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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