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Started on	Friday, 26 March 2021, 9:21 AM
State	Finished
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Time taken	33 mins 33 secs
Grade	20.00 out of 20.00 (100%)

Question **1**

Correct

Mark 1.00 out of 1.00

A startup begins with two hypotheses: A value hypothesis and a growth hypothesis. What is the value hypothesis?

- ☐ The proposed product or service will create great value for the company.
- ☐ The business will create great values for all the stakeholders and sustain for a long time.
- ☒ The proposed product will be superior compared to those of the competitors in terms of values perceived by the customers. ✓
- ☐ The proposed business will generate huge value for the nation in terms of employment, government revenue, and wealth for the nation.

The correct answer is: The proposed product will be superior compared to those of the competitors in terms of values perceived by the customers.

Question **2**

Correct

Mark 1.00 out of 1.00

Difference between 'public relation' and 'advertisement'. Choose the best answer.

- ☐ Public relation is creation of awareness and is associated with the term 'content marketing'.
- ☐ Public relation is creation of awareness through social media.
- ☒ Public relation is awareness creation through free media, advertisement is a paid media. ✓
- ☐ People trust advertisement more than public relation initiative.

The correct answer is: Public relation is awareness creation through free media, advertisement is a paid media.

Question **3**

Correct

Mark 1.00 out of 1.00

Identify the correct statement out of the following:

- ☐ Lean startup philosophy is a new business trend.
- ☐ 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. ✓
- ☐ 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 **4**

Correct

Mark 1.00 out of 1.00

An angel investor values a startup at ₹ 10,000, after which the angel invests ₹ 5,000 in the company? This is the first time the startup is raising money from outside the founders.

What is the percentage holding of the founders after the above investment?

- ☐ a. 50%
- ☒ b. 66.66% ✓
- ☐ c. 100%
- ☐ d. 33.33%

The correct answer is: 66.66%

Question **5**

Correct

Mark 1.00 out of 1.00

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

- ☐ The primary market research (primary data collection) is often a useful precursor to secondary research.
- ☒ Secondary market research (gathering secondary data) is quicker than primary research. ✓
- ☐ Secondary research (gathering secondary data) involves personal interviews with the potential customers, and thus, is costlier than primary data collection.
- ☐ 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.

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

Question **6**

Correct

Mark 1.00 out of 1.00

A new venture raises ₹ 10 million at a pre-money valuation of ₹ 10 million in the form of 2x liquidation participating preference shares. The venture has a liquidation event for ₹ 20 million. How much money the founders receive?

- ☐ a. ₹ 5 million
- ☒ b. ₹ 0 million
- ☐ c. ₹ 10 million
- ☐ d. ₹ 20 million



The correct answer is: ₹ 0 million

Question **7**

Correct

Mark 1.00 out of 1.00

Choose the correct statement from the following:

- ☐ The circle of competence is the knowledge domain that you think you know well.
- ☐ The circle of competence is the center of your knowledge and experience, i.e. your core competence
- ☐ The circle of competence was originally propounded by Steve Jobs.
- ☒ The circle of competence was originally propounded by Warren Buffett and Charlie Munger.



The correct answer is: The circle of competence was originally propounded by Warren Buffett and Charlie Munger.

Question **8**

Correct

Mark 1.00 out of 1.00

Which of the following is not part of operating expense?

- ☐ a. Depreciation
- ☐ b. Salary
- ☒ c. Cost of goods sold
- ☐ d. Amortization



The correct answer is: Cost of goods sold

Question **9**

Correct

Mark 1.00 out of 1.00

Which of the following is not an essential component of the elevator Pitch or speech?

- ☐ Remain open to interjection by your audience at any time.
- ☐ An elevator pitch should be no longer than 60 seconds, ideally 20 to 30 seconds long
- ☐ You should explain why you think that you have a winning proposition. What is your USP and what are your competitive advantages.
- ☒ Speak as fast as you can since the time is short and you want to convey as much information as possible. ✓

The correct answer is: Speak as fast as you can since the time is short and you want to convey as much information as possible.

Question **10**

Correct

Mark 1.00 out of 1.00

How does a lean startup work? Choose the correct option.

- ☒ Define hypothesis based on a customers' pain, build MVP, get it validated by early adopters, rebuild based on learning, continue the validated learning cycle. ✓
- ☐ Have a lean team, lean business model, lean customer base, and lean logistics to ensure quick execution, higher margin, and sustainable business success.
- ☐ Write a business plan, approach to investors, follow the build, operate, and validate in iterating process of product development.
- ☐ Prepare business model canvas, validate the hypothesis, refine your product, follow build, measure, and learn processes.

The correct answer is: Define hypothesis based on a customers' pain, build MVP, get it validated by early adopters, rebuild based on learning, continue the validated learning cycle.

Question **11**

Correct

Mark 1.00 out of 1.00

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

Gross profit: ₹ 800

Interest payment: ₹ 50

Depreciation: ₹ 50

Other operating expenses: ₹ 400

Dividend: ₹ 100

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

- ☐ a. ₹ 150
- ☐ b. ₹ 300
- ☐ c. ₹ 100
- ☒ d. ₹ 200



The correct answer is: ₹ 200

Question **12**

Correct

Mark 1.00 out of 1.00

Five key elements of a story as espoused by Blake Mycoskie

Choose the right option:

- ☐ Hero, villain, awareness, transformation, & climax
- ☒ Hero, antagonist, awareness, transformation, & passion
- ☐ Hero, heroine, villain, awareness, transformation, & passion
- ☐ Hero, antagonist, awareness, climax, & passion



The correct answer is: Hero, antagonist, awareness, transformation, & passion

Question 13

Correct

Mark 1.00 out of 1.00

Which of the following is the correct interpretation of the construct 'owners' mindset' in the context of entrepreneurship?

- A. The sense that the company is theirs and that the prosperity of the company is aligned with their personal prosperity.
- B. The sense that the company belong to them and they should try to take away as much from the company as possible.
- C. One is as responsible as the owners and would take all the actions that are for the best interest of the company.
- D. To avoid bureaucracy and take immediate and appropriate action without waiting for instructions from hierarchy or the sense that it is someone else's' responsibility.
- E. It is the sense that the founders are the owners and have the most responsibility and control of the business.

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



The correct answer is: A, C, & D

Question 14

Correct

Mark 1.00 out of 1.00

- A. Amortization
- B. Increase in inventory
- C. Sale of the old machine
- D. Increase in trade receivables
- E. Increase in long-term loan
- F. A decrease in trade payables

Which of the above are cash inflows?

- ☐ B, D & F
- ☒ A, C & E
- ☐ A, B & E
- ☐ B, C & D



The correct answer is: A, C & E

Question **15**

Correct

Mark 1.00 out of 1.00

Which of the following is not part of operating expense?

- ☐ Depreciation
- ☐ Salary
- ☐ Amortization
- ☒ Cost of goods sold



The correct answer is: Cost of goods sold

Question **16**

Correct

Mark 1.00 out of 1.00

Why storytelling is important in startup success?

- A. Because it is possible to motivate employees to work passionately by connecting your vision with a great cause through a story.
- B. You can show to your investors that you are not here to merely make money but have greater motivation to passionately solve a great pain of a large number of people.
- C. You tell your story to customers, who value companies that are engaged in alleviating great social malaise and would buy products offered by such companies.
- D. A story can do a better job than the quality of your product and advertisement.

Choose the correct

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



The correct answer is: A, B, & C

Question **17**

Correct

Mark 1.00 out of 1.00

The following data pertain to a company for the year 2017-18.

Gross profit: 700

Operating expenses: 300

Interest payment: 50

Payment of dividend: 30

Income tax payment: 20

Estimate the profit before tax. (be mindful of excess data than necessary).

Options:

- ☐ a. 180
- ☐ b. 230
- ☒ c. 350
- ☐ d. 200



The correct answer is: 350

Question **18**

Correct

Mark 1.00 out of 1.00

The following data are related to a company for the financial year 2019-2020.

Gross profit: ₹ 500

Interest payment: ₹ 50

Depreciation: ₹ 50

Other operating expenses: ₹ 200

Dividend: ₹ 100

Reserves and surplus as of 31-3-2019: ₹ 1000

The company pays income tax @30%

What are the reserves and surplus of the company as of 31-3-2020?

- ☒ a. ₹ 1040
- ☐ b. ₹ 1140
- ☐ c. ₹ 970
- ☐ d. ₹ 1070



The correct answer is: ₹ 1040

Question **19**

Correct

Mark 1.00 out of 1.00

Which of the following are components of the lean startup?

- A. Repeated experimentation and iteration
- B. A detailed plan about the shortest possible execution to ensure the quick and successful start of the venture.
- C. Customer feedback
- D. Building an MVP

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



The correct answer is: A, C, & D

Question **20**

Correct

Mark 1.00 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
- ☐ A, B, & D
- ☐ B & D



The correct answer is: A, B & C

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Grade 17.00 out of 20.00 (85%)

Question **1**

Correct

Mark 1.00 out of 1.00

An angel investor values a startup at ₹ 10,000, after which the angel invests ₹ 5,000 in the company? This is the first time the startup is raising money from outside the founders.

What is the percentage holding of the founders before the above investment?

- ☐ a. 66.66%
- ☐ b. 33.33%
- ☒ c. 100%
- ☐ d. None of the above



The correct answer is: 100%

Question **2**

Incorrect

Mark 0.00 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 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.
- ☐ 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.



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

Question **3**

Correct

Mark 1.00 out of 1.00

Which of the following are components of the lean startup?

- A. Repeated experimentation and iteration
- B. A detailed plan about the shortest possible execution to ensure the quick and successful start of the venture.
- C. Customer feedback
- D. Building an MVP

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



The correct answer is: A, C, & D

Question **4**

Correct

Mark 1.00 out of 1.00

Which of the following is the cause of failure of the maximum percentage of startups?

- ☐ Disharmony among founders.
- ☐ Running out of cash.
- ☐ Lack of necessary funds for scaling.
- ☐ Lack of good team with complementary skills
- ☒ Lack of buyers for the products.



The correct answer is: Lack of buyers for the products.

Question **5**

Correct

Mark 1.00 out of 1.00

For which of the following, cash flow statement is not useful?

- ☒ To know when the company will be able to make a profit.
- ☐ To know how liquid is the company
- ☐ To know when to raise money
- ☐ To know if the company will find it difficult to meet the financial commitment in the future



The correct answer is: To know when the company will be able to make a profit.

Question **6**

Correct

Mark 1.00 out of 1.00

Which of the following is NOT part of the primary sources of data for market research?

- ☐ Survey
- ☐ Observation
- ☐ Focused group and interviews thereof.
- ☐ Questionnaire through internet.
- ☒ Newspaper.



The correct answer is: Newspaper.

Question **7**

Correct

Mark 1.00 out of 1.00

Which of the following are not included among the list of 10 items recommended by Guy Kawasaki

- ☐ Go-to-market plan
- ☐ Management team
- ☒ The desired amount of fundraising
- ☐ Revenue model
- ☐ Value proposition



The correct answer is: The desired amount of fundraising

Question **8**

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. ✓
- ☐ Running out of cash and not being able to continue to operate.
- ☐ Customers do not buy the products due to the lack of product-market-fit.

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

Question 9

Correct

Mark 1.00 out of 1.00

An angel investor values a startup at ₹ 10,000, after which they invest ₹ 5,000 in the company?

What is the post-money valuation of the startup?

- ☐ a. ₹ 5,000
- ☐ b. ₹ 20,000
- ☒ c. ₹ 15,000
- ☐ d. ₹ 10,000



The correct answer is: ₹ 15,000

Question 10

Correct

Mark 1.00 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 **11**

Correct

Mark 1.00 out of 1.00

Which of the following is not an essential component of the elevator Pitch or speech?

- ☐ Remain open to interjection by your audience at any time.
- ☒ Speak as fast as you can since the time is short and you want to convey as much information as possible. ✔
- ☐ An elevator pitch should be no longer than 60 seconds, ideally 20 to 30 seconds long
- ☐ You should explain why you think that you have a winning proposition. What is your USP and what are your competitive advantages.

The correct answer is: Speak as fast as you can since the time is short and you want to convey as much information as possible.

Question **12**

Incorrect

Mark 0.00 out of 1.00

Difference between 'public relation' and 'advertisement'. Choose the best answer.

- ☐ People trust advertisement more than public relation initiative.
- ☒ Public relation is creation of awareness and is associated with the term 'content marketing'. ✘
- ☐ Public relation is awareness creation through free media, advertisement is a paid media.
- ☐ Public relation is creation of awareness through social media.

The correct answer is: Public relation is awareness creation through free media, advertisement is a paid media.

Question **13**

Correct

Mark 1.00 out of 1.00

The following data are related to a company for the financial year 2019-2020.

Gross profit: ₹ 500

Interest payment: ₹ 50

Depreciation: ₹ 50

Other operating expenses: ₹ 200

Dividend: ₹ 100

Reserves and surplus as of 31-3-2019: ₹ 1000

The company pays income tax @30%

What are the reserves and surplus of the company as of 31-3-2020?

- ☐ a. ₹ 970
- ☐ b. ₹ 1070
- ☒ c. ₹ 1040
- ☐ d. ₹ 1140



The correct answer is: ₹ 1040

Question **14**

Incorrect

Mark 0.00 out of 1.00

The following is the breakup of equity and liabilities of an enterprise as of date.

A. Equity: ₹ 10,000

B. Preference capital: ₹ 15,000

C. Secured debt (loan): ₹ 5,000

The company is being liquidated through court order for a sum of ₹ 19,000.

How much money the equity shareholders receive?

- ☒ a. ₹ 10,000
- ☐ b. ₹ 0
- ☐ c. ₹ 19,000 is distributed proportionately, so equity holders receive ₹ 15,789
- ☐ d. ₹ 1,000



The correct answer is: ₹ 0

Question 15

Correct

Mark 1.00 out of 1.00

The following data are related to a company for the financial year 2019-2020.

Gross profit: ₹ 600

Amortization: ₹ 10

Interest payment: ₹ 50

Depreciation: ₹ 40

Other operating expenses: ₹ 200

Dividend: ₹ 100

If the income tax is 30% what is the retained profit?

- ☐ a. ₹ 60
- ☒ b. ₹ 110
- ☐ c. ₹ 80
- ☐ d. ₹ 40



The correct answer is: ₹ 110

Question 16

Correct

Mark 1.00 out of 1.00

Read the following characteristic features of individuals and answer the question following them.

A. Entrepreneurs have a compelling vision or a dream to achieve something extraordinary and a comprehensive plan to execute it.

B. Entrepreneurs identify opportunities in adversities or translate adverse situations into opportunities. Failures don't deter them.

C. Entrepreneurs are capable of making the most compelling business plan to convince potential investors to buy into their idea irrespective of its merits.

D. Organize a balanced team with diverse skills and manage them for the best possible execution of the business model.

- ☐ A, C, and D
- ☐ B, C, and D
- ☐ A, B, and C
- ☒ A, B, and D



The correct answer is: A, B, and D



Question **17**

Correct

Mark 1.00 out of 1.00

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

Gross profit: Rs.700

Interest payment: Rs.50

Depreciation: Rs.50

Salary: 250

Rent: 50

Other operating expenses: Rs.200

Dividend: Rs.100

What is the operating profit for the company during 2016-17?

- ☐ 250
- ☐ 50
- ☐ 200
- ☒ 150



The correct answer is: 150

Question **18**

Correct

Mark 1.00 out of 1.00

An angel investor values a startup at ₹ 10,000, after which the angel invests ₹ 5,000 in the company?

What is the pre-money valuation of the startup?

- ☐ a. Between ₹ 10,000 and ₹ 15,000
- ☐ b. ₹ 15,000
- ☒ c. ₹ 10,000
- ☐ d. ₹ 5,000



The correct answer is: ₹ 10,000

Question **19**

Correct

Mark 1.00 out of 1.00

Crossing the chasm refers to

- ☒ A growth stage of a startup when it tries to acquire customers of the 'Early Majority' type.
- ☐ Crossing the valley of death that lies at the early stage of a startup.
- ☐ A growth stage of a startup when it tries to acquire customers of the 'Early Adopter' type.
- ☐ It is a phase of a startup when its product or service receives customers' acceptance for the first time.



The correct answer is: A growth stage of a startup when it tries to acquire customers of the 'Early Majority' type.

Question **20**

Correct

Mark 1.00 out of 1.00

The storytelling example of Huggies is about_____

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



The correct answer is: Content marketing

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Grade 6.00 out of 20.00 (30%)

Question **1**

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 builds a team, identifies opportunities, and goes-to-market.
- ☒ 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 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.

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 **2**

Incorrect

Mark 0.00 out of 1.00

- A. Amortization
- B. Increase in inventory
- C. Sale of the old machine
- D. Increase in trade receivables
- E. Increase in long-term loan
- F. A decrease in trade payables

Which of the above are cash inflows?

- ☒ B, C & D
- ☐ A, C & E
- ☐ A, B & E
- ☐ B, D & F

✗

The correct answer is: A, C & E

Question 3

Correct

Mark 1.00 out of 1.00

A company has procured an asset for ₹ 150 at the beginning of the financial year 2017-18. The asset has useful life of 5 years and the salvage value of the asset has been estimated at ₹ 50. The company follows a policy of 10% depreciation wherever applicable. Estimate the depreciation for the year 2017-18 using declining value (reducing value) method and determine the book value of the said asset as on 31.03.2018?

- ☐ a. 80
- ☐ b. 130
- ☒ c. 135
- ☐ d. 140



The correct answer is: 135

Question 4

Incorrect

Mark 0.00 out of 1.00

A new venture raises ₹ 10 million at a pre-money valuation of ₹ 10 million in the form of 1x liquidation participating preference shares. The venture has a liquidation event for ₹ 20 million. How much money the founders receive?

- ☒ a. ₹ 20 million
- ☐ b. ₹ 10 million
- ☐ c. ₹ 0 million
- ☐ d. ₹ 5 million



The correct answer is: ₹ 5 million

Question 5

Incorrect

Mark 0.00 out of 1.00

An enterprise makes profit of ₹ 10,00,000/- in the year 2018-19 where you are one of the owners. Your personal income is ₹ 4,00,000/- from all other sources. Assume flat income tax rate for individual @25% (assuming that no deduction is allowed) and for businesses @30%.

Which of the following is correct?

- ☐ a. If the enterprise is a partnership firm, your personal income tax is ₹ 4,00,000/-.
- ☐ b. If the enterprise is a partnership firm, your personal income tax is ₹ 1,00,000/-.
- ☒ c. If the enterprise is a proprietorship firm, your personal income tax is ₹ 1,00,000/-.
- ☐ d. If the enterprise is a private limited company, your personal income tax is ₹ 4,00,000/-.

✗

The correct answer is: If the enterprise is a partnership firm, your personal income tax is ₹ 1,00,000/-.

Question 6

Correct

Mark 1.00 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 change in fixed cost.
- ☐ The cost can be divided into fixed and variable.
- ☐ Change in volume of sales does not affect the price of the product.
- ☒ 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 **7**

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.
- ☐ Beginning from the idea to the time when the company is in the growth phase.
- ☐ 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.
- ☐ Starting from the idea stage till the end of the company.

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

Question **8**

Not answered

Marked out of 1.00

In the early 1900s, General Electric (GE) of Thomas Edison disciplined the chaotic process of scientific discovery into a systematic process of innovation. Results: over the next 70 years, won more patents than any other company in the US. Much of GE's competitive prowess during the century following can be traced to that extraordinary accomplishment. Which of the following describes the above revolutionary act of GE?

- ☐ This is an innovation that gave GE enormous competitive advantages.
- ☐ This is an example of management innovation.
- ☐ This is a technological invention that gave General Electric many patents.
- ☐ This is an innovation that gave the end-beneficiary enormous advantages and thus GE enjoyed competitive advantages for many years to come.

The correct answer is: This is an example of management innovation.

Question **9**

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?

- ☐ 300
- ☐ 100
- ☐ 150
- ☐ 200

The correct answer is: 200

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.

- ☐ Running out of cash and not being able to continue to operate.
- ☐ Customers do not buy the products due to the lack of product-market-fit.
- ☐ 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. ✓

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**

Not answered

Marked out of 1.00

The following data are related to a company for the financial year 2019-2020.

Gross profit: Rs.500

Interest payment: Rs.50

Depreciation: Rs.50

Other operating expenses: Rs.200

Dividend: Rs.100

Reserves and surplus as of 31-3-2019: 1000

The company pays income tax @30%

What are the reserves and surplus of the company as of 31-3-2020?

- ☐ 1040
- ☐ 1070
- ☐ 1140
- ☐ 970

The correct answer is: 1040

Question **12**

Not answered

Marked out of 1.00

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

Gross profit: ₹ 800

Interest payment: ₹ 50

Depreciation: ₹ 50

Other operating expenses: ₹ 400

Dividend: ₹ 100

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

- ☐ a. ₹ 200
- ☐ b. ₹ 150
- ☐ c. ₹ 300
- ☐ d. ₹ 100

The correct answer is: ₹ 200

Question **13**

Not answered

Marked out of 1.00

The cash balance of a company as of 31-03-2019: ₹ 350.

During the financial year 2019-2020,

Cash flow from operating activity: ₹ 300

Reserves and surplus as of 31.03.2020: ₹ 50

Cash flow from investment activity: (–) ₹ 150

Cash flow from financing activity: (–) ₹ 70

What is the cash balance of the company as of 31-03-2020?

- ☐ ₹ 530
- ☐ ₹ 430
- ☐ ₹ 450
- ☐ ₹ 500

The correct answer is: ₹ 430

Question **14**

Correct

Mark 1.00 out of 1.00

The following data pertain to a company for the year 2017-18:

Sales: 2000

Closing stock as on 31.03.2018: 500

Closing stock as on 31.03.2017: 600

Purchase of goods during the current year: 1500

Payment of dividend during the year: 100

Estimate the Gross Profit. (be mindful of excess data than necessary).

- ☐ a. 550
- ☐ b. 600
- ☐ c. 500
- ☒ d. 400



The correct answer is: 400

Question **15**

Correct

Mark 1.00 out of 1.00

Arrange the following in the order of importance in the context of the success of a startup as suggested by Bill Gross (most important first)

- ☐ Team, Timing, Business model, Team
- ☒ Timing, Team, execution, Idea
- ☐ Timing, Team, Idea, execution
- ☐ Team, Timing, idea, execution



The correct answer is: Timing, Team, execution, Idea

Question **16**

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
- ☐ 1,223
- ☐ 200
- ☐ 11,000

The correct answer is: 2,200

Question **17**

Not answered

Marked out of 1.00

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

- ☐ 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 primary market research (primary data collection) is often a useful precursor to secondary research.
- ☐ Secondary research (gathering secondary data) involves personal interviews with the potential customers, and thus, is costlier than primary data collection.

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

Question **18**

Not answered

Marked out of 1.00

Identify the correct statement

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

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

Question **19**

Not answered

Marked out of 1.00

The following data pertain to a company for the year 2017-18.

Gross profit: 700

Operating expenses: 300

Interest payment: 50

Payment of dividend: 30

Income tax payment: 20

Estimate the profit before tax. (be mindful of excess data than necessary).

Options:

- ☐ a. 200
- ☐ b. 350
- ☐ c. 230
- ☐ d. 180

The correct answer is: 350

Question **20**

Not answered

Marked out of 1.00

Guy Kawasaki recommended

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

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

Started on Friday, 26 March 2021, 9:24 AM

State Finished

Completed on Friday, 26 March 2021, 9:59 AM

Time taken 34 mins 26 secs

Grade 15.00 out of 20.00 (75%)

Question **1**

Correct

Mark 1.00 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, ₹ 50 crore, ₹ 250 crore
- ☐ ₹ 250 crore, ₹ 50 crore, ₹ 1000 crore
- ☐ ₹ 50 crore, ₹ 250 crore & ₹ 1000 crore
- ☐ ₹ 1000 crore, ₹ 250 crore, ₹ 50 crore



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

Question **2**

Incorrect

Mark 0.00 out of 1.00

Which of the following is not contained in the Value Proposition of the Business Model?

- ☐ Customer's pain that we are trying to alleviate.
- ☒ The superior features of our products and services giving customers reasons to choose our products or services over those of the competitors.
- ☐ The ease of purchase, the promise of after-sales services, and buy-back offers, etc.
- ☐ The efficiencies of the process of making the products or services.



The correct answer is: The efficiencies of the process of making the products or services.

Question **3**

Correct

Mark 1.00 out of 1.00

Which one of the following is not a direct expense?

- ☐ Wages
- ☒ Depreciation
- ☐ Consumable
- ☐ Raw material



The correct answer is: Depreciation

Question **4**

Correct

Mark 1.00 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 change in fixed cost.
- ☐ Change in volume of sales does not affect the price of the product.
- ☐ 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 5

Correct

Mark 1.00 out of 1.00

What does the word 'Pivot' mean in the context of a startup?

- ☐ It is the leader of the team who plays the pivotal role to ensure the entire team works in unison.
- ☐ It is the business unit that plays a pivotal role in the profitability and sustainability of a company.
- ☐ It is the central theme of any business model that helps to define the vision.
- ☒ It means that a venture stops executing its current business model, especially since the business shows no sign of success, and pursues a different one.

The correct answer is: It means that a venture stops executing its current business model, especially since the business shows no sign of success, and pursues a different one.

Question 6

Incorrect

Mark 0.00 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.

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

The correct answer is: A, B & C

Question **7**


Correct

Mark 1.00 out of 1.00

In 1903, DuPont systematized capital-budgeting techniques. A few years later, the company also developed a standardized way of estimating the return on investment.

They used it in comparing the performance of its numerous product departments.

These innovations and more helped DuPont become one of America's industrial giants.

- ☒ This falls under management innovation. 
- ☐ This is an accounting innovation giving DuPont huge competitive advantages.
- ☐ This is a core part of business process management that gave DuPont many patents.
- ☐ This is an innovation that gave the end-beneficiary enormous advantages and thus DuPont enjoyed competitive advantages for many years to come.


The correct answer is: This falls under management innovation.

Question **8**

Correct

Mark 1.00 out of 1.00

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

- ☒ Secondary market research (gathering secondary data) is quicker than primary research. 
- ☐ 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.
- ☐ Secondary data can be organized in-house through a questionnaire survey.
- ☐ Data obtainable from secondary sources are used for in-depth analysis of market acceptance of a product.

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

Question **9**

Correct

Mark 1.00 out of 1.00

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

- ☒ 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.
- ☐ A company fails in successfully validating its products by the customers in the respective market.
- ☐ 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 **10**

Incorrect

Mark 0.00 out of 1.00

A new venture raises ₹ 10 million at a pre-money valuation of ₹ 10 million in the form of 1x liquidation participating preference shares. The venture has a liquidation event for ₹ 20 million. How much money the founders receive?

- ☒ a. ₹ 0 million
- ☐ b. ₹ 20 million
- ☐ c. ₹ 10 million
- ☐ d. ₹ 5 million

The correct answer is: ₹ 5 million

Question **11**

Correct

Mark 1.00 out of 1.00

For a particular company:

The unit price of a product: ₹ 300

Total variable cost per unit (all-inclusive): ₹ 200

Total fixed cost per year (all-inclusive): ₹ 2,00,000

Raw material cost per unit: ₹ 80

Depreciation: ₹ 20,000

If the company is planning to produce and sell 5,000 units, what will be the margin of safety? (be mindful of redundant data)

- ☐ 4,800 units
- ☐ 3,888 units
- ☐ (-) 6,000 units
- ☒ 3,000 units



The correct answer is: 3,000 units

Question **12**

Incorrect

Mark 0.00 out of 1.00

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

- ☐ The vision, mission, and value statement is one of the important building blocks of the business model canvas.
- ☐ The cost structure is one of the blocks that explains the various expenses to be incurred to dispense the value proposed.
- ☐ The revenue model is one of the blocks that explains the ways and means for an enterprise to earn money.
- ☒ 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 correct answer is: The vision, mission, and value statement is one of the important building blocks of the business model canvas.

Question **13**

Correct

Mark 1.00 out of 1.00

The following information pertains to a company for a particular year:

Sales: ₹ 800

Closing Stock: ₹ 100

Depreciation: ₹ 100

Opening Stock: ₹ 50

Amortization: ₹ 100

Purchase of goods: ₹ 400

What is the gross profit for the period?

- ☐ a. ₹ 300
- ☒ b. ₹ 450
- ☐ c. ₹ 350
- ☐ d. ₹ 250



The correct answer is: ₹ 450

Question **14**

Correct

Mark 1.00 out of 1.00

A company has procured an asset for ₹ 150 at the beginning of the financial year 2017-18. The asset has useful life of 5 years and the salvage value of the asset has been estimated at ₹ 50. The company follows a policy of 10% depreciation wherever applicable. Estimate the depreciation for the year 2017-18 using declining value (reducing value) method and determine the book value of the said asset as on 31.03.2018?

- ☐ a. 140
- ☐ b. 80
- ☐ c. 130
- ☒ d. 135



The correct answer is: 135

Question **15**

Correct

Mark 1.00 out of 1.00

Which of the following is not an essential component of the elevator Pitch or speech?

- ☐ An elevator pitch should be no longer than 60 seconds, ideally 20 to 30 seconds long
- ☐ You should explain why you think that you have a winning proposition. What is your USP and what are your competitive advantages.
- ☐ Remain open to interjection by your audience at any time.
- ☒ Speak as fast as you can since the time is short and you want to convey as much information as possible.



The correct answer is: Speak as fast as you can since the time is short and you want to convey as much information as possible.

Question **16**

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:

- ☒ 50
- ☐ Undefined
- ☐ 5000
- ☐ 500



The correct answer is: 50

Question **17**

Correct

Mark 1.00 out of 1.00

Which of the following has been correctly quoted:

- ☐ a. "If we don't create the thing that kills Infosys, someone else will"
- ☐ b. "If we don't create the thing that kills Yahoo, someone else will"
- ☐ c. "If we don't create the thing that kills WhatsApp, someone else will"
- ☒ d. "If we don't create the thing that kills Facebook, someone else will"



The correct answer is: "If we don't create the thing that kills Facebook, someone else will"

Question **18**

Correct

Mark 1.00 out of 1.00

An angel investor values a startup at ₹ 10,000, after which the angel invests ₹ 5,000 in the company?

What is the pre-money valuation of the startup?

- ☐ a. ₹ 5,000
- ☐ b. Between ₹ 10,000 and ₹ 15,000
- ☐ c. ₹ 15,000
- ☒ d. ₹ 10,000



The correct answer is: ₹ 10,000

Question **19**

Correct

Mark 1.00 out of 1.00

The following data are related to a company for the financial year 2019-2020.

Amortization: Rs. 50

Interest payment: Rs.100

Income tax: 100

Depreciation: Rs.100

Other operating expenses: Rs.450

Dividend: Rs.200

Gross profit: Rs.900

What is the operating profit for the year 2019-20?

- ☐ a. 450
- ☐ b. 400
- ☒ c. 300
- ☐ d. 200



The correct answer is: 300

Question **20**

Incorrect

Mark 0.00 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.
- ☐ 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.
- ☐ In the digital age, business process management is the most critically important for business information management.
- ☐ You need resources for the growth phase, need appropriate business process management, need a professional CEO to achieve growth beyond early adopters.



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.

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Grade 18.00 out of 20.00 (90%)

Question **1**

Correct

Mark 1.00 out of 1.00

What does the word 'Pivot' mean in the context of a startup?

- ☐ It is the business unit that plays a pivotal role in the profitability and sustainability of a company.
- ☒ It means that a venture stops executing its current business model, especially since the business shows no sign of success, and pursues a different one. 
- ☐ It is the central theme of any business model that helps to define the vision.
- ☐ It is the leader of the team who plays the pivotal role to ensure the entire team works in unison.


The correct answer is: It means that a venture stops executing its current business model, especially since the business shows no sign of success, and pursues a different one.

Question **2**

Incorrect

Mark 0.00 out of 1.00

You have a business of manufacturing and selling bread. Now, you want to diversify your product range. You think that customers are interested in sugar-free sweet bread. However, before investing in all infrastructure for manufacturing and going to market with the sugar-free sweet bread, you want to get real data on consumer preferences. So, you want to commission a market research to know this for sure. Which of the following you will adopt?

- ☐ By source: secondary, by method: quantitative, by objective: descriptive
- ☒ By source: primary, by method: quantitative, by objective: exploratory 
- ☐ By source: primary, by method: quantitative, by objective: descriptive
- ☐ By source: primary, by method: qualitative, by objective: descriptive
- ☐ By source: secondary, by method: qualitative, by objective: exploratory


The correct answer is: By source: primary, by method: quantitative, by objective: descriptive

Question 3

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 at war against competitors on behalf of the underserved customers and would not stop until you win. 
- ☐ 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 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 4

Correct

Mark 1.00 out of 1.00

The following data are related to a company for the financial year 2019-2020.

Amortization: Rs. 50

Interest payment: Rs.100

Income tax: 100


Depreciation: Rs.100

Other operating expenses: Rs.450

Dividend: Rs.200

Gross profit: Rs.900

What is the operating profit for the year 2019-20?

- ☐ a. 200
- ☐ b. 400
- ☐ c. 450
- ☒ d. 300 

The correct answer is: 300

Question **5**

Correct

Mark 1.00 out of 1.00

A new venture raises ₹ 10 million at a pre-money valuation of ₹ 10 million in the form of 2x liquidation participating preference shares. The venture has a liquidation event for ₹ 20 million. How much money the founders receive?

- ☐ a. ₹ 5 million
- ☐ b. ₹ 10 million
- ☒ c. ₹ 0 million
- ☐ d. ₹ 20 million



The correct answer is: ₹ 0 million

Question **6**

Correct

Mark 1.00 out of 1.00

Which of the following combination is INCORRECT?

- ☐ Product = customer solution that relieves their pain
- ☐ Place = Communicate with customers and deliver the goods or services.
- ☐ Price = Cost to the customers or pain to the customers.
- ☐ Promotion = Convenience to the customer.
- ☒ People = the product-market-fit and try alleviating the pain as far as possible.



The correct answer is: People = the product-market-fit and try alleviating the pain as far as possible.

Question 7

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 'promotion' including advertisement, public relation, social network, content marketing and more.
- ☐ 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 '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 8

Correct

Mark 1.00 out of 1.00

Which of the following statements is most appropriate?

- ☐ 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 builds a team, identifies opportunities, and goes-to-market.
- ☒ 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 develops products or services using modern cutting-edge and futuristic technologies.

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 **9**

Correct

Mark 1.00 out of 1.00

A new venture raises ₹ 10 million at a pre-money valuation of ₹ 10 million in the form of 1x liquidation participating preference shares. The venture has a liquidation event for ₹ 20 million. How much money the founders receive?

- ☒ a. ₹ 5 million
- ☐ b. ₹ 0 million
- ☐ c. ₹ 10 million
- ☐ d. ₹ 20 million



The correct answer is: ₹ 5 million

Question **10**

Correct

Mark 1.00 out of 1.00

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

Gross profit: Rs.700

Interest payment: Rs.50

Depreciation: Rs.50

Salary: 250

Rent: 50

Other operating expenses: Rs.200

Dividend: Rs.100

What is the operating profit for the company during 2016-17?

- ☐ 250
- ☐ 200
- ☒ 150
- ☐ 50



The correct answer is: 150

Question **11**

Correct

Mark 1.00 out of 1.00

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

Gross profit: ₹ 800

Interest payment: ₹ 50

Depreciation: ₹ 50

Other operating expenses: ₹ 400

Dividend: ₹ 100

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

- ☐ a. ₹ 300
- ☐ b. ₹ 100
- ☐ c. ₹ 150
- ☒ d. ₹ 200



The correct answer is: ₹ 200

Question **12**

Correct

Mark 1.00 out of 1.00

The following data are related to a company for the financial year 2019-2020.

Gross profit: ₹ 600

Amortization: ₹ 10

Interest payment: ₹ 50

Depreciation: ₹ 40

Other operating expenses: ₹ 200

Dividend: ₹ 100

If the income tax is 30% what is the retained profit?

- ☐ a. ₹ 40
- ☐ b. ₹ 60
- ☒ c. ₹ 110
- ☐ d. ₹ 80



The correct answer is: ₹ 110

Question **13**

Correct

Mark 1.00 out of 1.00

The following information pertains to a company for a particular year:

Sales: Rs. 800

Closing Stock: Rs.100

Depreciation: 100

Opening Stock: Rs.50

Amortization: 100

Purchase of goods: Rs.400

What is the gross profit for the period?

- ☐ 300
- ☐ 350
- ☒ 450
- ☐ 250



The correct answer is: 450

Question **14**

Correct

Mark 1.00 out of 1.00

For which of the following, cash flow statement is not useful?

- ☐ To know when to raise money
- ☐ To know how liquid is the company
- ☐ To know if the company will find it difficult to meet the financial commitment in the future
- ☒ To know when the company will be able to make a profit.



The correct answer is: To know when the company will be able to make a profit.

Question **15**

Correct

Mark 1.00 out of 1.00

Which of the following is NOT part of the primary sources of data for market research?

- ☒ Newspaper.
- ☐ Questionnaire through internet.
- ☐ Observation
- ☐ Survey
- ☐ Focused group and interviews thereof.



The correct answer is: Newspaper.

Question **16**

Correct

Mark 1.00 out of 1.00

Guy Kawasaki recommended

- ☐ Thirty-minute presentation, twenty slides, and minimum ten font size
- ☐ 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



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

Question **17**

Correct

Mark 1.00 out of 1.00

For a company, the fixed cost $F = ₹ 50,000$ per year, the variable cost $V = ₹ 20$ per unit, selling price $S = ₹ 30$ per unit. How many units the company should produce and sell to make a profit of ₹ 5,000?

- ☐ 6,500
- ☐ 10,000
- ☒ 5,500
- ☐ 5,000



The correct answer is: 5,500

Question **18**

Incorrect

Mark 0.00 out of 1.00

Which of the following are components of the lean startup?

- A. Repeated experimentation and iteration
- B. A detailed plan about the shortest possible execution to ensure the quick and successful start of the venture.
- C. Customer feedback
- D. Building an MVP

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



The correct answer is: A, C, & D

Question 19

Correct

Mark 1.00 out of 1.00

A company has procured an asset for ₹ 150 at the beginning of the financial year 2017-18. The asset has useful life of 5 years and the salvage value of the asset has been estimated at ₹ 50. The company follows a policy of 10% depreciation wherever applicable. Estimate the depreciation for the year 2017-18 using straight-line method and find out the book value of the said asset as on 31.03.2018. (be mindful of excess data than necessary).

- ☐ a. 140
- ☐ b. 135
- ☒ c. 130
- ☐ d. 80



The correct answer is: 130

Question 20

Correct

Mark 1.00 out of 1.00

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

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



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

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Grade 17.00 out of 20.00 (85%)

Question **1**

Correct

Mark 1.00 out of 1.00

Which of the following is correct?

- ☐ Financial leverage is the degree to which a firm can increase operating income by increasing sales.
- ☒ A company's capacity to absorb raw-material price fluctuations can be gauged from the difference in the slopes of sales line and total cost line.
- ☐ The profit before tax is the money that belongs to the owners
- ☐ A positive margin of safety does not necessarily mean that the company is operating in profit.

The correct answer is: A company's capacity to absorb raw-material price fluctuations can be gauged from the difference in the slopes of sales line and total cost line.

Question **2**

Incorrect

Mark 0.00 out of 1.00

A company has procured an asset for ₹ 150 at the beginning of the financial year 2017-18. The asset has useful life of 5 years and the salvage value of the asset has been estimated at ₹ 50. The company follows a policy of 10% depreciation wherever applicable. Estimate the depreciation for the year 2017-18 using straight-line method and find out the book value of the said asset as on 31.03.2018. (be mindful of excess data than necessary).

- ☒ a. 135
- ☐ b. 140
- ☐ c. 130
- ☐ d. 80

The correct answer is: 130

Question **3**

Correct

Mark 1.00 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 **4**

Correct

Mark 1.00 out of 1.00

The total book value of all the fixed assets of a company as of 31.03.2018 is ₹ 500. The company purchases new fixed assets worth ₹ 400 and sells some old fixed assets of book value ₹ 200 during 2018-19. Estimate the book value of fixed assets of the company as of 31.03.2019 using the declining value method of depreciation. The following information may also be used wherever necessary: Useful life: 10 years, salvage value: ₹ 100, rate of depreciation: 10%.

- ☐ ₹ 540
- ☐ ₹ 990
- ☐ ₹ 270
- ☒ ₹ 630

The correct answer is: ₹ 630

Question **5**

Correct

Mark 1.00 out of 1.00

A startup begins with two hypotheses: A value hypothesis and a growth hypothesis. What is the value hypothesis?

- ☐ The proposed business will generate huge value for the nation in terms of employment, government revenue, and wealth for the nation.
- ☐ The proposed product or service will create great value for the company.
- ☐ The business will create great values for all the stakeholders and sustain for a long time.
- ☒ The proposed product will be superior compared to those of the competitors in terms of values perceived by the customers.

The correct answer is: The proposed product will be superior compared to those of the competitors in terms of values perceived by the customers.

Question **6**

Correct

Mark 1.00 out of 1.00

The following data are related to a company for the financial year 2018-2019.

Gross profit: ₹ 900

Interest payment: ₹ 50

Operating expenses excluding depreciation: ₹ 200

Dividend: ₹ 100

The book value of the fixed asset of the company as of 31-3-2016 was ₹ 500. The depreciation rate is 10%. The company purchases machinery worth ₹ 200 during the year 2018-19 and does not sell any of its fixed assets during the same year. What is the operating profit of the company during 2018-19?

- ☐ 430
- ☐ 530
- ☐ 600
- ☒ 630

The correct answer is: 630

Question **7**

Correct

Mark 1.00 out of 1.00

Crossing the chasm refers to

- ☐ A growth stage of a startup when it tries to acquire customers of the 'Early Adopter' type.
- ☐ Crossing the valley of death that lies at the early stage of a startup.
- ☒ A growth stage of a startup when it tries to acquire customers of the 'Early Majority' type.
- ☐ It is a phase of a startup when its product or service receives customers' acceptance for the first time.

The correct answer is: A growth stage of a startup when it tries to acquire customers of the 'Early Majority' type.

Question **8**

Correct

Mark 1.00 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.
- ☐ Secondary data can be organized in-house through a questionnaire survey.
- ☐ Data obtainable from secondary sources are used for in-depth analysis of market acceptance of a product.
- ☐ The primary market research (primary data collection) is often a useful precursor to secondary research.
- ☒ 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**

Correct

Mark 1.00 out of 1.00

The following information pertains to a company for a particular year:

Sales: ₹ 800

Closing Stock: ₹ 100

Depreciation: ₹ 100

Opening Stock: ₹ 50

Amortization: ₹ 100

Purchase of goods: ₹ 400

What is the gross profit for the period?

- ☐ a. ₹ 350
- ☐ b. ₹ 250
- ☒ c. ₹ 450
- ☐ d. ₹ 300

The correct answer is: ₹ 450

Question **10**

Correct

Mark 1.00 out of 1.00

Arrange the following in the order of importance in the context of the success of a startup as suggested by Bill Gross (most important first)

- ☐ Timing, Team, Idea, execution
- ☐ Team, Timing, Business model, Team
- ☐ Team, Timing, idea, execution
- ☒ Timing, Team, execution, Idea

The correct answer is: Timing, Team, execution, Idea

Question **11**

Correct

Mark 1.00 out of 1.00

Which of the following is correct about the Waterfall model of product development?

- ☒ It is a linear process of product development that follows one-way progression.
- ☐ It is an iterative process that requires receiving feedback at every stage.
- ☐ It is a validated learning process that follows the build-measure-learn feedback process.
- ☐ It is a key component of the design thinking process of new product development.

The correct answer is: It is a linear process of product development that follows one-way progression.

Question **12**

Correct

Mark 1.00 out of 1.00

An angel investor values a startup at ₹ 10,000, after which the angel invests ₹ 5,000 in the company? This is the first time the startup is raising money from outside the founders.

What is the percentage holding of the founders before the above investment?

- ☐ a. 66.66%
- ☐ b. 33.33%
- ☒ c. 100%
- ☐ d. None of the above

The correct answer is: 100%

Question **13**

Incorrect

Mark 0.00 out of 1.00

Suppose the total depreciable 'Fixed Assets' as on 31.03.2017 is ₹ 1700 and the company purchases a machine during the year for ₹ 500 and sells an old machine of book value ₹ 200. The company follows Declining Value Method of depreciation @10% (the method followed in the example sum). What is the depreciation for the year 2017-18?

Options:

- ☒ a. ₹ 220
- ☐ b. ₹ 200
- ☐ c. ₹ 170
- ☐ d. ₹ 270

The correct answer is: ₹ 200

Question **14**

Correct

Mark 1.00 out of 1.00

A startup begins with a leap of faith. What is a leap of faith in this regard?

- ☐ The proposed business will generate enough growth of wealth for founders.
- ☒ It is an assumption that the product will sell in a market where there is no precedence of such a product and no data available about the customers' choices.
- ☐ It is in the context of faith that customers will be forgiving about limitations in the product or service and will buy repeatedly.
- ☐ The company will have a great leap forward with the proposed product and will achieve appreciable growth.

The correct answer is: It is an assumption that the product will sell in a market where there is no precedence of such a product and no data available about the customers' choices.

Question **15**

Correct

Mark 1.00 out of 1.00

Agile process is?

- ☐ A linear process in which validation is done by actual customers as the product development process progresses.
- ☒ The agile process is a non-linear process of product development that follows the build-measure-learn feedback system for validated learning.
- ☐ The agile process is about reducing waste at all possible steps.
- ☐ A component of the agile process is the lean startup philosophy.

The correct answer is: The agile process is a non-linear process of product development that follows the build-measure-learn feedback system for validated learning.

Question **16**

Correct

Mark 1.00 out of 1.00

- A. Amortization
- B. Increase in inventory
- C. Sale of the old machine
- D. Increase in trade receivables
- E. Increase in long-term loan
- F. A decrease in trade payables

Which of the above are cash inflows?

- ☐ B, C & D
- ☐ A, B & E
- ☒ A, C & E
- ☐ B, D & F

The correct answer is: **A, C & E**

Question **17**

Incorrect

Mark 0.00 out of 1.00

Which among the following is a correct statement?

- ☒ The circle of competence is the core area of the knowledge domain of your key employees.
- ☐ One may not be a genius, but may achieve great success by focusing and remaining within his/her circle of competence.
- ☐ If you start a business in the domain of your circle of competence you will surely achieve success.
- ☐ The circle of competency means your knowledge domain that you think you are expert in.

The correct answer is: One may not be a genius, but may achieve great success by focusing and remaining within his/her circle of competence.

Question **18**

Correct

Mark 1.00 out of 1.00

An angel investor values a startup at ₹ 10,000, after which the angel invests ₹ 5,000 in the company?

What is the pre-money valuation of the startup?

- ☐ a. ₹ 15,000
- ☒ b. ₹ 10,000
- ☐ c. ₹ 5,000
- ☐ d. Between ₹ 10,000 and ₹ 15,000

The correct answer is: ₹ 10,000

Question **19**

Correct

Mark 1.00 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.

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

The correct answer is: A, B & C

Question **20**

Correct

Mark 1.00 out of 1.00

An angel investor values a startup at ₹ 10,000, after which the angel invests ₹ 5,000 in the company? This is the first time the startup is raising money from outside the founders.

What is the percentage holding of the founders after the above investment?

- ☐ a. 100%
- ☐ b. 50%
- ☐ c. 33.33%
- ☒ d. 66.66%

The correct answer is: 66.66%