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**Grade** 18.00 out of 20.00 (90%)

Question **1**

Correct

Mark 1.00 out of 1.00

Which of the following is not part of operating expense?

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



The correct answer is: Cost of goods sold

Question **2**

Correct

Mark 1.00 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

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



The correct answer is: Customer experience

Question 3

Correct

Mark 1.00 out of 1.00

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

- ☐ Have a lean team, lean business model, lean customer base, and lean logistics to ensure quick execution, higher margin, and sustainable business success.
- ☒ Define hypothesis based on a customers' pain, build MVP, get it validated by early adopters, rebuild based on learning, continue the validated learning cycle. ✓
- ☐ 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 4

Correct

Mark 1.00 out of 1.00

By applying a lean start-up process a company has reduced its variable cost by 10% without changing the fixed cost. What will happen to the operating leverage?

- ☐ It will go down
- ☐ The question is inappropriate since both fixed cost and variable cost are unrelated to operating leverage.
- ☐ No change since operating leverage is related to fixed cost.
- ☒ It will go up ✓

The correct answer is: It will go up

## Question 5

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 6

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:

- ☐ 5000
- ☐ Undefined
- ☒ 50
- ☐ 500



The correct answer is: 50

Question **7**

Correct

Mark 1.00 out of 1.00

Crossing the chasm refers to

- ☐ It is a phase of a startup when its product or service receives customers' acceptance for the first time.
- ☒ 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.



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

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



The correct answer is: A, B & C

Question **9**

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 **10**

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

Question **11**

Correct

Mark 1.00 out of 1.00

Which of the following combination is INCORRECT?

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



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

Question **12**

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



The correct answer is: 300

## Question 13

Incorrect

Mark 0.00 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 14

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 market research (gathering secondary data) is quicker than primary 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 primary market research (primary data collection) is often a useful precursor to secondary research.



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

Question **15**

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



The correct answer is: 400



Question **16**

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



The correct answer is: ₹ 1040

Question **17**

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



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

Question **18**

Correct

Mark 1.00 out of 1.00

Which of the following is not facilitated by market segmentation?

- ☒ Determine the requirement of fund for development of a product
- ☐ It helps to understand competition and the demand-supply gap
- ☐ To create product differentiation
- ☐ To understand the customer better



The correct answer is: Determine the requirement of fund for development of a product

Question **19**

Correct

Mark 1.00 out of 1.00

Five key elements of a story as espoused by Blake Mycoskie

Choose the right option:

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



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

Question **20**

Incorrect

Mark 0.00 out of 1.00

**Which among the following is a correct statement?**

- ☐ 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 circle of competence is the core area of the knowledge domain of your key employees.

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.