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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.