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Entrepreneurship Final Exam – Addis Ababa University

Part I: Write True if the statement is correct and False if it is incorrect

- 1. A business idea is a short and precise description of the basic operation of an intended business**

- 2. An Ethiopian intellectual property law has an objective of collecting; organizing and disseminating technological information contained in patent documents and encourage its utilization**

- 3. Threats are negative external forces that hinder an individual from accomplishing his/her mission, goals and objectives**

4. If a business enterprise has total capital of 90,000 birr and three employees, it is defined as small business

Part II: Choose the best answer among the provided alternative

1. Which one of the following can be considered as the most critical element of the entrepreneurial process, as it allows the entrepreneur to assess whether the specific product/service has the returns needed for the resources required?

- A. Scanning the environment**
- B. Opportunity evaluation**
- C. Opportunity identification**
- D. Opportunity development**
- E. Assessment of the entrepreneurial team**

2. Which one of the following methods of generating business idea originally unrelated objects can be brought together to form a new combination and possibly a new goods/service that better satisfies need?

- A. Attribute listing**
- B. Problem inventory analysis**
- C. Free association**
- D. Forced relationships**
- E. None of the above**

4. Which one of the following occurs when you think of the different processes that are involved the operation of a particular business and the products that can be offered with respect to those processes

- A. Brainstorming**
- B. Draw from experience**
- C. Survey your local business area**
- D. Structured brainstorming**
- E. All of the above**

5. It is the economic criteria that imply the owner actively participates in all aspects of the running the business, and in all major decision-making process

- A. Market share**
- B. Geographical area of operation**
- C. Independence**
- D. Personalized management**
- E. Technology**

6. Which one of the following components of business plan discuss the objective of the business, a brief history about the past performance of the company and the type of ownership?

- A. Funding requirement**
- B. The business**
- C. The product/services**
- D. The plan**

E. Critical risks

7. Which one of the following are people who would know a lot about the type and field of business you want to go into and/or a lot about your potential customers?

- A. competitors**
- B. Financial institutions**
- C. Key informants and opinion leaders**
- D. Potential customers**
- E. None of the above**

8. If an entrepreneur decides to produce existing product and add some new features, this idea is?

- A. Old idea with modification**
- B. New idea development**
- C. Copying of old idea**
- D. None of the above**

9. Which one of the following roles of MSEs in developing countries removes the drawbacks of capitalism, abnormal profiteering, concentration of wealth and economic power in the hands of few?

- A. Equitable distribution of wealth and decentralization of economic power**
- B. Dispersal over wide areas**
- C. Mobilization of local's resources**
- D. Promotion of self-employment**

E. Protection of environment

F. Shorter gestation period

10. The sector that comprises sub-contracting; building materials, traditional mining works; cobble stone; infrastructure sub-contract; and prestigious goods is

A. Agriculture sector

B. Manufacturing Sector

C. Trade Sectors

D. Service Sectors

E. Construction Sectors

11. In which levels of MSEs in Ethiopia an enterprise able to be profitable and invest further by fulfilling the definition given to the sector and using the support provided?

A. Start-up

B. Growth Level

C. Maturity Level

D. Growth-Medium Level

E. None of the above

12. It is the stage of entrepreneurial process of launching a new venture that identify opportunities which may form the basis of an entrepreneurial venture

A. Discovery

B. Evaluation

C. Implementation

D. Exploitation

E. None of the above

13. Which one of the following can be the success factors for small business?

A. Identification of your competitive advantage

B. Flexible and innovation

C. Cultivate a close relationship with your customers

D. Strive for quality

E. All of the above

14. _____ defines members' jobs and the communication and relationship these jobs have with each other

A. Planning, measurement, and evaluation schemes

B. Rewards

C. Selection criteria

D. Organization structure

E. Training

15. If product concept passes the business test, it moves to R&D to be developed to one or more physical version of the product concept. This step of new product development process is

A. Idea Screening

B. Concept Development and Testing

C. Marketing Strategy Development

D. Product Development

E. Business Analysis

16. Which one of the following is not the advantage of late entry strategy?

A. The competition will have borne the cost of educating the market

B. The competing product may reveal fault that the late entrant can avoid

C. The company can learn the size of the market

D. The company usually can lock up key distributors & gaining reputation

E. All of the above

17. Which one is not true about patent?

A. It is a property rights that can be sold and transferred for existing product

B. It gives the owner with exclusive rights for new invented products

C. It is issued by government to the inventor

D. Given to an entrepreneur who improves an existing invention

E. It can be given for new production process

18. _____ distinctive names, marks, symbols or motto identified with a company's product or service and registered by government offices.

A. Copy right

- B. Patent**
- C. Trade mark**
- D. Trade secret**
- E. License**

19. Among the form of business ownership, one can help to limit liability?

- A. Sole proprietorship**
- B. Corporations**
- C. Partnership**
- D. B and C**
- E. All of the above**

20. Which one is true about small business according to control criteria?

- A. They affect the price of the product at the national level**
- B. They didn't affect the quantities of the product at the national level**
- C. The owner has no a full authority**
- D. They are use technology which is capital intensive**
- E. The area of operation is national level**

21. Which one is not correct about the social and economic aspects of small business?

- A. They are less capital intensive and more labor intensive**
- B. They help removing regional imbalance**

- C. Supply raw material for other big firms
- D. It can be a problem because it depends on foreign capital
- E. It promotes mobilization of local resources

22. Which one is the cause of small business failure factor related with improper managerial control as well as shortage of capital?

- A. Inadequate financing
- B. Inadequate management
- C. Lack of experience
- D. Lack of specialized management skill
- E. None of the above

23. The Ethiopian government provide different support package to promote the success of micro and small enterprise, this can be considered as _____ environment?

- A. Socio-cultural environment
- B. Economic environment
- C. Political environment
- D. Technological environment
- E. All of the above

24. Which intellectual property right protects artworks?

- A. Patent
- B. Trade Mark

C. Copyright

D. Trade secret

Part III: Give Short Answers to the Following Questions

1. List the steps involved in business planning process

2. What are the two most common causes of business failure? List them

3. List at least four benefits of a registered trademark

4. Write the title of your business plan (in your Assignment)

