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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