



**Desai-Sethi School of Entrepreneurship, IIT Bombay**

**ENT 101 Introduction to Innovation & Entrepreneurship, Autumn 2023**

**End – Semester Examination – Question Paper cum Answer Sheet**

**Marks: 25(ENT paper)**

**Time: 5:30 to 8:30 pm**

**17-11-2023**

**Roll Number:**

**Signature:**

**To be filled by Evaluator**

<b><u>Q No</u></b>	<b><u>1 (Finance)</u></b>	<b><u>2 (Long Q)</u></b>	<b><u>3 (Short Q's)</u></b>	<b><u>Total</u></b>
<b><u>MARKS</u></b>				
<b><u>Max Marks</u></b>	<b><u>10</u></b>	<b><u>6</u></b>	<b><u>9</u></b>	<b><u>25</u></b>

**INSTRUCTIONS**

1. This is an in-person, hand-written exam. Pls do not bring your laptop to the examination hall. Phones should be switched off and kept in the backpack which needs to be left at the dais or on the aisle / steps. You can carry calculators to the exam.
2. IITB I-cards in physical form need to be shown to the proctor for attendance. Pls make sure your I card is on your person and not in your bag.
3. You will need to sit as per the seating arrangement shared on ASC / Moodle.
4. The proctors will give the Question Papers at 5:25 pm. You can read for 5 minutes, and start writing from 5:30 PM. We will give you Entrepreneurship Paper (25 marks) and Innovation Paper (15 marks) at the start. Pls write answers for each section in the respective Question-cum-Answer paper. Total time is 3 hours. Pls hand back both the question-cum-answer papers to the proctors.
5. Answers must be handwritten neatly and you could stand to lose marks if the evaluator can't read what is written. Since the Q Paper is the answer sheet, pls don't use it for rough work. You can ask for rough paper if needed.
6. On the top of the answer sheet pls ensure that the following are clearly written - Roll Number and Signature. Name is optional.
7. Toilet breaks to be avoided during the exam. Only one student will be allowed at a time and not in the first 1 hour.
8. Discussions with other students and sharing of answers are strictly prohibited. If any proctor sees this happening, you will be asked to leave the exam.
9. Follow the instructions given by the Invigilators/Proctors during the exam. At the end of the examination, submit your answers to your respective proctors.

### **Q 1: Finance Basics: 10 Marks**

You want to learn the basics of business by operating a Lemonade Stall. You set up this lemonade (Nimbu Pani) stall at the sportsground near your house. The sportsground is very popular and school students and also adults come to play there.

#### **Source of Funds / Balance Sheet:**

- You need Rs 1 lakh for your business. You raise Rs 20000 as equity from family and Rs 80000 as loan from friends at 10% interest per year, repayable over 5 years.
- On Day 1, you invest in a mobile kiosk (cart) for INR 20,000 and a refrigerator/other equipment for INR 30,000. The cart has a 2-year life and the refrigerator has a 4-year life.
- You sell daily 100 glasses of lemonade daily at Rs 20 per glass.
- Pls assume 30 days a month, 360 days a year.
- You are operating the business for one year, pls consider all transactions that need to be taken into consideration in a 1-year period.

#### **Your other costs are as follows:**

S No	Name of Item	Cost
1	Lemons	Rs 2 per glass
2	Sugar	Rs 9000 per month
3	Helper	Rs 6000 per month
4	Electricity	Rs 12000 per quarter
5	Rent paid to Sportsground	Rs 60000 per year
6	Salt / Chaat Masala	Rs 3000 per month
7	Paper glasses	Rs 3 per glass

Please populate the tables below with the requisite information, make whatever assumptions you need to make using the details given above. If you are making assumptions, please write them out at the appropriate place. (**DO ROUGH WORK AT END OF PAPER**)

#### **1.1 Annual Profit & Loss Account: For the 1<sup>st</sup> Year (3 marks)**

	Amount in '000
Annual Revenue	
Annual Variable Cost	
Gross Profit	
Annual Fixed Cost	
Operating Profit	
Depreciation – Kiosk (Cart)	
Depreciation - Refrigerator	
Interest	
Profit before Tax	

**1.2 End of 1<sup>st</sup> Year Balance Sheet: Option 1 (Simple Option) (4 marks)**

<u>Liabilities</u>	<u>Assets</u>
Equity:	Kiosk:
Debt /Loan:	Refrigerator:
Retained Profits:	Cash:
<b>Total Liabilities:</b>	<b>Total Assets:</b>

**1.3 End of 1<sup>st</sup> Year Balance Sheet Option 2 (3 marks).**

**Please use the additional information given below and make a second balance sheet.**

- Of the daily sales of 100 glasses, 20 glasses are on credit and paid at the end of a month, others paid daily.
- To offset the credit, you are giving your customers, you buy your sugar at the start of the month but pay at the end of month / start of next month.

<u>Liabilities</u>	<u>Assets</u>
Equity:	Kiosk:
Debt /Loan:	Refrigerator:
Retained Profits:	Cash:
Accounts Payable:	Accounts Receivable:
<b>Total Liabilities:</b>	<b>Total Assets:</b>

**Q 2: Attempt one of the following two questions. This is regarding the startup you studied as part of your project team. Pls ensure the answer fits in the table provided. (6 marks)**

**2.1** The New Product Development process has four stages 1) POC (Can it be done?) 2) Prototype (How will it work?) 3) MVP (Will customers accept it?) 4) Production (Launch & increasing the scale of customers). Think about the startup your project team studied and how they would have launched, please detail what their POC and MVP would have looked like. Also detail what were the Go-To-Marketing strategies (Advertising & Distribution) of the company to grow their customer base.

0	Name of Startup Studied	
0	Category	
1	What would the Proof-of-Concept (POC) for the startup have looked like?	
2	What would the Minimum Viable Product (MVP) for the startup have looked like?	
3	Increasing Customer Base: Go-to-Market Strategy for building awareness with potential customers. What all do you think the startup did to create awareness amongst its potential customers (Awareness building)	
4	Increase Customer Base: Go-to-Market Strategy for building sales and distribution channels. What all did the startup do to make its products / services available to its potential customers?	

**OR**

**2.2** Customer Value Proposition needs 3 questions to be answered 1) What is it? 2) Who is it for? Why is it valuable, superior, differentiated. Articulate these for the startup that you studied as part of the project team. Also articulate “Who am I” or the emotional needs addressed by the startup you studied.

0	Name of Startup Studied	
0	Category	
1	Customer Value Proposition – What is it?	
2	Customer Value Proposition – Who is it for?	
3	Customer Value Proposition – Why is it valuable / superior / differentiated?	
4	Please write the branding statement – Who am I for the startup you studied. What are the emotional needs served by the startup. This can also be thought of as the Purpose / Vision of the Company. (Eg Nike believes that everybody is an athlete's body and towards this purpose, they make the best sports and fitness products)	

**Q 3: Write short answers for 3 of the following questions. If you answer more than 3 questions, you will get marks for the best 3. (9 marks)**

**3.1** The five-filter framework of *Opportunity Identification & Idea Evaluation* comprises of a) Burning Need b) Big Enough Opportunity c) Scalable Business Model d) Differentiated Position e) Why us, why now? One idea has been presented below. According to your understanding, which of these filters does the idea pass and where does the idea fail. Provide a logical explanation for the passes and the fails.

Idea: No Broker kind of app specifically targeting aspiring Engineering / Medicine students.

**3.2** Write in your own words the customer value proposition for **Myntra**, start by identifying in a few words the customer segment it is targeting and what is the value delivered.

**3.3** In our 4 Ps of Marketing session, we discussed that products need to transition from functional to emotional needs – from *Why Buy Me* (functional need) to *Who am I / the purpose they serve* in consumer lives (emotional need). Identify and detail the functional and emotional needs served by **Nike and Ola Electric Scooters**.

**3.4** Write 2 learnings (as bullet points) from the project team work done as part of ENT101. These learnings must not be about the company but about communication / leadership / team work or any values you learnt while working in the group.

**3.5** Explain B2B, B2C and Multisided platforms as Business Models. You can use examples if it helps you make the point.

**3.6** In the Digital marketing session, we discussed the fundamentals of Advertising as ABC – Attention, Branding and Communication. For the ad (image) shown below, evaluate the effectiveness on these three parameters – does the ad do well on attention, does it do well on Branding, does it do well on Communication. Explain why you are saying so.



**Use this space to write the a short answer, pls ensure you write the Question number.**

**Use this space to write the 3 short answers, pls ensure you write the Question number.**

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