

**AKENTEN APPIAH-MENKA UNIVERSITY OF
SKILLS TRAINING AND ENTREPRENEURIAL DEVELOPMENT - KUMASI
DEPARTMENT OF INFORMATION TECHNOLOGY EDUCATION
END OF SEMESTER EXAMINATION, AUGUST, 2021**

COURSE CODE	ITC 481
COURSE TITLE	PRINCIPLES OF INNOVATION AND ENTREPRENEURSHIP
LECTURER	DR KWAME ANSONG-GYIMAH
DURATION	ONE HOUR 30 MINUTES
INSTRUCTIONS	ANSWER ALL QUESTIONS

INDEX NUMBER.....

QUESTIONS

1. The transformation of new ideas, inventions and processes into value for the market is termed as.....
 - a. Innovation
 - b. Entrepreneurship
 - c. Training
 - d. Invention
2. The expert entrepreneur knows that the customers may react in unexpected and unpredictable ways to their product and as such must approach the market with.....
 - a. All his resources
 - b. An open mind
 - c. A certain behavior
 - d. An expert
3. is defined as what a venture tells its customers about the value it intends to provide to them.
 - a. Value creation
 - b. Value proposition
 - c. Value
 - d. None
4. Which of the following technology trends allow people to maintain e-connectivity with their possessions and loved ones via a network of embedded sensors and chips?
 - a. Context awareness
 - b. Collaborative commerce
 - c. Cloud computing
 - d. Internet of things

5. The most common reason why ventures fail is that.....
- They fail to plan adequately
 - They take too many loans
 - They make wrong investments
 - They fail to create appropriate value for customers
6. All the following are immediate goals of a startup except.....
- Becoming credible
 - Showing proof of customer demand
 - Demonstrating sales and revenue
 - Showing proof of market viability
7. The person who makes the final decision of whether to purchase a product or not is the.....
- The customer
 - The retailer
 - The economic buyer
 - The wholesaler
8. All the following are principles of deliberate practice that can be used to develop one's entrepreneurial expertise except.....
- Scalability
 - Repetition
 - Feedback
 - Understandability
9. A version of a product that has been refined iteratively through customer discovery and are now used in the customer validation process is known as.....
- High prospective version
 - High fidelity version
 - Low prospective version
 - Low fidelity version
10. A type of business model whereby the entrepreneur holds products for end users and makes them available when needed is known as.....
- Distributorship
 - Retail
 - Subscription
 - Billable hours

11. Which principle of the entrepreneurial method states that "Expert technology entrepreneurs believe that value creation is the primary purpose of their business"?

- a. First
- b. Second
- c. Third
- d. fourth

12. YCombinator is an example of which of the following?

- a. Startup venture
- b. Business organization
- c. Venture capital firm
- d. Accelerator

13. The fifth pillar of entrepreneurial expertise is the.....

- a. Customer discovery and validation
- b. Value creation
- c. Business model canvas
- d. Entrepreneurial method

14. Which of the following is not part of the nine discrete segments of the business model canvas?

- a. Customer relationship
- b. Value proposition
- c. Customer request
- d. Key partners

15. All the following can be considered in innovation except.....

- a. Product development
- b. Prototyping
- c. Day dreaming
- d. Building

16. A type of business model in which products and services are offered at a price and customers purchase them as they use them is known as.....

- a. Freemium
- b. Advertising based
- c. Broker
- d. Pay as you go

17. Creating value requires all the following except.....

- a. Team work
- b. Vision
- c. Passion
- d. Ability to adjust customers' needs

18. All the following are importance of value proposition except.....

- a. Helps to communicate the value the venture provides to customers
- b. Guides internal decision making
- c. Helps to fulfil the future outlook
- d. None of the above

19. The fundamental purpose of the process is to turn guesses about markets, customers, marketing channels and pricing into facts.

- a. Customer discovery and validation
- b. Customer discovery
- c. Customer validation
- d. None of the above

20. Which of the following questions can be used under cost structure as a discrete segment of business model canvas?

- a. How would they prefer to pay?
- b. Which ones are cost-efficient?
- c. For whom are we creating value?
- d. What key resources are most expensive?

Indicate whether the following statements are True/False (21 to 30) (10 Marks).

21. Trade secret can last for 50 years (True/False)

22. A patentee has the right to exclude others from practicing the invention (True/False)

23. Surveillance is an example of B2G product (True/False)

24. Writing the date in which an idea was initially entered into an opportunity registered is optional (True/False)

25. The goal of a startup is to learn how to build repeatable, scalable business model. (True/False)

26. A startup venture is merely a small version of a large company (True/False)

27. Trademark protection does not prevent competitors from copying or reverse-engineering the technical aspects of a product (True/False)

28. The expert entrepreneur is aware that beginning a new venture is full of certainties
(True/False)

29. A startup has no customers (True/False)

30. The entrepreneur without the innovator has no value to bring to the market (True/False)

Provide short answers by filling in the blank spaces of the following questions (31 to 60) (30Marks).

31. protects artistic expression.

32. is the process whereby expert entrepreneurs launch a new venture by taking stock of who they are, what they know and resource they control.

33. The fourth step of the idea generation process is

34. Design patent lasts years from issue date.

35. is a process that captures the founder's vision and converts it into a series of hypotheses that can be tested with customers.

36. is defined as whatever customers believe a product to be.

37. A chain that represents a set of steps that customers must go through to acquire and use goods and services is known as

38. is an information, know-how, data or processes that are not readily ascertainable from publicly available information and are subject to reasonable measures to maintain secrecy, and derive value from being kept secret

39. A type of business model in which products and services are offered at a price and customers purchase them as they use them is known as.....

40. Imagining a possible new goal using a given set of means is referred to as
.....

41. is a product that has only those features necessary to get the product into the hands of early adopters and it is sufficient to demonstrate future benefit.

42. is a person who knows how to take the innovation to the marketplace.

43. means making ongoing improvements to the products you already have in the marketplace and inventing new ones to extend your brand and develop additional stream.

44. The process by which technology entrepreneurial method is linked unto themethod.

45. The set of customers that entrepreneurs target with their new technology product is the
.....

46. A venture capital firm that invests small amounts of capital into a large number of promising ideas and entrepreneurial teams is known as.....

47. Claims that do not refer to other claims are known as

.....
48. Expert technology entrepreneurs know intuitively that..... is the purpose of business.

49. The ultimate judge of value and the determiner of the venture's success is the
.....

50. The process of testing whether the evolving business model is repeatable and scalable is known as

51. The logic by which an enterprise sustains itself financially is known as
.....
52. In the build-measure-learn feedback loop, the stage that comes after ideas is the
the
53. The entrepreneurial method is likened to the method.
54. Copyright lasts for years after the death of the last surviving author.
55. How many fundamental venture types can be created by an entrepreneur ?
56. According to research, the average age of the first-time entrepreneur is
57. A type of business venture that sells to other companies is known as
58. is the act of practicing the techniques of deliberate practice while "on the job".
59. How many principles have been identified as part of the entrepreneurial method?
.....
60. A system that can be made to handle enough volume to serve a growing customer base is said to be

**UNIVERSITY OF EDUCATION, WINNEBA – KUMASI
DEPARTMENT OF INFORMATION TECHNOLOGY EDUCATION**



END OF SEMESTER TWO EXAMINATION, MAY 2017

COURSE CODE	ITM 481
COURSE TITLE	PRINCIPLES OF INNOVATION AND ENTREPRENEURSHIP
DURATION	2 HOURS
LECTURER	GABRIEL NYAME
INSTRUCTIONS	CIRCLE THE CORRECT OPTION ON THE QUESTION PAPER. TOTAL MARKS FOR THE PAPER IS 70 MARKS.

INDEX NO

1. The proportion of a firm's sales that are devoted to creating new scientific knowledge and applying that knowledge to the creation of new products and production processes is called
 - A. research and development intensity
 - B. experimentation
 - C. knowledge spillovers
 - D. knowledge concentration
2. Individuals who create something new, but inside an existing company rather than through founding a new venture are termed as
 - A. first-rate team
 - B. intrapreneurs
 - C. entrepreneurs
 - D. venture capitalists
3. Opportunity recognition involves “*connecting the dots*”. This means that
 - A. recognizing patterns between seemingly unrelated events, changes and trends
 - B. establishing linkages between co-founders and potential customers
 - C. bringing products offered in one market to another market
 - D. connecting creativity to practicality
4. An exclusive right given by the government to preclude others from duplicating an invention for a specified period of time in return for disclosure of an invention is called
 - A. copyright
 - B. trade secret
 - C. patent
 - D. trade mark

5. When different parts of a business, such as manufacturing and marketing, are owned by different entities and are connected by a contractual relationship, it is termed as
 - A. customer-based mode
 - B. monopoly
 - C. hierarchical mode
 - D. market-based mode
6. A mode of business in which one party develops a plan for the provision of a product or a service to end consumers, and another party uses that plan in return for paying a fee and royalties and agreeing to oversight is called
 - A. acquisition
 - B. merger
 - C. franchising
 - D. first mover
7. Which of these distinguishes codified knowledge from tacit knowledge?
 - A. Codified knowledge can be expressed in documentary form but tacit knowledge cannot be readily put into words.
 - B. Codified knowledge is usually not stored as part of the knowledge asset of a firm but tacit knowledge remains the bonafide knowledge base of the firm.
 - C. While tacit knowledge issues relate to supervisory level information decision making, codified knowledge limits itself to top management decision making.
 - D. Tacit knowledge gives more competitive advantage to firms than codified knowledge.

Dr. Esther Djan is an agro-economist who has been in the production of flavoured 'soboro' drink since 2004. Her major supplies usually had been on the domestic market in Kumasi with few offers in the markets of Sunyani, Accra and Takoradi. Upon further research, she is now able to produce at lower average cost of GH¢ 2,370 per barrel. In 2015, she increased production from 200 barrels to 350 barrels with a corresponding increase in market share to about 35%. Use the given information to answer questions 8 to 10.

8. If the change in quantity produced could be a reflection on improved profit margin, what is the percentage change in quantity produced, *correct to the nearest hundredth?*
 - A. 1.50%
 - B. 57.14%
 - C. 75.00%
 - D. 50.00%
9. Calculate how much more she gained in 2015 with improved market share of about 35%.
 - A. GH¢ 829,500
 - B. GH¢ 474,000
 - C. GH¢ 355,500
 - D. GH¢ 1,303,500
10. Which of these is Dr. Esther Djan enjoying since the year 2015?
 - A. competitive advantage
 - B. economies of scale
 - C. operational efficiency
 - D. oligopoly

- 11.** Which of the following must be used along with an innovation to provide a new product or service to customers as well as marketing and distribution facilities?
- A. reverse engineering
 - B. division of labour and specialization
 - C. complementary assets
 - D. locus of innovation
- 12.** A relationship that measures the per unit performance at production as a function of the cumulative number of units produced is called
- A. learning curve
 - B. experiential curve
 - C. S-curve
 - D. industry life cycle
- 13.** A classic example of a discrete product is
- A. a timber log
 - B. a new energy producing plant
 - C. a new drug
 - D. an old wood fibre
- 14.** A situation in which a person can exploit a new business idea that has the potential to generate profit is known as
- A. cannibalization
 - B. competence-enhancing change
 - C. competence-destroying change
 - D. entrepreneurial opportunity

KAKAPIAKAA Consult introduced a new service into a new market with the intention to have a greater market share in the new market. The management of the firm decided to price the new service GH¢ 120 per customer. However, about 89% of customers in the new market were willing to pay GH¢ 100 for the new service despite the fact that it costs the firm a little more to deliver the service to customers. Use the given information to answer questions **15** and **16**.

- 15.** Which of these expresses the price reduction appeal by the customers for the new service delivery?
- A. cost-based pricing
 - B. value-based pricing
 - C. price undercutting
 - D. price floor
- 16.** What form of market strategy did KAKAPIAKAA Consult adopt in introducing the new service into the new market?
- A. market segmentation
 - B. market penetration
 - C. guerilla marketing
 - D. promotional strategy

17. The type of business ownership in which a business is owned and managed by one individual is referred to as
- A. limited partnership
 - B. unlimited partnership
 - C. sole proprietorship
 - D. cooperative union
18. On 3rd May 2017, Sadik made an offer to marry Yaa Gyamfuah on 12th December 2018 on the premise that Yaa Gyamfuah should not engage any other gentleman within the stipulated period. Yaa Gyamfuah is willing to have two children with Sadik should the plan to marry Sadik becomes a success. What is Sadik's consideration in this contract?
- A. event of the marriage
 - B. having two children with Yaa Gyamfuah
 - C. owning Yaa Gyamfuah as a wife
 - D. having two children with Yaa Gyamfuah and owning her as a wife
19. Oware and Mystery are two competitors of two substitutive products 'Coco Juice' and 'Pinco Juice' in the Abinkyi market in Kumasi. In two years' time, Oware offered a complementary product 'Bana Juice' into the same market, and this offered him a tax reduction of 2% on his company tax. A similar effort was done by Mystery in a year's time in the same market. What advantage does Oware have over Mystery in this competitive market?
- A. competitive advantage
 - B. lead time advantage
 - C. first mover advantage
 - D. product development advantage
20. The legal term which obligates any founder who decides to leave to sell his or her share to the remaining founders if they are interested in purchasing it is called
- A. claim
 - B. compensation damage
 - C. contract law
 - D. buyback clause
21. The top business challenge that drives pricing decisions can be attributed to
- A. increased price sensitivity of customers
 - B. increased price transparency
 - C. the need to protect the brand's image
 - D. increased pricing aggressiveness from competitors
22. If a business entity with a 25% gross profit margin reduces its price by 10%, which of these can be done to the sales volume in order to just break even?
- A. quadruple
 - B. triple
 - C. double
 - D. match

- 23.** One key to setting prices properly is based on understanding a company's
- A. buying power
 - B. competitive position
 - C. cost structure
 - D. target market
- 24.** The process of creating and delivering desired goods and services to customers and involving all of the activities associated with winning and retaining loyal customers is termed as
- A. promotion
 - B. personal selling
 - C. customer service
 - D. marketing
- 25.** Which of the following **best** simplifies the definition of a business plan?
- A. It is of relatively little importance due to the dynamic nature of the marketplace.
 - B. It is synonymous to the marketing plan.
 - C. It contains both a marketing plan and a financial plan.
 - D. It tends to stress how the entrepreneur will operate rather than detailing what he/she wants to accomplish.
- 26.** Small businesses can compete with larger rivals with bigger budgets by employing unconventional, low-cost creative techniques known as
- A. guerrilla marketing strategies
 - B. psychographics marketing
 - C. market research
 - D. astonishing customer service
- 27.** A common mistake most entrepreneurs make is
- A. assuming that a market exists for their product or service.
 - B. conducting online research, which is too impersonal and does not yield accurate information.
 - C. taking too much time to conduct planning and research.
 - D. conducting informal research.
- 28.** Which of the following is a potential disadvantage of purchasing an existing business?
- A. The employees inherited with the business may not be suitable.
 - B. Equipment and facilities may be obsolete or inefficient.
 - C. The previous owner may have created ill-will among the company's customers.
 - D. All of the above
- 29.** When evaluating the assets of an existing business, the inventory
- A. should be judged on the basis of its market value, not its book value.
 - B. is always current and salable.
 - C. is usually stated honestly and does not need an independent audit.
 - D. usually appreciates over time, making the business a bargain.

30. An entrepreneur who is considering purchasing a business is analyzing a company's accounts receivable. The following table summarizes her findings.

Age of Accounts	Amount	Probability of Collection
0 - 30 days	\$12,000	.96
31 - 60 days	\$ 4,000	.87
61 - 90 days	\$ 2,500	.71
91 - 120 days	\$ 400	.65
121 + days	\$ 800	.24

How much should this potential buyer be willing to pay for these accounts receivable?

- A. \$20,700
- B. \$17,877
- C. nothing but a buyer should never purchase existing accounts receivable.
- D. not enough information given to determine

31. Paul is the owner-manager for ABOBOYAA Company Limited. He noticed a relatively small reduction in the price of other competitive products in a niche market. His beliefs about the market is that he could sell more in the first three months but it tended out to be the usual sales he makes in any ordinary time. Which of the following is being exhibited by Paul?

- A. optimistic bias
- B. illusion of control
- C. confirmation bias
- D. planning fallacy

32. Which of the following is **not** generally required by a certificate of incorporation?
- A. A statement of how stock proceeds will be used.
 - B. The names and address of the incorporators
 - C. A statement of the corporation's purpose
 - D. The corporation's bylaws

33. ASADOR ENTERPRISE is a small private business enterprise that deals in the sale of audio and computer equipment to students at COLTEK. In the first month, Dorothy, the owner-manager, was lucky and sold a system that costs GHS 350 for GHS 650. In her cash income statement, she entered a profit of GHS 400. She offered the purchaser "60 days is same as cash" to close the sale for the period. Dorothy had to pay GHS 350 for the system to the distributor. What cash flow problem does she face?

- A. interest is payable on the amount of profit
- B. inadequate profit margin
- C. higher expenditure for the next month
- D. there is no cash at hand

34. Which of these **best** describes business format franchising?
- A. The franchisor offers the franchisee both business model and financial support.
 - B. Image and reputation of the franchisor become instrumental in the operations of the franchisee.
 - C. The franchisor provides the franchisee with a complete business system.
 - D. The franchisee is at liberty to go by any form of standards and innovations deemed appropriate.

35. PAYLYTE VENTURES declared its financial situation during the fourth annual general meeting in 2016. During the period, total costs were calculated to be GHS 32, 590 with total benefits accrued to be GHS 85,125. Calculate the cost-benefit value in order to measure the financial position of the enterprise.
- A. 0.38
 - B. 2.61
 - C. 0.07
 - D. 2.23
36. A high degree of market segmentation makes it easier to start new ventures because
- A. niche markets favour organizations that can exploit them even without high volumes of production
 - B. new ventures often provide good environments for existing ones
 - C. large markets are highly elastic to absorb potential new ventures
 - D. new firms are better than the average established firm at small-scale production
37. Which of these is **best** considered by venture capitalists for provision of funds for a startup business?
- A. business plan
 - B. core values, mission statement and corporate vision
 - C. marketing plan
 - D. growth strategies
38. All of the following represents barriers to creativity that entrepreneurs impose upon themselves **except**
- A. being too practical
 - B. searching for more than one answer
 - C. focusing on being too logical
 - D. blindly following rules
39. If P_d is product development, E is effort used to develop a new product and T is the time quantum involved in a new product development, which of the following is TRUE?
- A. $P_d \rightarrow akET$, where a and k are constants
 - B. $P_d \rightarrow kT$, where k is a constant
 - C. $P_d \rightarrow kET$, where k is a constant
 - D. $P_d \rightarrow kE$, where k is a constant
40. In the law of contract, which of the following elements does "*meeting of the minds*" describe?
- A. consideration
 - B. agreement
 - C. promise
 - D. acceptance
41. A significant advantage that a new venture sometimes has over a large existing company is based on
- A. ease of developing new product or service
 - B. quality marketing strategies
 - C. better communication
 - D. adopting new technology

42. Mr. Abdul Mamudu is the operations director of SoftCity Technologies. In 2012, the firm went into agreement with a Canadian based enterprise, GiCo Technologies with the purpose of exchange of technical and financial support at all corporate level of service delivery. Initial programmes implemented at SoftCity experienced several problems for a period of one month, but Mr. Abdul Mamudu was able to resolve all those problems that occurred. Which of these does Mr. Abdul Mamudu possess?
- A. social intelligence
 - B. practical intelligence
 - C. analytic intelligence
 - D. creative intelligence
43. The mental processes through which entrepreneurs acquire knowledge or information, enter it into storage, transform it, and use it to accomplish a wide range of tasks is known as
- A. heuristics
 - B. mental framework
 - C. entrepreneurial alertness
 - D. human cognition
44. The tendency for members of decision-making groups to shift toward views more extreme than the ones with which they began is termed as
- A. groupthink
 - B. focus group
 - C. group polarization
 - D. arrowhead decision group
45. Which of these dimensions of personality **cannot** strongly affect behaviour of entrepreneurs in a wide range of situations?
- A. agreeableness
 - B. emotional stability
 - C. introversion
 - D. openness to experience
46. The process of identifying direct competitors who will seek to fill the same customer needs as the proposed new venture is called
- A. market analysis
 - B. competitor analysis
 - C. product analysis
 - D. needs analysis
47. The process through which entrepreneurs conclude that they have identified the potential to create something new that has the capacity to generate economic value is called
- A. pattern recognition
 - B. idea generation
 - C. opportunity recognition
 - D. creativity and innovation

48. The benefits individuals gain from their relationships with others and from the resources and benefits these persons provide is called
- human capital
 - social capital
 - return on investment
 - distributive investment

Madam Rita and Master Enock are co-founders of RINOCK Ventures with initial investment of GHS 125,000 and a profit sharing ratio of 4:3. Production plant bought has a depreciated value of GHS 6,500 and a total operational cost of GHS 32,300. The plant has a useful life of 13 years. The total benefits accrued over the period were GHS 135,000. Use the given information to answer questions 49 and 50.

49. Calculate the net benefit of RINOCK Ventures, correct to the nearest cedi.
- GHS 10,224
 - GHS 5,302
 - GHS 9,600
 - GHS 7,400
50. Determine the Return on Investment (ROI), *correct to 2 decimal places.*
- 0.06
 - 0.21
 - 0.07
 - 0.31
51. A pattern of emotional states and physiological reactions that occur in response to demands from many events in entrepreneurs' lives is called
- social network
 - deception by first principle
 - stress
 - mental instability
52. Financial instruments that allow investors to convert preferred stock, which gets preferential treatment in the event of a liquidation, into common stock at the investor's option is known as
- convertible securities
 - covenants
 - mandatory redemption rights
 - proforma financial statements
53. Which of the following contract provisions require an entrepreneur to lose ownership of his venture if he fails to meet agreed-upon milestones?
- anti-dilution provision
 - forfeiture provision
 - covenant
 - vesting period

- 54.** Which of these describes how a new business will actually operate and how it will potentially make profits?
- A. business plan
 - B. business process
 - C. business model
 - D. business structure
- 55.** The core ideas about a new product or service that makes the development of such a product or service possible is called
- A. invent around
 - B. intellectual property
 - C. prior art
 - D. copyright
- 56.** The legal agreements that prevent employees from starting new ventures and taking other actions that compete with their current employers is known as
- A. partnership agreement
 - B. nondisclosure agreement
 - C. founders' agreement
 - D. noncompete agreement
- 57.** A graphical depiction of the typical pattern of performance improvement of new products or services as a function of the amount of effort put into them is known as
- A. s-curve
 - B. s-corporation
 - C. learning curve
 - D. none of the above
- 58.** Which of the following is used to determine the relative importance of various dimensions in customers' evaluations of specific products?
- A. conjoint analysis
 - B. breakeven analysis
 - C. factor analysis
 - D. feasibility analysis
- 59.** All the following changes with the number of units sold except
- A. variable costs
 - B. sunk costs
 - C. fixed costs
 - D. labour costs

Ida Osei Tutu developed a new beads product and offered into students' market which she considered to be a niche market for her new product. Her initial prices for the new products were GH¢ 45 for waste beads and GH¢ 25 for ankle beads. The old beads products which cost relatively lower than the new ones experienced a sharp fall in demand due to a change in students' taste for them. However, the demand for the new beads increased due to a small reduction in the price. Use the given information to answer question 60 and 61.

60. With supply constant, what is the likely behaviour of the demand curve as a result of the change in students' taste for the old beads, all things being equal?
- The demand curve for the old beads shifts to the right.
 - The demand curve for the old beads shifts to the left.
 - The demand curve for the new beads shifts to the right.
 - The demand curve for the new beads shifts to the left.
61. With supply constant, what is the likely behaviour of the demand curve for the new beads as a result of the reduction in price, all things being equal?
- There is a change in quantity demanded along the same demand curve.
 - The demand curve for the new products remained constant just like supply.
 - The equilibrium price and equilibrium quantity demanded get distorted along a new demand curve for the new beads.
 - The demand curve for the new beads shifts to the right.
62. An analysis that determines the degree to which a product or service idea appeals to potential customers and identifies resources necessary to produce or provide the service is known as
- business prototyping
 - business planning
 - business modeling
 - product or service feasibility analysis
63. The statement "*The whole is greater than the sum of its parts*" is a strong philosophy of entrepreneurs and an attribute of
- industry structure
 - value of similarity
 - value of complementarity
 - customer product adhesion
64. Which of the following is a status quo in franchising agreement that requires the franchisee to run the business in the way that the franchisor wants?
- enforced standardization
 - restricted freedom over product lines
 - payment of fees and royalties
 - market saturation
65. The term *escalation of commitment* can be described in terms of cost as
- variable cost
 - sunk cost
 - operative cost
 - fixed cost
66. A major disadvantage of patents is that
- they can be circumvented
 - they are disclosed to the public prior to protection
 - their processes and methods are not based on existing facts
 - patented products or services are difficult to sell in relatively large markets

67. The common method used by professional investors to calculate the cost of capital is called
- cost-capital method
 - asset-based method
 - price-earnings ratio method
 - venture capital method
68. GUSTARV Company Limited declared its total assets to be GH¢79,432 in 2013 with total liabilities calculated to be GH¢54,301. Determine the equity value at the end of the financial year.
- GH¢ 133,733
 - GH¢ 25,131
 - GH¢ 34,790
 - GH¢ 12,912

Read the Mini-Case below and answer the questions 69 and 70.

Matilda Boakye-Yiadom has owned and operated a small dress shop for the past three years. Each fashion season, Matilda attends the apparel shows and she is always very impressed by the glamour and the hundreds of different manufacturers, all with the merchandise that they say will be this season's biggest sellers. Matilda caters for an older market and baby boomers. She hopes to tap into the upscale market.

After her first year of operation, Matilda recognized that some of her merchandise was not selling. The "inventory close-out sale" did rescue her investment in this merchandise but did not make her a profit or contribute much to her overhead. Matilda knew that it was not reasonable to expect to sell everything she offers into the market, but she was not sure exactly how much of her inventory was comprised of slow movers. Matilda believed that when she went into business she knew what women wanted in dresses. She had always prided herself on having good taste. When she had the opportunity to open this store, she was confident that she could choose merchandise that would be well received. In the first three years of operations, sales had not met Matilda's expectations.

69. How could Matilda realistically create a competitive advantage by giving customer service a focus in her business?
- By encouraging customers to complain when necessary
 - By giving her best customers incentives for the purpose of customer retention
 - By carefully training anyone who comes into contact with customers
 - By getting total commitment to superior customer service astonishment
70. Which of these is **not** a way Matilda could collect information about her customers and competitors?
- Matilda should read magazines on women's fashion and industry trade publications for popular and latest designs.
 - She should watch the top ten TV shows and movies for styles that inspire and appeal.
 - She should have time to engage customers on discussions about how they dress.
 - Matilda could use census data of the entire market regardless of the type of customer.