

23-S2-Q1-30-MCQ

1. A project champion is:

Correct Answer: B. A sponsor in top management that is keenly interested in the project's success.

- **Why B is correct:**

A "project champion" (or project sponsor/champion) is typically a high-level person in the organization who strongly supports the project and helps remove barriers, secure resources, and ensure its success.

- **Why others are wrong:**

- A: A project manager who completes projects on time describes a capable **project manager**, not necessarily a **champion**.
- C: Same idea: completing on budget is a good **PM** but not necessarily a "champion."
- D: Time-and-budget success again describes a successful PM, not the higher-level sponsor role.

- **Reference (conceptual):**

4.7项目倡导者

- ## What are Project Champions?

*冠军
Champions are “fanatics” in the single-minded
pursuit of their pet ideas.*

Champions can be: usually operate without the approval of their organization. Unafraid of official disapproval, See things the typical organizational member does not. Risk taker.

creative originator 创意激发者 usually an engineer, scientist or similar person who is the source of and driving force behind the idea

Entrepreneur who adopts the idea or technology and actively works on selling the system throughout the organization, eventually pushing it to success.

“godfather” or sponsor a senior-level manager who does everything possible to promote the project, a sponsor – actively support acquisition and implementation of the new technology and do everything to facilitate this process.

project manager their careers are directly tied to the successful completion of their projects.

2. Cross-functional cooperation directly affects both:

Correct Answer: B. Psychosocial outcomes and task outcomes.

- **Why B is correct:**

In project management, cross-functional teams are known to improve psychosocial outcomes (such as team morale, communication, job satisfaction) and task outcomes (quality of deliverables, meeting objectives, etc.).

- **Why others are wrong:**

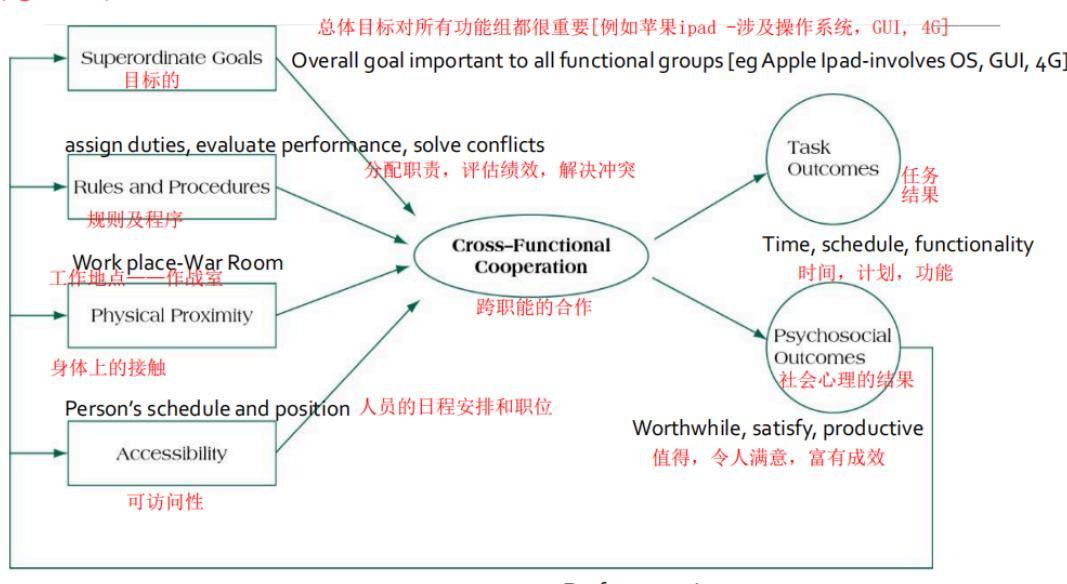
- A: Superordinate goals are broader organizational aims, but the direct benefit of cross-functional cooperation is primarily in day-to-day team outcomes, not specifically "superordinate" goals.
- C/D: Self-actualization (an individual-level concept) is not the direct measure of cross-functional synergy in most project-management frameworks.

- **Reference (conceptual):**

6.5跨职能合作

- ## Achieving Cross-Functional Cooperation

(figure 6.5)



3. An allocation of extra funds to cover uncertainties and improve chances that the project can be completed within the timeframe originally specified is a:

Correct Answer: B. Budget contingency.

- **Why B is correct:**

A "budget contingency" is money set aside to handle **unplanned** events or **uncertainties** in a project.

- **Why others are wrong:**

- A: A "setback" is a general term for a problem or delay, not extra funds.
- C: A "reallocation budget" is not a standard term for contingency.
- D: "Reserve line budget" is not a common standard PM term;

- **Reference:**

8.7 预算应急费用

-

Budget Contingencies

临时费：不可预见费；意外事件

The allocation of extra funds to cover uncertainties and improve the chance of finishing on time

Contingencies are needed because:

1. Project scope may change
2. Murphy's Law is present - if something can go wrong, it often will
3. Cost estimation must anticipate interaction costs -
interfacing and coordination 预期
4. Normal conditions are rarely encountered - availability of
resources and environmental issues

4. Albert ... discovered Beta tape is obsolete ... now must buy VHS machines. The contingency funds that management had set aside would be put to good use on this:

Correct Answer: D. Change in project scope.

- **Why D is correct:**

Needing to reverse course from Beta-based development to VHS is a shift in the project's original technical scope and deliverables. That triggers using contingency funds for newly added tasks.

- **Why others are wrong:**

- A: "Abnormal condition" is too vague; scope changes can happen even under normal conditions if the market changes.
- B: "Unanticipated timing issues" is about schedule slippage, not switching from Beta to VHS.
- C: "Latest evidence of Murphy's Law" isn't something going wrong. This situation is more accurately a scope change.

- **Reference:**

8.7 预算应急费用

Budget Contingencies

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resources and environmental issues

5. Drum buffers are:

Correct Answer: D. Extra safety that is applied to a project immediately before the use of the constrained resource.

- **Why D is correct:**
In Theory of Constraints (TOC) scheduling, the “drum” (critical or constrained resource) sets the pace. The buffer (extra slack) is placed **before** that resource so it is never idle.
- **Why others are wrong:**
 - A: “A safety margin separating different projects ... same resource” describes a resource buffer, not specifically the “drum buffer.”
 - B: Typically the buffer is placed **before** the constrained resource, not after.
 - C: A “common buffer” among multiple projects is also a different idea than the “drum buffer.”
- **Reference (conceptual):**

正确答案：D.在使用受限资源之前应用于项目的额外安全性

- **为什么D是正确的：**
 - 在约束理论 (TOC) 调度中，“鼓”（关键或受限资源）设定了速度。
 - 缓冲区（额外的空闲）被放置在该资源之前，因此它永远不会空闲。
- **为什么别人是错的：**
 - 答：“不同项目之间的安全边际.....相同的资源”描述的是一个资源缓冲区，而不是指“滚筒缓冲区”。
 - B：通常，缓冲区被放置在受约束的资源之前，而不是之后。
 - C：在多个项目中使用“公共缓冲区”和“鼓式缓冲区”是不同的概念。
- **参考（概念）：**
 - 资源水平一个处理项目约束的复杂挑战的过程目标：
 - 确定资源需求，以便在适当的时间提供资源；

- 允许每个活动以尽可能平稳的方式在资源使用水平之间进行过渡

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Resource Leveling

A process that address the complex challenges of project constraints

Objectives:

To determine the resource requirements so that they will be available *at the right time*

To allow each activity to be scheduled with the *smoothest possible transition* across resource usage levels

6. Conceptual development for a project concludes with:

Correct Answer: A. Project objectives.

- **Why A is correct:**

The conceptual phase typically ends in a clearly stated set of project objectives or deliverables.

- **Why others are wrong:**

- B: “Alternative analysis” occurs **during** conceptual development, not as the conclusion.
- C: “Project delivery” is the end of the execution phase, not the conceptual phase.
- D: “Team dissolution” is a final step after the project closure.

- **Reference:**

5.3概念开发

Conceptual Development

The **process** that addresses **project objectives** by finding the best ways to meet them

Key steps in information development:

1. Problem or need statement
2. Requirements gathering
3. Information gathering
4. Constraints
5. Alternative analysis
6. Project objectives
7. Business case

概念开发

通过寻找**最佳方法**来实现项目目标的过程

信息开发的关键步骤：

1. 问题或需求陈述
2. 需求收集
3. 信息收集
4. 约束条件
5. 替代方案分析
6. 项目目标
 - 商业案例

7. One of the BEST methods for ensuring that a negotiation proceeds along substantive lines is to frame the discussion around:

Correct Answer: D. Objective criteria.

- Why D is correct:

As recommended by principled negotiation frameworks, using objective standards or data keeps the negotiation focused on facts rather than opinions.

- Why others are wrong:

- A: "Subjective criteria" invites personal bias.
- B: "Broadening options" can help but does not ensure negotiations stay substantive.
- C: "Negative brainstorming" can identify pitfalls but is not the best method for substantive progress.

- Reference (conceptual):

Principled Negotiation

1. Separate the people (eg ego, attitudes) from the **problem**.
2. Focus on **interests** (partnership, win-win), not positions.
3. Invent options for **mutual gain**.
4. Insist on using **objective criteria**.



原则式谈判

1. 将人（如自我意识、态度等）与 **问题** 分开。
2. 关注**利益**（合作关系、双赢），而非立场。
3. 构思**互利共赢**的方案。
4. 坚持使用**客观标准**。

8. Table Z with activities (A through J). Which is a legitimate hammock activity for this project?

Correct Answer: B. Combine activities B, E, H.

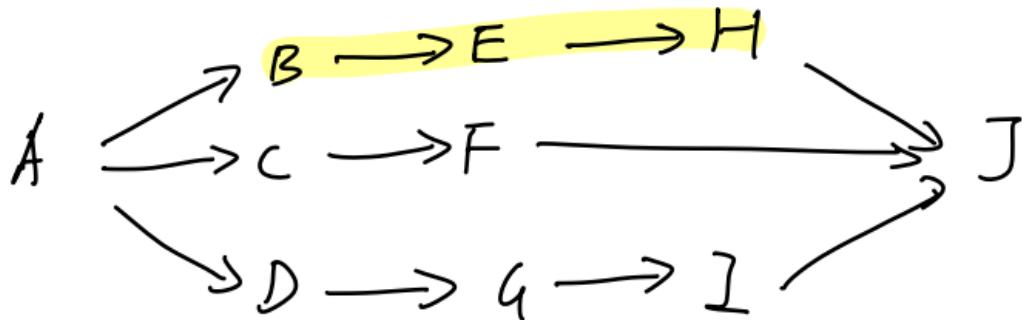
- **Why B is correct:**

A “hammock” activity groups tasks that share a common start event and a common end event, often summarizing overhead or support. In many references, activities B→E→H can be combined into a single high-level grouping spanning from “finish of A” to “start of subsequent tasks.” They form a clear chain.

- **Why others are wrong:**

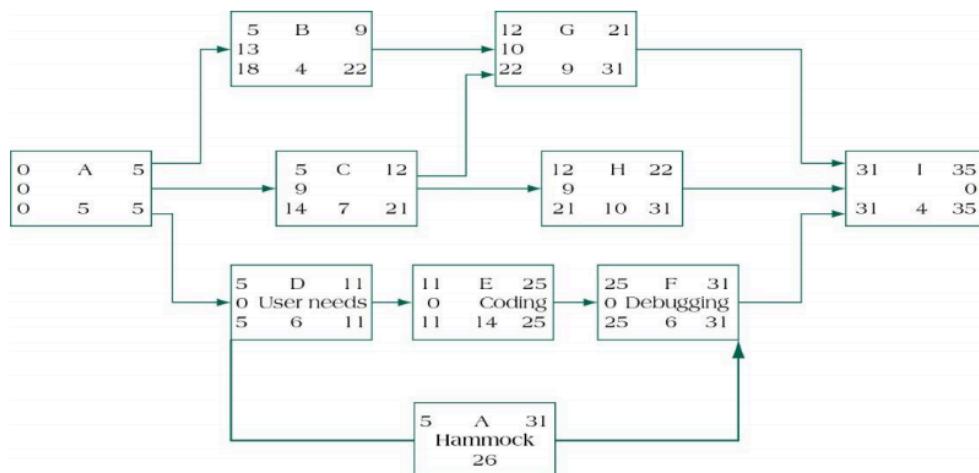
- A: Combining A, B, C lumps the “start activity” (A) with tasks that follow it in parallel, which typically does not form a proper hammock.
- C: E, F do not share the same start or end conditions.
- D: G, H, I do not align well as a single summary grouping because H depends on E, while I depends on G.

- **Reference (conceptual):**



- **Example of a Hammock Activity**

(figure 9.25)



Hammock – to summarise for some subsets of the activities identified in the overall project network. Useful for project consisting large no of individual activities that can share the budget allocated

9. Based on the network from Table Z, which is a burst activity for this project?

Correct Answer: A. Activity A.

- **Why A is correct:**

A “burst activity” is one that immediately precedes multiple activities. According to Table Z, A is the predecessor for B, C, and D (three successor paths), making it the burst.

- **Why others are wrong:**

- B: B itself leads only to E (not multiple direct successors).
- C: F has only J as the next step (via “H, F, I → J”). So it is not bursting out.
- D: J is a “merge” activity (many inputs), not a burst activity. J has no successors.

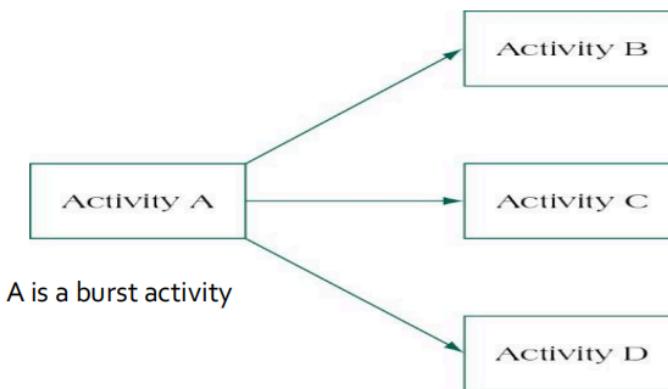
- **Reference:**

9.7.5 爆发活动 In standard network diagrams, “burst” is where one node fans out to two or more immediate successors

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Burst Activity

(figure 9.8)



10. Which of the following is NOT one of the four stages of risk management?

Correct Answer: B. Risk rescheduling.

- **Why B is correct (i.e., it is the “NOT” stage):**

The standard risk-management stages: 1) Identify, 2) Analyze/Assess, 3) Develop responses / Mitigation, 4) Control & document. “Rescheduling” is not a principal stage.

- **Why others are wrong:**

- A: “Risk identification” is definitely a major stage.
- C: “Risk mitigation” (or response) is a standard stage.
- D: “Risk control and documentation” is also standard.

- **Reference:**

7.4四个阶段

Four Stages of Risk Management

1. Risk **identification** - determine specific risk factors expected
2. **Analysis** of probability and consequences - determine how likely and effect
3. Risk **mitigation** strategies - minimizing potential impacts
4. **Control** and documentation - create knowledge base for future projects

11. Which of the following are the problems with cost estimation?

- I. External factors
- II. Lack of definition
- III. Specification changes
- IV. Low initial estimates

Correct Answer: A. All of the above.

- **Why A is correct:**

All four (I, II, III, IV) are typical difficulties in project cost estimation.

- **Why the other subsets are incorrect:**

Each of I, II, III, IV is indeed commonly cited as a cost estimation pitfall. Excluding any one or more (e.g., B, C, D) omits legitimate issues.

- **Reference:**

8.5.4问题

Problems with Cost Estimation

- ✓ Low **initial estimates** – to get project funded or wrong estimate or corporate culture
- ✓ Unexpected **technical difficulties** – domino effect
- ✓ Lack of **definition** – poor initial scope development
- ✓ **Specification changes** – happen often in midcourse, in particular for IT projects
- ✓ **External factors** – eg inflation, policy changes, exchange rates

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12. Crashing is a process of __ a project.

Correct Answer: C. accelerating.

- **Why C is correct:**

“Crashing” specifically means adding resources or otherwise trading off higher cost for a faster schedule to accelerate completion.

- **Why others are wrong:**

- A: “Tracking” is just monitoring.
- B: “Terminating” is ending a project.
- D: “Rescheduling” can be neutral or might not shorten the schedule. “Crashing” is specifically about speeding it up.

- **Reference:**

Crashing

The **process of accelerating** a project (eg more resources available, market condition, additional incentives)

Primary methods for crashing:

1. Improving existing resources' **productivity**
2. Changing work **methods**
3. Compromise **quality** and/or reduce **project scope**
4. Institute **fast-tracking** (*move critical path activities from sequential to parallel*)
5. Work **overtime**
6. Increasing the **quantity** of resources (most commonly used)

13. A company invests \$60,000 for Project Z. Yearly return on investment is 12.5%, with a promised \$20,000 return each year. What is the non-discounted payback period?

Correct Answer: C. 3 years.

- **Why C is correct:**

Non-discounted payback = (Initial Investment) / (Annual cash inflow) = \$60 k / \$20 k/year = 3 years.

- **Why others are wrong:**

- A/B: 2 or 2.5 years underestimates the actual time.
- D: "None of the above" is incorrect because 3 is the correct straightforward ratio.

- **Reference:**

3.4.1投资回收期

Payback Period

Determines **how long** it takes for a project to reach a breakeven point

$$\text{Payback Period} = \frac{\text{Investment}}{\text{Annual Cash Savings}}$$

Cash flows should be discounted.

Lower numbers are better (*faster payback*).

14. For the same Project Z, what is the closest discounted payback period (rounding cash flows to nearest \$100)?

Correct Answer: C. 4 years.

- **Why C is correct:**

Discounting each \$20k inflow at 12.5% typically yields a total just under \$60k at slightly under 4 years (about 3.9–4.0 years). After 3 years, the cumulative discounted inflows are still under \$60k.

- **Why others are wrong:**

- A: 3 years is the simple (non-discounted) payback, but discounting extends it beyond 3.
- B: 3.5 years still doesn't recoup \$60k at 12.5%.
- D: 4.5 years overshoots. The correct answer is near 4.0.

- **Reference:**

• 3.4.3折现回收期

23 - S2 - Q 14 - MCA

$$Q: 60000 \quad 20000 \quad r = 12.5\%$$

Solution ① $\frac{1}{1+r} = \frac{1}{1+0.125} = 88.88\%$

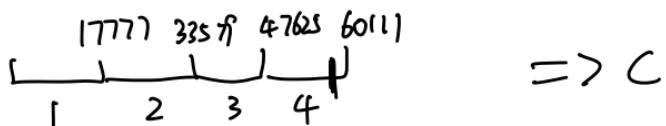
$$\textcircled{2} \quad 20000 \times \frac{1}{1+r} = 17777$$

$$20000 \times \frac{1}{(1+r)^2} = 15802 \quad \left. \begin{array}{l} \\ 33579 \end{array} \right)$$

$$20000 \times \frac{1}{(1+r)^3} = 14046 \quad \left. \begin{array}{l} \\ 47625 \end{array} \right)$$

$$20000 \times \frac{1}{(1+r)^4} = 12486 \quad \left. \begin{array}{l} \\ 60111 \end{array} \right)$$

③



Discounted payback period

(table 3.9)

Project Cash Flow*

Year	Discounted	Undiscounted
1	\$8,900	\$10,000
2	7,900	10,000
3	7,000	10,000
4	6,200	10,000
5	5,500	10,000
Payback Period	4 Years	3 Years

*Cash flows rounded to the nearest \$100.
Initial investment: 30K

Yearly Return on Investment: 12.5%

$$1/(1+0.125) = 0.89$$

Promised yearly return: 10K

15. Which of the following is NOT one of the phases of risk assessment in project management?

Correct Answer: D. Terminate the work package with the highest risk.

- **Why D is correct (the “NOT” step):**

Standard risk assessment steps typically do not include “immediately terminate the highest-risk work.” Instead, you identify, analyze, prioritize, and manage or mitigate. Terminating a work package outright is not a standard primary phase.

- **Why others are wrong:**

- A/B/C are legitimate: identifying sources of risk, prioritizing them, and estimating potential cost/impact are all standard.

- **Reference:**

- 7.5.1风险评估的九个阶段

Nine Phases of Risk Assessment

1. **Define** – include deliverables, statement of work and scope of proj well defined?
2. **Focus** – plan the risk management process as a project
3. **Identify** – assess the specific sources of risk at the outset of the project
4. **Structure** – create a prioritization scheme to address these risks
5. Clarify **ownership** of risks – project team to handle vs clients' acceptance
6. **Estimate** – likely scenarios and their relative potential costs
7. **Evaluate** – determine the most likely plan for mitigating potential risks
8. **Plan** – project risk management plan to offer mitigation strategies
9. **Manage** – monitor progress with the project and associated risk management plans.

16. What is the closest net present value (NPV) of Project Z after 5 years?

Correct Answer: A. \$11,100.

- **Why A is correct:**

Discount the \$20 k annual inflow at 12.5% over five years, sum, then subtract \$60 k initial cost. The net is around \$11.1 k. (Exact calculations yield roughly \$11.1–11.2 k.)

- **Why others are wrong:**

- B, C, D: \$11,500 / \$12,300 / \$12,500 are slightly higher than the actual NPV. More precise calculations confirm \$11,100 is closest.

- Reference:

$$20000 \times \frac{1}{(1+0.125)^5} = 1098.579$$

17. A preliminary indicator signaling the possibility of an excessively depleted budget is generated when:

Correct Answer: B

- Why B is correct:
Merely applying for contingency funds is not always a sign of being "excessively depleted"
- Why others are wrong:
 - A: Creating a Project Budget
 - C: Creating a Project Budget
 - D: Creating a Project Budget
- Reference:
 - 8.7.1 应急资金的好处

Benefits to contingency funding

1. Recognizes future contains unknowns
2. Adds provision for company plans for an increase in project cost
3. Applies contingency fund as an early warning signal to potential overdrawn budget – check variation in cost

18. Which of the following is NOT a main reason for project termination:

Correct Answer: B. Resignation.

- **Why B is correct (the “NOT” reason):**

Common project-termination modes are:

1. Extinction (project completed or fails irrevocably),
2. Integration (absorbed into the firm),
3. Starvation (cut off resources).

“Resignation” is not recognized as a standard reason in PM.

- **Why others are wrong:**

- A, C, and D are recognized standard modes of project termination.
 - “Extinction” = the project ends because it is completed or canceled definitively.
 - “Integration” = the project becomes integrated into normal operations.
 - “Starvation” = slow resource drain until the project cannot continue.

- **Reference:** 14.2 项目终止原因

Project Termination

The four main reasons for project termination are:

- ❖ **Extinction** – stopped due to either a successful or an unsuccessful conclusion
- ❖ **Addition** – making project as a formal part of organization (eg from design to product)
- ❖ **Integration** – reintegrated within organization structure due to successfulness of the project
- ❖ **Starvation** – keep it on file due to budget or political reasons..

19. ___ refers to the delay or lag in the completion of tasks, milestones, or projects beyond the originally planned timelines.

Correct Answer: C. Schedule slippage.

- **Why C is correct:**

“Schedule slippage” is the term for finishing tasks later than planned.

- **Why others are wrong:**

- A: “Resource leveling” is a technique to smooth resource usage, not about delays.

- B: “Task splitting” means dividing a task into segments for scheduling, not necessarily a delay.
- D: “None of the above” is incorrect since schedule slippage is the standard term.

- **Reference:**

12.4.6 多项目资源管理

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Managing resources in multiproject environments

- Schedule Slippage – give priority for high delay cost
- Resource Utilization – efficiency allocation
- In-Process Inventory – amt of work waiting to be completed (balance across)
- Resolving Resource Decisions in Multiproject Environments
 - First In Line
 - Greatest Resource Demand (to assign highest priority)
 - Greatest Resource Utilization (avoid idle time)
 - Minimum Late Finish Time (earliest late finish will be allocated first)
 - Mathematical Programming (generate optimal solution for resource allocation)

20. Which of the following is classified as indirect cost?

Correct Answer: C. Building Lease.

- **Why C is correct:**

Building leases (and other overhead items like utilities, rent, administration) are indirect, i.e., not tied to one specific project deliverable.

- **Why others are wrong:**

- A: “Material” is typically a direct cost.
- B: “Expediting costs” are direct project costs to accelerate tasks.
- D: “Direct labor” is obviously a direct cost.

- **Reference:**

- 8.4成本类型

Cost Classifications

(table 8.2)

TABLE 8.2 Cost Classifications

Costs	Type		Frequency		Adjustment		Schedule	
	Direct	Indirect	Recurring	Nonrecurring	Fixed	Variable	Normal	Expedited
Direct Labor	X		X		X		X	
Building Lease		X	X		X		X	
Expediting Costs	X			X		X		X
Material	X		X			X	X	

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Questions 21–30 reference Appendix A: “Tan & Lim.”

21. Tan and Lim’s partnership agreement is based on a vague verbal agreement. Which statement is correct about their agreement?

Correct Answer: B. Even though they are childhood friends, they should have a written partnership agreement.

- **Why B is correct:**
A proper written agreement helps avoid misunderstandings about duties, ownership, and liability, regardless of personal friendship.
- **Why others are wrong:**
 - A: “The spoken agreement is fine” is risky; verbally only is seldom recommended.
 - C: “No need for it” is also risky and often leads to disputes.
 - D: “None of the above” is incorrect because B is indeed correct.
- **Reference:**
4.2.2合作伙伴关系

PARTNERSHIP

- An association of two or more people who co-own a business for the purpose of making a profit.
- The best partnerships are built on trust and respect.
- Always wise to create a **partnership agreement**.
- A partnership agreement contains:
 1. Name of the partnership
 2. Purpose of the business
 3. Location of the business
 4. Duration of the partnership
 5. Names of the partners and their legal addresses
 6. Contributions of each partner to the business, at the creation of the business and later
 7. Agreement on how the profits or losses will be distributed
 8. Agreement on salaries or drawing rights against profits for each partner
 9. Procedure for expansion through the addition of new partners



22. Regarding starting “Tan and Lim” business, what should Mr. Tan do next?

Correct Answer: B. He should take legal advice to find out whether his ex-company has any right on his innovative business idea.

- **Why B is correct:**

Because he developed it while employed, the ex-company may have partial or total intellectual-property claims. Legal advice is crucial.

- **Why others are wrong:**

- A: Immediately starting the business could expose him to IP challenges or lawsuits.
- C: Sending a threatening letter is risky and baseless without first securing proper legal grounds.
- D: “None of the above” is incorrect because B is precisely the correct step.

- **Reference:**

Intellectual property emphasizing seeking legal counsel if ownership is in doubt.

23. If Tan and Lim start their new venture, what revenue model should they use?

Correct Answer: B. Can be any suitable single revenue model or mixture of more than one revenue models.

- **Why B is correct:**

The PDF (EE6010 P3-28 to P3-34) explains that many different revenue models exist (transactional, subscription, platform, licensing, etc.), and often startups mix multiple approaches.

- **Why others are wrong:**

- A: "Platform (Marketplace) revenue model" might not be best if they manufacture a product themselves. It could be part of a mix, but not necessarily the only approach.
- C: "Business Model Canvas revenue model" is not a "revenue model" by itself; the BMC is a framework for the entire business model.
- D: "None of the above" is wrong because (B) is correct.

- **Reference:**

- 3.3.2 收入模式类型

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TYPES OF REVENUE MODEL

- The Platform (Marketplace) Revenue Model**

- Platforms provide a mechanism or network and this could be a physical network, not necessarily online – for parties to interact with each other. Platform businesses include Facebook, GitHub, Uber and Airbnb etc.
 - **Advantages:** It deliver value to users by facilitating direct connections and exchanges between people (the more valuable the network is to the user, the more successful it is).
 - **Disadvantages:** Mispricing on one side of the market, failure to develop trust with users and partners, and entering too late.

- Distributor Revenue Model**

- A distributor buys products from manufacturers and resells them to the retailers or the public. Examples – Auto Dealerships.

- Crowdsourcing Revenue Model**

- Crowdsourcing business model involves the users to contribute to the value provided. Examples of businesses using the crowdsourcing business model are Wikipedia.

BUSINESS MODEL CANVAS

- ❑ The Business Model Canvas, is a visual representation of a business model.
- ❑ It is a great tool to help you understand a business model in a straightforward, structured way.
- ❑ Using the canvas will lead to insights about the customers you serve, what value propositions are offered through what channels, and how your company makes money.
- ❑ You can use the business model canvas to understand your own business model or that of a competitor.
- ❑ The business model canvas was created by Alexander Osterwalder, of Strategyzer.
- ❑ The Canvas has nine building blocks.
- ❑ The Canvas is a tool, not a strategy and not all the nine blocks are equal.
- ❑ However, the pairing of Customer Segments and Value Propositions is really the 'independent variable' that should be driving everything else in any business model.

24. Proper business partnership: which statement is correct?

Correct Answer: A. A partnership is an association of two or more people who co-own a business for the purpose of making a profit.

- **Why A is correct:**

This is the standard legal definition of a partnership.

- **Why others are wrong:**

- B: That's describing a "sole proprietor," not a partnership.
- C: One major *advantage* of partnership is a larger pool of capital (shared among partners). Hence "limited pool of capital" is not correct.
- D: "All of the above" is incorrect because B and C are wrong.

- **Reference:**

- 4.2.2合作伙伴关系

PARTNERSHIP

- An association of two or more people who co-own a business for the purpose of making a profit.
- The best partnerships are built on trust and respect.
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 4. Duration of the partnership
 5. Names of the partners and their legal addresses
 6. Contributions of each partner to the business, at the creation of the business and later
 7. Agreement on how the profits or losses will be distributed
 8. Agreement on salaries or drawing rights against profits for each partner
 9. Procedure for expansion through the addition of new partners



25. A business plan is written mainly for which purpose?

Correct Answer: D. All of the above

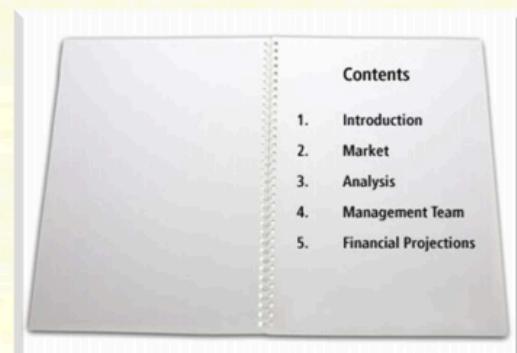
- Why D is correct:
 - A: Internal-Forces the founders of the firm to think through every aspect of their new venture.
 - B: relative & close friend belongs to 2outside stakeholders
 - C: the business plan is used to develop a road map.
- Reference:
3.4商业计划

THE BUSINESS PLAN

- A written document that carefully explains every aspect of a new business venture.
- Inside the firm, the business plan is used to develop a road map.
- Outside the firm, the business plan introduces potential investors and other stakeholders to the business opportunities.
- Reasons for Writing a Business Plan
 - Two main reasons to write a business plan:
 - Internal—Forces the founders of the firm to think through every aspect of their new venture.
 - External—Communicates the merits of a new venture to outsiders, such as investors and bankers.
 - Investors rely on the business plan to make decisions on initial investment.
 - Many investors ask for an executive summary a short overview of the business plan describing the merits of a new venture.

THE BUSINESS PLAN

- Who reads the business plan and what are they looking for?
- Two primary audiences:
 - Firm's employees
 - Looking for the vision and future of the firm.
 - Investors and other stakeholders
 - Investors, potential business partners, potential customers, grant awarding agencies.
 - Structure of the business plan
 - 25 to 35 pages in length
 - Look sharp but not too expensive or flashy



26. According to Porter's 5 Forces, under "Bargaining Power of Buyers," an industry is more attractive when:

Correct Answer: B. Number of buyers is large.

- **Why B is correct:**

The PDF states (EE6010 P3-12): "Industry is more attractive when ... Number of buyers is large, ... customers' switching costs are high, ... and customers find it difficult to collect info..." That means having many buyers lowers the buyer's leverage.

- **Why others are wrong:**

- A: If switching costs are *low*, buyers can easily switch, which *increases* their power, making the industry less attractive.
- C: If customers find it *easy* to collect info, that again increases buyer bargaining power, reducing attractiveness.
- D: "All of the above" is incorrect because only (B) matches the more-attractive condition.

- **Reference:**

3.2.1.1五力模型

-

BARGAINING POWER OF BUYERS

■ **Buyers'** influence is high when number of customers is small and cost of switching to a competitor's product is low.

转换成本高
数量多
差异化
信息困难
小钱

■ **Industry** is more attractive when:

- ▶ Customers' switching costs are high.
- ▶ Number of buyers is large.
- ▶ Customers want differentiated products.
- ▶ Customers find it difficult to collect information for comparing suppliers.
- ▶ Items account for a small portion of customers' finished products.

27. Which statement correctly explains Intellectual Property (IP)?

Correct Answer: A. IP is a valuable intangible property owned by a person or companies.

- **Why A is correct:**

IP (intellectual property) includes intangible creations: patents, trademarks, copyrights, trade secrets, etc.

- **Why others are wrong:**

- B: While "facts and ideas by themselves cannot be patented or copyrighted," the statement in the question lumps them with "awareness and truths" in a confusing way. (The main concept is that raw facts/ideas are not IP, but that is not the only relevant concept about IP. Usually the "expression" or "unique invention" is protected, not raw

- data or basic ideas.)
- C: “IP is only applicable to patents” is too narrow; IP covers trademarks, copyrights, trade secrets, etc.
- D: “All of the above” cannot be correct because C is definitely incorrect.

- **Reference:**

- 4.4知识产权

-

INTELLECTUAL PROPERTY

- ❑ Any product of human intellect that is intangible but has value in the marketplace.
- ❑ It is called “intellectual” property because it is the product of human imagination, creativity, and inventiveness.
- ❑ Traditionally, businesses have thought of their physical assets as the most important, however, a company’s intellectual assets are the most important.
- ❑ Knowledge is the awareness, possession of information, facts, ideas, truths, methods, and principles area of expertise.
- ❑ This knowledge is an asset of the firm and is called IP.
- ❑ Intellectual property includes trade secrets, trademarks, copyrights, patents, and other forms.
- ❑ Since knowledge and innovation are keys to competitive success, the management of intellectual property is important to most firms.
- ❑ For many firms, intellectual assets are the wellsprings of wealth and competitive advantage

28. Potential drawback of Technopreneurship?

Correct Answer: C. Both A (Uncertainty of income and high levels of stress) and B (Risk of losing entire invested capital).

- **Why C is correct:**

The PDF explicitly lists “Uncertainty of income,” “Risk of losing entire invested capital,” and “High levels of stress” as major drawbacks (EE6010 P1-31).

- **Why others are wrong:**

- A alone omits the risk-of-capital issue.
- B alone omits the stress problem.
- D is incorrect because these are indeed recognized drawbacks.

- **Reference:**

“EE6010 P1-31, ‘The Potential Drawbacks of Entrepreneurship.’”

- 1.7.1创业的潜在弊端

ENTREPRENEURSHIP

The Potential Drawbacks of Entrepreneurship

- Uncertainty of income
- Risk of losing your entire invested capital
- Long hours and hard work
- Lower quality of life until the business gets established
- High levels of stress

Why the Boom: The Fuel Feeding the Entrepreneurial Fire

- Entrepreneurs as heroes
- Entrepreneurial education
- Technological advancements
- Outsourcing
- E-Commerce, the Internet, and mobile computing
- International opportunities

29. About trademarks, which statement is correct?

Correct Answer: A. It is any distinctive word, name, symbol, slogan, shape, sound, or logo.

- Why A is correct:

A trademark typically covers branding elements that distinguish one company's goods/services.

- Why others are wrong:

- B: Refers incorrectly to "bring an action when competitors infringe your **patent**." **A trademark is not a patent**; enforcement is for brand identity infringement, not patent claims.
- C: If B is wrong, "both A and B" is also wrong.
- D: "None of the above" is incorrect because (A) is correct.

- Reference:

- 4.4.2 专利
- 4.4.3 商标

- “EE6010 P1... on intellectual property,” plus standard definitions of trademark vs. patent.

TRADEMARK

A trademark is any **distinctive word, name, symbol, slogan, shape, sound, or logo** that identifies the source of a product or service and to distinguish those products or services from others.

Trademarks also provide consumers with useful information.

Type	Types of Marks Covered	Duration
Trademark	Any word, name, symbol, or device used to identify and distinguish one company's goods from another's. Examples: Apple, d.light, GoPro, Athletic Propulsion Labs, 3Derm	Renewable every 10 years, as long as the mark remains in use.
Service mark	Similar to trademarks; are used to identify the services or intangible activities of a business, rather than a business's physical products. Examples: 1-800-FLOWERS, Amazon.com, IndieU, Real Time Cases, CoachUp, Dropbox	Renewable every 10 years, as long as the mark remains in use.

30. If Tan and Lim agree to prepare a business plan, they should write the executive summary:

Correct Answer: A. Last.

• **Why A is correct:**

Although the executive summary *appears* first in the document, it is typically finalized or written last (after all other sections are complete) so that it can concisely reflect final content.

• **Why others are wrong:**

- B: Writing it first can lead to inconsistencies with the rest of the plan.
- C/D: “It doesn’t matter” or “None of the above” ignores the standard recommendation: always finalize the summary last.

• **Reference:**

- 3.4.2.2 执行摘要

EXECUTIVE SUMMARY SHOULD BE:

- ❑ Clear**—identify concept and purpose
- ❑ Concise**—one to two pages long
- ❑ Comprehensive**—answer basic who, what, when, where, and how questions
- ❑ Compelling**—generate enthusiasm
- ❑ Written last**