

Examenvragen 2021-22 – Introduction to Entrepreneurship

The exam was a case study about Mr. and Mrs. Smith who wanted to start the High-Sky Restaurant business in Brussels airport. The business plan was for the first restaurant, but they want to expand quickly on short and long term. You get a bit explanation about why they want to start this company, how many customers they can reach and how many plates they will sell. They focus on 2 people: the travelers and the staff of the airport. Every 2 weeks they create 2 new menus, a quick menu of 25 euros and a more extensive menu of 45 euro. The direct variable costs are 15 euro for the quick menu and 25 euro for the extensive menu.

Table: estimation of the plates sold

	Year 1	Year 2	Year 3	Year 4	Year 5
Quick menu	5840	7300
Extensive menu	11680	14600

You get the balance sheet, P&L statement and Cash Flow statement.

Questions:

1. Give 2 examples each of how the entrepreneurs applied causation and effectuation. Explain why.
2. Give the best possible protection mechanism and the worst possible protection mechanism and explain why
3. Apply Teece model. First explain/draw Teece model. Then situate the company in 1 of the four quadrants and explain why.
4. Financing: (8p)
 - a. What is the financing need? (384256 euro) (1p)
 - b. What is the breakeven point in year 3, explained in plates sold?
 - c. At what point do they break even? (1p)
 - d. Make a pre-money valuation of the company. Assume that a business angel wants to invest 200.000 euro and seeks a 40% ROI, the rest of the financing need is covered by a bank loan, with an interest of 6%. What WACC do you use? (3p)
 - e. Post-money valuation (1p)
 - f. How many shares will the business angel receive in theory? (1p)