question 14

Correct

Mark 1.00 out of 1.00

Which is the right chronological order of the process of customer acquisition through the sales funnel?

- ☐ Consideration, awareness, Interest, intent, evaluation, purchase
- ☒ Awareness, interest, consideration, intent, evaluation, purchase ✓
- ☐ Intent, awareness, Interest, consideration, evaluation, purchase
- ☐ Interest, awareness, consideration, intent, evaluation, purchase

The correct answer is: Awareness, interest, consideration, intent, evaluation, purchase

Question 15

Incorrect

Mark 0.00 out of 1.00

You are targeting a market that has a potential size of ₹ 50 crore within your geographical reach. The size of the market in the whole country is ₹ 1000 crore. The size of the market that you intend to cater to is ₹ 250 crore.

What are TAM, SOM, & SAM

- ☐ ₹ 1000 crore, ₹ 250 crore, ₹ 50 crore
- ☐ ₹ 1000 crore, ₹ 50 crore, ₹ 250 crore
- ☒ ₹ 250 crore, ₹ 50 crore, ₹ 1000 crore
- ☐ ₹ 50 crore, ₹ 250 crore & ₹ 1000 crore



The correct answer is: ₹ 1000 crore, ₹ 50 crore, ₹ 250 crore

Question 16

Correct

Mark 1.00 out of 1.00

Identify the correct statement out of the following:

- ☐ Using natural products instead of plastic is a part of the promotion of the circular economy.
- ☒ Moving forward, everything that can be personalized will be personalized to offer the best experience to customers.
- ☐ Lean startup philosophy is a new business trend.
- ☐ The car aggregator business is an example of collaborative consumption.



The correct answer is: Moving forward, everything that can be personalized will be personalized to offer the best experience to customers.

Question 17

Not answered

Marked out of 1.00

Which of the following is the most appropriate about business process management?

- ☐ It is the most critically important aspect of business for process management.
- ☐ You need resources for the growth phase, need appropriate business process management, need a professional CEO to achieve growth beyond early adopters.
- ☐ In the digital age, business process management is the most critically important for business information management.
- ☐ It is most critically important at the idea selection phase for a clear understanding of business processes that the execution of the business model will warrant.

The correct answer is: You need resources for the growth phase, need appropriate business process management, need a professional CEO to achieve growth beyond early adopters.

Question **18**

Correct

Mark 1.00 out of 1.00

The storytelling example of Huggies is about_____

- ☐ Online marketing
- ☐ Public Relation marketing
- ☐ Social media marketing
- ☒ Content marketing



The correct answer is: Content marketing

Question **19**

Not answered

Marked out of 1.00

Which of the following is definitely not an assumption in break-even point analysis?

- ☐ Change in volume of sales does not affect the price of the product.
- ☐ Change in volume of sales does not change in fixed cost.
- ☐ The cost can be divided into fixed and variable.
- ☐ Closing stock is equal to opening stock plus purchase minus stock sold during the year.

The correct answer is: Closing stock is equal to opening stock plus purchase minus stock sold during the year.

Question **20**

Not answered

Marked out of 1.00

Select all the correct options from the following in respect of the lean startup concept?

- A. The lean startup uses the agile philosophy of build-measure-learn feedback loop.
- B. The lean startup applies the lean manufacturing philosophy of reducing waste wherever possible.
- C. The lean startup reduces the time, effort, and cost of product development.
- D. The lean startup emphasizes the lean and thin enterprise, lean funding, and lean investment.

- ☐ A, B & C
- ☐ B & C
- ☐ B & D
- ☐ A, B, & D

The correct answer is: A, B & C