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Grade 12.00 out of 20.00 (60%)

Question 1

Correct

Mark 1.00 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?

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



The correct answer is: ₹ 430

Question 2

Incorrect

Mark 0.00 out of 1.00

Identify the correct statement out of the following:

- ☒ Lean startup philosophy is a new business trend. ✗
- ☐ The car aggregator business is an example of collaborative consumption.
- ☐ 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 correct answer is: Moving forward, everything that can be personalized will be personalized to offer the best experience to customers.

Question 3

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

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

Question **4**

Correct

Mark 1.00 out of 1.00

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

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



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

Question **5**

Correct

Mark 1.00 out of 1.00

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

Gross profit: Rs.600

Amortization: 10

Interest payment: Rs.50

Depreciation: Rs.40

Other operating expenses: Rs.200

Dividend: Rs.100

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

- ☒ 110
- ☐ 80
- ☐ 60
- ☐ 40



The correct answer is: 110

Question 6

Incorrect

Mark 0.00 out of 1.00

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

- ☐ The cost can be divided into fixed and variable.
- ☐ Change in volume of sales does not change in fixed cost.
- ☒ 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

Incorrect

Mark 0.00 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
- ☐ Consideration, awareness, Interest, intent, evaluation, purchase
- ☐ Awareness, interest, consideration, intent, evaluation, purchase
- ☒ Interest, awareness, consideration, intent, evaluation, purchase ✗

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

Question 8

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 **9**

Correct

Mark 1.00 out of 1.00

Out of the following options which is the most compelling reason for recruiting new employees?

- ☐ Recommendation for a candidate by your investors.
- ☐ Social responsibility to create jobs.
- ☒ Filling a key knowledge gap
- ☐ You get an opportunity to recruit a top-class person with some key skill-set that you ordinarily do not come across.



The correct answer is: Filling a key knowledge gap

Question **10**

Correct

Mark 1.00 out of 1.00

Use the following data to answer the question following them:

Sales: Rs. 1000

Purchase of equipment: 20

Closing Stock: Rs.200

Opening Stock: Rs.150

Payment of electricity bill: 10

Purchase of goods: Rs.500

What is the gross profit?

- ☒ 550
- ☐ 520
- ☐ 350
- ☐ 530



The correct answer is: 550

Question **11**

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?

- ☒ 450
- ☐ 250
- ☐ 300
- ☐ 350



The correct answer is: 450

Question 12

Incorrect

Mark 0.00 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, B, D
- ☐ A, C, & D
- ☐ A, B, C, & E
- ☒ A, C, D, & E



The correct answer is: A, C, & D

Question 13

Correct

Mark 1.00 out of 1.00

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

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



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

Question 14

Incorrect

Mark 0.00 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.
- ☐ Prepare business model canvas, validate the hypothesis, refine your product, follow build, measure, and learn processes.
- ☒ 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.

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 15

Incorrect

Mark 0.00 out of 1.00

Who among the following are NOT the potential good candidates for employment in your startup?

- ☐ Persons with long working experience.
- ☐ Persons with demonstrable creative talent
- ☒ Persons with founder aspirations ✗
- ☐ Failed or successful startup cofounder

The correct answer is: Persons with long working experience.

Question 16

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 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 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 17

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)

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

The correct answer is: 3,000 units

Question 18


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 is an accounting innovation giving DuPont huge competitive advantages.
- ☒ This falls under management innovation. 
- ☐ 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 19

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

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

The correct answer is: A, B, & C

Question **20**

Not answered

Marked out of 1.00

Long after the traditional candle lamp lost its primary use as an essential light source, “Yankee Candle” was launched at a very high price with one candle selling at more than ₹ 5,000/-. Each candle of high-quality wax is contained in a smart-looking glass jar, is nicely packed, and emits a variety of aromas. Customers can pick up the ones with the aroma they like. At the end of the day, back from the office, they can light the candle, immerse in some music of choice and forget the day’s travail.

Yankee Candles are facing high price because of the product differentiation created in the form of

- ☐ Customer experience
- ☐ The aesthetic design of the packaging
- ☐ Product features
- ☐ Premium price

The correct answer is: Customer experience