



UNIVERSITY OF COLOMBO, SRI LANKA

UNIVERSITY OF COLOMBO SCHOOL OF COMPUTING

DEGREE OF BACHELOR OF INFORMATION TECHNOLOGY ( EXTERNAL)

Academic Year 2021 – 3<sup>rd</sup> Year Examination – Semester 6

***EN6502 – Introduction to Entrepreneurship***  
***Multiple Choice Question Paper***

***(ONE HOUR)***

**Important Instructions:**

- The duration of the paper is **1 (one) hour**.
- The medium of instruction and questions is English.
- The paper has **20 questions** and **6 pages**.
- All questions are of the **MCQ** (Multiple Choice Questions) type.
- All questions should be answered.
- Each question will have 5 (five) choices with **one or more** correct answers.
- All questions will carry **equal** marks.
- There will be a penalty for incorrect responses to discourage guessing.
- The mark given for a question will vary from 0 (*All the incorrect choices are marked & no correct choices are marked*) to +1 (*All the correct choices are marked & no incorrect choices are marked*).
- Answers should be marked on the special answer sheet provided.
- Note that questions appear on both sides of the paper.  
If a page is not printed, please inform the supervisor immediately.
- Mark the correct choices on the question paper first and then transfer them to the given answer sheet which will be machine marked. **Please completely read and follow the instructions given on the other side of the answer sheet before you shade your correct choices.**
- Calculators are **not** allowed.
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- 1) Which of the following is an/are achievement competency/competencies?  

(a) Goal setting	(b) Monitoring	(c) Persistence
(d) Teamwork	(e) Risk taking	
  
- 2) Which of the following is a/are planning competency/competencies?  

(a) Monitoring	(b) Leadership	(c) Information seeking
(d) Quality and efficiency	(e) Commitment to work	
  
- 3) Which of the following is/are **NOT** “Porter’s Force”?  

(a) Bargaining power of customers	(b) Bargaining power of suppliers	(c) Threat of politics
(d) Weaknesses in external environment	(e) Competitive rivalry within an industry	
  
- 4) Which of the following pricing strategy sets an initial high price and then slowly lowers the price to make the product available for a wider market?  

(a) Penetration pricing	(b) Skimming pricing	(c) Competition Pricing
(d) Premium pricing	(e) Psychological pricing	
  
- 5) Which of the following feasibility analysis analyzes and determines whether the business needs can be fulfilled by using the proposed solution?  

(a) Technical Feasibility	(b) Economic Feasibility	(c) Operational Feasibility
(d) Resource Feasibility	(e) Marketing Feasibility	
  
- 6) Which of the following is a/are major base(s) of market segmentation?  

(a) Cultural Segmentation	(b) Technical Segmentation	(c) Opportunistic Segmentation
(d) Demographic Segmentation	(e) Psychographic Segmentation	
  
- 7) Which of the following is/are included under behavioristic segmentation?  

(a) Lifestyle	(b) Occasion	(c) Personality characteristics
(d) User status	(e) Usage rate	

8) Which of the following is a/are main criterion/criteria for evaluating market segments?

- |                 |                 |                |
|-----------------|-----------------|----------------|
| (a) Measurable  | (b) Substantial | (c) Responsive |
| (d) Distinctive | (e) Accessible  |                |

9) Which of the following is a/are target market strategy/strategies?

- |                                |                              |                         |
|--------------------------------|------------------------------|-------------------------|
| (a) Undifferentiated Marketing | (b) Differentiated Marketing | (c) Unfocused Marketing |
| (d) Focused Marketing          | (e) Preference Marketing     |                         |

10) Which of the following is/are **true** regarding the types of risk attitudes of an entrepreneur?

- |  |
|--|
| (a) A risk neutral person deals with risks objectively.                                  |
| (b) A risk averse person is comfortable with digesting risks.                            |
| (c) A risk averse person usually tries to avoid risks.                                   |
| (d) A risk seeker analyses risks with various techniques and makes an informed decision. |
| (e) A risk tolerant person is very comfortable with ignoring risks.                      |

11) Which of the following is/are steps of the risk management process?

- |              |                            |            |
|--------------|----------------------------|------------|
| (a) Identify | (b) Analyze and prioritize | (c) Expose |
| (d) Mitigate | (e) Minimize               |            |

12) Which of the following statements is/are **true** regarding a consumer?

- |  |
|--|
| (a) A consumer can be a business entity                        |
| (b) A consumer may not pay a for a product or service          |
| (c) A consumer is the end user of goods or services            |
| (d) A consumer's purpose for purchasing can be reselling       |
| (e) A consumer can be an individual, family or group of people |

13) Which of the following statements is/are **true** regarding an entrepreneur?

- |  |
|--|
| (a) An entrepreneur is a person who comes up with a new idea                         |
| (b) An entrepreneur usually focuses on the tangible invention                        |
| (c) An entrepreneur procures, organizes, and manages resources through a new venture |
| (d) An entrepreneur mitigates risk by licensing his idea                             |
| (e) An entrepreneur is interested in developing a novel product                      |

14) Which of the following is a/are strategy/strategies discussed in the Ansoff Matrix?

- |                                  |                                  |                                 |
|----------------------------------|----------------------------------|---------------------------------|
| (a) Product penetration strategy | (b) Diversification strategy     | (c) Market development strategy |
| (d) Classification strategy      | (e) Product development strategy |                                 |

15) Which of the following statements is/are **true** regarding business ideas and business opportunities?

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|--|
| (a) There are large number of business opportunities compared to business ideas. |
| (b) Anyone can perceive business ideas   |
| (c) All business ideas can be implemented practically                            |
| (d) Any business idea can be converted into a business opportunity               |
| (e) There are large amounts of business ideas                                    |

16) The following two groups A and B are related to characteristics of an entrepreneur. Select the correct matching between items in group A with appropriate ones in group B.

Group A	Group B
A1. Creativity	B1. The ability to produce or develop a new product or a service.
A2. Flexibility	B2. The ability to develop new ideas and discover new ways to solve problems.
A3. Innovation	B3. The ability to change your business to accommodate changes in the external environment
A4. Independence	B4. The ability to decide and control one's own destination.

- |                                  |
|----------------------------------|
| (a) A1→B2, A2 →B3, A3 →B4, A4→B1 |
| (b) A1→B2, A2 →B3, A3→B1, A4→B4  |
| (c) A1→B3, A2 →B2, A3→B1, A4→B4  |
| (d) A1→B4, A2 →B3, A3→B1, A4→B2  |
| (e) A1→B1, A2 →B3, A3→B2, A4→B4  |

- 17) The following two groups A and B are related to leadership styles. Select the correct matching between items in group A with appropriate ones in group B.

Group A	Group B
A1. Transformational	B1. Makes decisions without informing team members
A2. Laissez-Faire	B2. Values the input of team members and peers
A3. Transactional	B3. Enhances productivity and efficiency through communication and high visibility
A4. Participative	B4. Lacks direct supervision of employees
A5. Autocratic	B5. Provides rewards or punishments to team members based on performance

- (a) A1→B3, A2→B4, A3→B5, A4→B2, A5→B1  
 (b) A1→B5, A2→B4, A3→B3, A4→B2, A5→B1  
 (c) A1→B3, A2→B4, A3→B5, A4→B1, A5→B2  
 (d) A1→B3, A2→B5, A3→B4, A4→B2, A5→B1  
 (e) A1→B1, A2→B2, A3→B5, A4→B4, A5→B3

- 18) Select the appropriate option below in relation to the following 3 statements regarding place and distribution strategies.

- i. In the selective distribution strategy, a producer can focus effort on the best performing outlets.  
 ii. Intensive distribution strategies are often used for products which customers purchase after comparing several similar products.  
 iii. The exclusive distribution strategy is used usually for highly priced products

- (a) i only                      (b) ii only                      (c) iii only  
 (d) i and ii only              (e) i and iii only

- 19) Select the appropriate option below in relation to the following 3 statements regarding the main elements of the statement of financial position.

- i. An asset is a resource controlled by the business from which there is no future economic benefit.  
 ii. Equity is a resource controlled by the business from which there is a future economic benefit.  
 iii. A liability is an obligation of the business arising from past transactions or events.

- (a) i only                      (b) ii only                      (c) iii only  
 (d) i and ii only              (e) i and iii only

20) Which of the following statements is/are true regarding financial ratios?

- (a) Operating profit margin = Operating income / Sales
- (b) Quick liquidity ratio = Current assets / Current Liabilities
- (c) Accounts receivable turnover = Sales on Credit / Accounts receivable
- (d) Equity Multiplier = (Total assets - Total liabilities) / Shareholder's Equity
- (e) Fixed charge coverage ratio =  
(Earnings before interest and taxes - Lease payment) / (Interest - Lease Payment)

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