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1. Venture Capital firms usually invest in startups that have:

- Guaranteed government support
- Limited scalability
- No business plan
- Small local markets
- High growth potential

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2. Runway in startup terms refers to:

- The marketing duration before launch
- The time before the company runs out of cash
- The startup's valuation phase
- The period of product testing
- The initial funding round

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3. Vesting ensures that:

- Investors are repaid their loans
- Employees lose their shares if they leave early
- Founders get all their shares immediately
- Stakeholders earn equity gradually over time or milestones
- Government grants are distributed equally

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4. The ratio of CAC to LTV is often called a golden metric because:

- It measures employee efficiency
- It tracks only short-term revenue
- It indicates long-term financial sustainability
- It predicts startup valuation
- It determines the product pricing

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5. Which of the following statements about *SAFE Notes* is true?

- SAFE must be repaid within a fixed term
- SAFE is used only by government-funded startups
- SAFE is a form of debt with interest
- SAFE is quick and doesn’t require valuation
- SAFE investors get voting rights immediately

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6. What does *Equity* represent in a startup?

- None of these
- Ownership or shares of the company
- The total revenue earned
- The company's debt obligations
- Total profits after taxes

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7. Which of the following is not a source of startup funding mentioned in the session?

- Government Grants
- Angel Investors
- Venture Capital
- Crowdfunding
- Stock Buybacks

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8. The Customer Acquisition Cost (CAC) represents:

- Average revenue per customer
- Money spent to acquire a new customer
- Average marketing cost per month
- Average cost of manufacturing a product
- Money earned from loyal customers

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9. What does *Exit* refer to in a startup context?

- Selling equity during acquisition or IPO for returns
- Founders quitting the company
- Stopping fundraising activities
- Employee resignation
- Liquidating company assets

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10. The *SAFE Note* stands for:

- Secure Agreement for Financial Equity
- Simple Agreement for Future Equity
- Standard Agreement for Funding Equity
- Startup Agreement for Founders' Earnings
- Simple Allocation for Funded Enterprises

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11. What is the primary advantage of *Crowdfunding* for startups?

- It offers tax exemptions
- It provides mentorship to founders
- It guarantees equity-free funding
- It gives access to large capital from one investor
- It helps raise funds while creating awareness and attracting customers

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12. What is a *Convertible Note*?

- A share certificate issued to investors
- A type of government loan
- A crowdfunding reward system
- A debt instrument that can be converted into equity later
- A grant for startups

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13. What does *bootstrapping* mean in the context of startups?

- Raising money from venture capital firms
- Getting funds through crowdfunding platforms
- Using personal savings to fund your startup
- Borrowing from banks at low interest
- Selling company shares to investors

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14. What is *Dilution* in startup financing?

- Decrease in company valuation
- Increase in founder's equity
- Decrease in existing ownership percentage when new shares are issued
- Merging with another startup
- Decrease in company expenses

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15. Who are *Angel Investors*?

- Experienced entrepreneurs who give advice only
- Banks offering business loans
- High-net-worth individuals investing in startups for equity
- Students investing in college startups
- Government officials who issue grants

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