

1. An individual who starts, creates and manages a new business can be called \_\_\_\_\_.

- A. A leader
- B. A manager
- C. A professional
- D. An entrepreneur

2. Trademarks relate to \_\_\_\_\_.

- A. Practice and knowledge acquired through experience
- B. The protection of proprietary information of commercial value
- C. The right to reproduce ones own original work
- D. Brand identity

3. Which could provide an individual with the motivation to start a new business venture?

- A. The financial rewards.
- B. A desire to be independent.
- C. Risk taking
- D. All the above.

4. Which industrial sector promotes small-scale businesses and Entrepreneurship, and has lower barriers to market entry?

- A. Service.
- B. Manufacturing.
- C. Distribution.
- D. Agriculture

5. Why are small businesses important to a country's economy?

- A. They give an outlet for entrepreneurs.
- B. They can provide specialist support to larger companies.
- C. They can be innovators of new products.
- D. All the above.

6. A business arrangement where one party allows another party to use a business name and sell its products or services is known as \_\_\_\_\_.

- A. A cooperative.
- B. A franchise.
- C. An owner-manager business.
- D. A limited company.

7. Which of the following is the reason for business failure \_\_\_\_\_?

- A. Lack of market research.
- B. Poor financial control.
- C. Poor management.
- D. All the above.

8. A new venture's business plan is important because \_\_\_\_\_.

- A. It helps to persuade others to commit funding to the venture.
- B. Can help demonstrate the viability of the venture.
- C. Provides a guide for business activities by defining objectives.
- D. All the above.

9. Primary data is \_\_\_\_\_.

- A. the most important data.
- B. the data that is collected first.
- C. new data specifically collected for a project.
- D. data that is collected second.

10. Innovation can best be defined as \_\_\_\_\_.

- A. the generation of new ideas.
- B. the evolution of new ideas.
- C. the opposite of creativity.
- D. the successful exploitation of new ideas.

11. Which of these statements best describes the context for entrepreneurship?

- A. Entrepreneurship takes place in small businesses.
- B. Entrepreneurship takes place in large businesses.
- C. Entrepreneurship takes place in a wide variety of contexts.
- D. Entrepreneurship does not take place in social enterprises.

12. Entrepreneurs are motivated by \_\_\_\_\_.

- A. money.
- B. personal values.
- C. pull influences.
- D. All the above.

13. Which of the following is least likely to influence the timing of new business births?

- A. Government policies.
- B. Profitability.
- C. Consumer expenditure.
- D. Weather conditions.

14. Which of the following statements is false?

- A. Market segmentation is a useful process for small businesses to undertake.
- B. Selling is essentially a matching process.
- C. A benefit is the value of a product feature to a customer.
- D. It is a good idea for small businesses to compete solely on price.

15. Someone legally appointed to resolve the financial difficulties of an insolvent firm

is called \_\_\_\_\_.

- A. an administrator.
- B. a predator.
- C. an auditor.
- D. a turnaround consultant.

16. Goods or services reach the market place through \_\_\_\_\_.

- A. marketing channels.
- B. multilevel pyramids.
- C. monopolies.
- D. multiplication.

17. To provide financial assistance to entrepreneurs the government has set up a number of \_\_\_\_\_.

- A. financial advisors.
- B. financial intermediaries.
- C. Industrial estates.
- D. financial institutions.

18. State Industrial corporations engage in the development of \_\_\_\_\_.

- A. industrial estates.
- B. institutional estates.
- C. individual investors.
- D. agricultural entrepreneurs.

19. IFCI stands for \_\_\_\_\_.

- A. Industrial finance corporation of India.
- B. Institutional finance corporation of India.
- C. Industrial funding corporation of India.
- D. Indian finance corporation and institution.

20. IFCI has been converted into a \_\_\_\_\_.

- A. joint stock company.
- B. co-operative society.
- C. partnership firm.
- D. sole proprietorship.

21. SIDBI was set up as a subsidiary of \_\_\_\_\_.
- IDBI.
  - IFCI.
  - ICICI.
  - SFC.
22. Which of the following is a function of SIDBI?
- Extension of seed capital.
  - Discounting of bills.
  - Providing factoring services.
  - All of the above.
23. TIIC is sponsored by the \_\_\_\_\_.
- Government of Karnataka.
  - Government of Andhra Pradesh.
  - Government of Kerala.
  - Government of Tamil Nadu.
24. In backward areas, term loans for expansion or setting up a new unit are available at \_\_\_\_\_.
- concessional terms.
  - differential terms.
  - standard terms.
  - specific terms.
25. EDPs course contents contains \_\_\_\_\_.
- General introduction to entrepreneurs.
  - Motivation training.
  - Managerial skills.
  - All the above.
26. Entrepreneurial Guidance Bureau (EGB) was set up by \_\_\_\_\_.
- SISI.
  - SIPCOT.
  - IIC.
  - SIDCO.
27. Large investment is made in fixed assets, the project will be termed as \_\_\_\_\_.
- Capital Intensive.
  - Labour Intensive.
  - Product Intensive.
  - Market Intensive.
28. PERT stands for \_\_\_\_\_.
- Programme Evaluation and Research Techniques.
  - Programme Evaluation and Review Techniques.
  - Project Evaluation and Research Techniques.
  - Project Evaluation and Review Techniques.
29. \_\_\_\_\_ is used to accomplish the project economically in the minimum available time with limited resources
- Project Scheduling.
  - Network Analysis.
  - Budget Analysis.
  - Critical Planning.
30. \_\_\_\_\_ is a form of financing especially for funding high technology, high risk and perceived high reward projects
- Fixed capital.
  - Current capital.
  - Seed capital.
  - Venture capital.
31. The term \_\_\_\_\_ denotes bonus or financial aid which is given by a government to an industry to help it compete with other units
- Incentive.
  - Subsidy.
  - Bounty.
  - Concession.
32. New Small Scale industries are exempted from the payment of income tax under section 80J is called \_\_\_\_\_.
- Development Rebate..
  - Investment Allowance.
  - Rehabilitation Allowance.
  - Tax Holiday
33. \_\_\_\_\_ is primarily concerned with the identification of the project demand potential and the selection of the optimal technology.
- Techno-economic analysis.
  - Feasibility analysis.
  - Input analysis.
  - Financial analysis.
34. Activities which must be finished before a given event can occur are termed as \_\_\_\_\_.
- Preceding Activities.
  - Succeeding Activities
  - Concurrent Activities
35. EST stands for \_\_\_\_\_.
- Earliest Start Time.
  - Event Start Time.
  - Effective Start Time.
  - Essential Start Time.
36. Additional time which a non-critical activity can consume without increasing the project duration is called \_\_\_\_\_.
- Total Float.
  - Free Float
  - Independent Float.
  - Dependant Float
37. \_\_\_\_\_ is an activity-oriented approach.
- CPM
  - PERT
  - GERT
  - WASP
38. \_\_\_\_\_ is the analysis of costs and benefits of a proposed project with the goal of assuming a rational allocation of limited funds.
- Project formulation.
  - Project evaluation.
  - Project appraisal .
  - Project Design.
39. \_\_\_\_\_ may be defined as the excess of present value of project cash inflows over that of out flows.
- Net present value technique.
  - Average rate of return.
  - Benefit-Cost ratio.
  - Internal rate of return
40. Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as \_\_\_\_\_.
- Organizational decisions.
  - Personal decisions.
  - Routine decisions.
  - Strategic decisions.
41. \_\_\_\_\_ is a problem -solving technique designed to produce numerous ideas in a short period
- Synectics.
  - Delphi technique.
- C. Brain Storming.**
- D. Nominal group technique.**
42. \_\_\_\_\_ is the systematic development of a project idea for the eventual purpose of arriving at an investment decision.
- Project identification.
  - Project formulation.
  - Project feasibility.
  - Project evaluation.
43. CPM stands for \_\_\_\_\_.
- Continuous Path Method.
  - Clear Path Method.
  - Critical Path Method.
  - Critical Probabilistic Method.
44. National Alliance of Young Entrepreneurs (NAYE) Sponsored an Entrepreneurial Development scheme with Bank of India in \_\_\_\_\_.
- January 1920.
  - August 1920.
  - January 1972.
  - August 1972.
45. A business arrangement where one party allows another party to use a business Name and sell its products or services is known as \_\_\_\_\_.
- A cooperative.
  - A franchise.
  - An owner-manager business.
  - A limited company.
46. A key aspect of the financial section of the business plan is \_\_\_\_\_.
- A statement of management skills.
  - A realistic sales forecast.
  - Production capacity.
  - A description of competitors.
47. Which one of the following is not considered as one of the building blocks of the model entrepreneur?
- technical skills.
  - management competencies.
  - business awareness.
  - personal attributes.

48. An entrepreneur who owns more than one business at a time is called \_\_\_\_\_.

- A. an intrapreneur.
- B. a corporate entrepreneur.
- C. a portfolio entrepreneur.
- D. None of the above.

49. LOB stands for \_\_\_\_\_.

- A. Line of Business.
- B. Line of Balance.
- C. Loss of Business.
- D. Loss of Balance

50. Underestimation of project cost leads to \_\_\_\_\_.

- A. Time under run.
- B. Cost under run
- C. Time over run.
- D. Cost over run

51. New entrepreneurs entering the field of medium industry for the first time can have market studies with the subsidiary of \_\_\_\_\_.

- A. 75% of the cost or Rs.15000 whichever is less.
- B. 75% of the cost or Rs.15000 whichever is high
- C. 50% of the cost or Rs.15000 whichever is less.
- D. 50% of the cost or Rs.15000 whichever is high

52. Seed capital assistance \_\_\_\_\_.

- A. a long-term assistance.
- B. initial assistance
- C. a help for the purchase of seeds.
- D. a short-term assistance.

53. EXIM bank is a \_\_\_\_\_.

- A. State-level institution.
- B. Regional -level institution.
- C. All India institution.
- D. International institution.

54. The policy which emphasized the need of promoting small-scale industries through integrated industrial development is \_\_\_\_\_.

- A. IPR 1948.
- B. IPR 1956.
- C. IPR 1977

D. IPR 1980.

55. Over - capitalization arises due to \_\_\_\_\_.

- A. excess of assets over the liabilities.
- B. excess of liabilities over the assets.
- C. actual earnings are lower than the expected earnings.
- D. actual earnings are higher than the expected earnings.

56. Under-capitalization arises due to \_\_\_\_\_.

- A. excess of assets over the liabilities.
- B. excess of liabilities over the assets.
- C. actual capitalization is higher than the proper capitalization.
- D. actual capitalization is lower than the proper capitalization.

57. Which of the following leads to under-capitalization?

- A. raising of more money by issue of shares.
- B. acquiring fixed assets on excessive amounts.
- C. over-estimation of earnings for enterprise.
- D. under-estimation of initial rate of earnings.

58. A public corporation means \_\_\_\_\_.

- A. public company.
- B. government company.
- C. statutory corporation.
- D. department of union government

59. The term Capitalization is used in relation to \_\_\_\_\_.

- A. sole-proprietorship.
- B. Partnership.
- C. joint stock companies.
- D. co-operative societies

60. Which of the following sources is not use for medium term financing?

- A. Issue of equity shares.
- B. Issue of debentures.
- C. Term loans from banks.
- D. Sale of current asset.

61. Which of the following securities proves a burden on finances of the company, when company is not earning profits?

- A. Equity shares.
- B. Preference shares.
- C. Redeemable preference shares.
- D. Debentures.

62. Investment in which of the following is most risky?

- A. Equity shares.
- B. Preference shares.
- C. Debentures.
- D. Land.

63. Entrepreneurship can best be described as \_\_\_\_\_.

- A. a process that requires setting up a business.
- B. taking a significant risk in a business context.
- C. having a strong vision.
- D. a process involving innovation, new products or services, and value creation.

64. Entrepreneurial development is the key to achieve all-round \_\_\_\_\_ through

- A. economic development
- B. increase in profits
- C. shareholders value
- D. business development

65. NABARD is a Bank for \_\_\_\_\_ development

- A. Urban
- B. Agricultural and Rural
- C. Scientific
- D. Agriculture and research

Which of the following shows the process of creating something new?

- a) Business model
- b) Modeling
- c) Creative flexibility
- d) Innovation

Which one of the following gives suggestions for new product and also help to market new products?

- a) Existing products and services
- b) Federal government
- c) Distribution Channels
- d) Consumers

Which of the following is used by entrepreneurs to acquire experience in an international market before making a major commitment?

- a) Merger
- b) Minority Interest
- c) Joint venture
- d) Majority interest

GATT is established in 1947, under:

- a) German leadership
- b) U.S. leadership
- c) French leadership
- d) U.K. leadership

#### GATT 1947 in the US

The GATT, as an international agreement, is a treaty. Under United States law it is classified as a congressional-executive agreement. Based on the Reciprocal Trade Agreements Act it allowed the executive branch negotiating power over trade agreements with temporary authority from Congress. At the time it functioned as a provisional, but promising trade system.

The entrepreneur was distinguished from capital provider in:

- a) Middle ages
- b) 17<sup>th</sup> century
- c) 18<sup>th</sup> century
- d) 19<sup>th</sup> and 20<sup>th</sup> century

*In the 18th century the person with capital was differentiated from the one who needed capital. In other words, entrepreneur was distinguished from the capital provider.*

1: In stage of responsibility allocation process the entrepreneur follows:

- A. High centralized decision making process
- B. Highly decentralized decision making process
- C. Somewhat centralized decision making process
- D. No particular standards

2: According to the governing bodies of common laws, the life of trade secret is

- A. 12 years
- B. 17 years
- C. 20 years
- D. As long as it remains confidential.

3: Match the following

List-I (Organisation)	List-II (Year of Formation)
(A) All India Small Scale Industries Board	1. 1955
(B) National Small Industries Corporation Ltd.	2. 1956
(C) State Trading Corporation of India Ltd.	3. 1954
(D) National Research and Development Corporation	4. 1953
	5. 1960

4: Match the following

List-I (Source of Capital)	List-II (Nature of Capital)
(A) Equity share capital	1. Owner's capital
(B) Bonds	2. Long term capital
(C) Sinking fund	3. Retained capital
(D) Bank loan	4. Borrowed capital
	5. Creditors

5: Having more than 50% ownership position that provides the entrepreneur with managerial control is called

- A. Joint venture
- B. Majority interest
- C. Horizontal merger
- D. Diversified activity merger

6: Match the following

List-I (Type of Assets)	List-II (Classification/Nature of assets)
(A) Stock	1. Current asset
(B) Plant	2. Fixed asset
(C) Goodwill	3. Intangible asset
(D) Development Expenses	4. Fictitious asset
	5. Asset

7: Match the following

List-I (Motivation)	List-II (Features)
(A) Extrinsic motivation	1. It is based on force and fear.
(B) Intrinsic motivation	2. These motivators are associated with financial rewards.
(C) Sizing up accomplished	3. Concerned with 'feeling of having something worthwhile'.
(D) Negative motivation	4. This involves ascertaining motivational needs.

8: The resistance of employees in an organization against flexibility, growth and diversification can be overcome by developing

- A. Entrepreneurship
- B. Intrapreneurship
- C. Managerial domain
- D. Administrative domain

9: Licensing is a significant marketing strategy to

- A. Use intellectual property of others
- B. Pirate other's patents
- C. Grow the business in new markets
- D. Control the costs

10: The specific job of Entrepreneurship in business enterprise is to make today's business capable of making the future, to enable today's already existing business to remain existing and to remain successful in the future. Who said?

- A. Peter F. Drucker
- B. Henri Fayol
- C. Marshall and Robinson
- D. Peter Kilby

61. -----is the systematic development of a project idea for the eventful purpose of arriving at an investment decision.

- A. Project identification.
- C. Project feasibility.
- D. Project evaluation.

ANSWER: B

62. The process of preparing an inventory of skills needed for effective implementation of the project is called as \_\_\_\_\_.

- A. Economic viability.
- B. Financial feasibility.

ANSWER: D

63. \_\_\_\_\_ implies the availability or otherwise of plant and machinery and technical know how to produce the product.

- A. Economic viability.
- B. Financial feasibility.
- D. Managerial competence

ANSWER: C

64. CPM stands for\_\_\_\_\_.

- A. Continuous Path Method.

- B. Clear Path Method.
- D. Critical Probabilistic Method.

ANSWER: C  
1961.

- A. Depreciation Allowance.
- B. Development Debate.
- C. Investment Allowance.

ANSWER: D

- A. Directorate General of Technical Development.
- C. District General of Taxation Deduction.
- D. Directorate General of Taxation Deduction.

ANSWER: A

67. A provisional SSI registration certificate is valid for a period of \_\_\_\_\_.

- A. four Years.
- B. three Years.
- C. two Years.

ANSWER: D

Entrepreneurial Development scheme with Bank of India in \_\_\_\_\_.

- A. January 1920.
- B. August 1920.
- C. January 1972.

ANSWER: D

69. Which of the following is not one of the 4 Ms?

69. Which of the following is not one of the 4 Ms?

- A. motivation.
- B. management.
- D. money.

ANSWER: C

70. Which of the list below does not form Intellectual Property?

- A. Trade marks.
- B. Patents.
- D. Copyright.

ANSWER: C

- A. Time.
- C. Training.
- D. Talent.

ANSWER: B

72. A business arrangement where one party allows another party to use a business Name and sell its products or services is known as \_\_\_\_\_.

- A. A cooperative.
- C. An ownermanager business.
- D. A limited company.

ANSWER: B

- A. To provide small business advice.

- B. To provide capital for business development in exchange for a stake in the Business ownership.

- C. To set up a franchise business.

- D. To assist an entrepreneur to open a lifestyle business.

ANSWER: B

74. A key aspect of the financial section of the business plan is \_\_\_\_\_.

- A. A statement of management skills.
- C. Production capacity.
- D. A description of competitors.

ANSWER: B

75. Which one of the following describes unemployment?

- A. The number of people who voluntarily choose not to work.
- C. The number of people who are not actively seeking work.
- D. The number of people actively seeking work who find work.

ANSWER: B

- A. Concept.
- B. Product development.
- D. Commercialization.

ANSWER: C

77. Which one of the following is not considered as one of the building blocks of the model entrepreneur?

- A. technical skills.
- B. management competencies.
- D. personal attributes.

ANSWER: C

78. Which of the following factors does the macroenvironment not include?

- A. political and regulatory factors.
- C. social and demographic factors.
- D. technological changes.

ANSWER: B

79. Which of the following statements is false? Electronic commerce:

- A. can allow new ventures to compete on more or less equal terms with large firms.
- B. can lead to small businesses having reduced contact with its customers.
- D. is used in many different industries and markets.

ANSWER: C

80. Strategic entrepreneurial marketing has been summarised as the 4Is: identification of target

markets, interactive marketing methods, informal intelligence gathering and what is the fourth?

- A. independence.
- B. instructiveness.
- D. internet.

ANSWER: C

81. An entrepreneur who owns more than one business at a time is called \_\_\_\_\_.

- A. an intrapreneur.
- B. a corporate entrepreneur.
- D. None of the above.

ANSWER: C

82. Industries producing complete articles for direct consumption & also processing industries

is called as \_\_\_\_\_.

- B. Feeder Industries.
- C. Service Industries.
- D. Mining or Quarrying.

ANSWER: A

of the project resources.

- A. Technoeconomic analysis.
- C. Input analysis.
- D. Financial analysis.

ANSWER: B

- A. Line of Business.
- C. Loss of Business.
- D. Loss of Balance

ANSWER: B

85. Underestimation of project cost leads to \_\_\_\_\_.

- A. Time under run.
- B. Cost under run
- C. Time over run.

ANSWER: D

86. New entrepreneurs entering the field of medium industry for the first time can have market

- B. 75% of the cost or Rs.15000 whichever is high
- C. 50% of the cost or Rs.15000 whichever is less.
- D. 50% of the cost or Rs.15000 whichever is high

ANSWER: A

87. Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as \_\_\_\_\_.

- B. Personal decisions.
- C. Routine decisions.

ANSWER: D

earned by a resident Indian company.

- A. 65%.
- B. 60%.
- C. 55%.

ANSWER: D

89. Decisions which are nonrepetitive and novel nature and required to solve unstructured problem is called as \_\_\_\_\_.

- A. Programmed decisions.
- C. Routine decisions.
- D. Strategic decisions.

ANSWER: B

90. The application for registration of a small scale unit should be submitted to the \_\_\_\_\_.

- B. Director, DIC.
- C. General manager. NSIC.
- D. Director, NSIC.

ANSWER: A

91. The type of diversification in which the company adds complementary to the existing

product or service line is \_\_\_\_\_.

- A. conglomerate diversification.
- B. horizontal integration.
- D. concentric integration.

ANSWER: C

92. Which of the following is not an aspect of appraisal of term loans by commercial banks?

- A. Financial feasibility.
- B. Technical feasibility.
- C. Economic feasibility.

ANSWER: D

93. The type of diversification in which the company adds up same type of products at the same

level of production is \_\_\_\_\_.

- A. conglomerate diversification.
- C. vertical integration.
- D. concentric integration.

ANSWER: B

94. When a firm enters into some business which is related with its present business in terms of technology, marketing or both it is called as \_\_\_\_\_.

- A. conglomerate diversification.
- B. horizontal integration.
- C. vertical integration.

95. When a firm enters into business which is unrelated to its existing business both in terms of



- B. horizontal integration.
- C. vertical integration.
- D. concentric integration

ANSWER: A

96. District Industries Centres are located \_\_\_\_\_.

- B. in each state.
- C. only in selected districts.
- D. only in selected states.

ANSWER: A

97. The purpose of soft loan scheme is to encourage units to undertake \_\_\_\_\_.

ANSWER: D

98. Seed capital assistance \_\_\_\_\_.

98. Seed capital assistance \_\_\_\_\_.

- A. a longterm assistance.
- C. a help for the purchase of seeds.
- D. a shortterm assistance.

ANSWER: B

99. EXIM bank is a \_\_\_\_\_.

- A. Statelevel institution.
- B. Regional level institution.

ANSWER: C

100. DIC is headed by General Manager in the rank of \_\_\_\_\_.

- B. Assistant Director of industries.
- C. Nondepartmental officer.
- D. Departmental officer.

ANSWER: A

101. Institutional agencies grant financial assistance to small scale industries for \_\_\_\_\_.

- D. all of the above.

ANSWER: D

scale industries are exempted from

- B. 6% p.m.
- B. 6% p.m.
- C. 5% p.a.
- D. 5% p.a.

ANSWER: A

103. The policy which stressed the role of cottage and smallscale industries for balanced

- A. IPR 1940.
- C. IPR 1956.
- D. IPR 1977.

ANSWER: B

104. The policy which emphasized the need of promoting smallscale

industries through integrated industrial development is \_\_\_\_\_.

- A. IPR 1948.
- B. IPR 1956.
- D. IPR 1980.

ANSWER: C

105. The small scale unit wishing to export has to obtain exporters code number from \_\_\_\_\_.

- B. The Central Bank of India.
- C. Any Regional Bank.
- D. Any International Bank.

ANSWER: A

106. The expenses incurred on the setting up of the enterprise are called as \_\_\_\_\_.

- A. Cost of financing.
- C. Cost of fixed assets.
- D. Cost of current assets.

ANSWER: B

- A. excess of assets over the liabilities.
- B. excess of liabilities over the assets.
- D. actual earnings are higher than the expected earnings.

ANSWER: C

108. Undercapitalization arises due to \_\_\_\_\_.

- A. excess of assets over the liabilities.
- B. excess of liabilities over the assets.
- C. actual capitalization is higher than the proper capitalization.

ANSWER: D

109. Which of the following leads to overcapitalization?

- B. underestimation of initial rate of earnings.
- C. using lowerrate of capitalization.
- D. under estimation of required funds.

ANSWER: A

110. Which of the following leads to undercapitalization?

- A. raising of more money by issue of shares.
- B. acquiring fixed assets on excessive amounts.
- C. overestimation of earnings for enterprise.
- estimation of initial rate of earnings.

ANSWER: D

- C. trade and commerce.
- D. selling and buying of goods.

ANSWER: B

112. A valid definition of a business purpose is to \_\_\_\_\_.

- A. create a customer.
- C. serve the society.
- D. increase the wealth of the firm.

ANSWER: B

113. Reserve bank of India is a/an \_\_\_\_\_.

- B. company limited by guarantee.
- C. company limited by shares.
- D. unlimited company.

ANSWER: A

114. A public corporation means \_\_\_\_\_.

- A. public company.
- B. government company.
- D. department of union government

ANSWER: C

115. Promoter is a person who \_\_\_\_\_.

- B. is a director.
- C. is a relative of the managing director.
- D. works to publicity to the company.

ANSWER: A

116. The term Capitalization is used in relation to \_\_\_\_\_.

- A. sole proprietorship.
- B. Partnership.
- D. cooperative societies

ANSWER: C

117. Which of the following sources is not use for medium term financing?

- B. Issue of debentures.

ANSWER: A

- A. Equity shares.

- B. Preference shares.

ANSWER: D

- A. Equity shares.

- B. Preference shares.

- D. Land.

ANSWER: C

120. A project, which may not add to the existing profits, should be financed by \_\_\_\_\_.

- B. preference share capital.
- C. equity capital.
- D. public deposits.

ANSWER: A

121. Business risks can be \_\_\_\_\_.

- A. avoided.
- C. ignored.
- D. erased.

ANSWER: B

122. O & M refers to \_\_\_\_\_.

- A. overall efficiency of business.
- B. efficiency of office and administrative work.

ANSWER: D

123. The oldest form of business organization is \_\_\_\_\_.

- A. Partnership.
- C. joint stock company.
- D. cooperative undertaking.

ANSWER: B

124. Memorandum of association of a firm contains \_\_\_\_\_.

- A. rules regarding the internal management of the company.
- C. rules regarding the external management.
- D. rules regarding the constitution.

ANSWER: B

- A. it does not have the shape of a natural person.

- B. it cannot be used in the court of law.

- D. it exists only in contemplation of law.

ANSWER: C

126. The charter of a company is its \_\_\_\_\_.

- B. statement lieu of prospectus.
- C. memorandum of association.
- D. articles of association.

ANSWER: A

127. A person owning and running a small firm, is known as \_\_\_\_\_.

- A. A managerowner.
- D. An enterprise worker.

ANSWER: B

128. Which of the following is a characteristic typical of \_\_\_\_\_? Most entrepreneurs

- A. Choose high risk ventures.

- B. Choose low risk ventures.

- D. Choose no risk ventures.

ANSWER: C

129. The UK government has implemented a number of policies to encourage Entrepreneurship

in schools. One such initiative is \_\_\_\_\_.

- B. Youth venture.

- C. Young Business.

- D. Young Initiative.

ANSWER: A

- B. Franchise businesses typically have a high failure rate.

- C. Lack of brand identity.

- D. Training is not normally provided by the franchisor.

ANSWER: A



131. The Markets and Competitors section of a business plan should contain \_\_\_\_\_.

ANSWER: D

132. As a new company grows, the entrepreneur will need to \_\_\_\_\_.

ANSWER: D

133. An entrepreneur into the hosiery business found out the reason his hosiery was not selling was due to its color. What could be the best source of this information?

A. Supplier.

C. Competition.

D. Government bureau.

ANSWER: B

134. Entrepreneurship can best be described as \_\_\_\_\_.

A. a process that requires setting up a business.

B. taking a significant risk in a business context.

C. having a strong vision.

ANSWER: D

when the enterprise breaks even.

B. cost of capital

C. cost of production

D. cost of equity

ANSWER: A

136. The minimum amount of specified at a minimum 17.5 per cent of project costs by lending institutions.

ANSWER: B

137. \_\_\_\_\_ set up for the purpose of financing, facilitating, and promoting foreign trade of India.

A. Repco bank

B. SBI

D. HDFC

ANSWER: C

138. Which of the following is not considered to be a characteristic of a project?

A. An established objective

B. Complex tasks

C. A clear beginning and end

ANSWER: D

139. Project management is ideally suited for a business environment requiring all of the following except \_\_\_\_\_.

A. Flexibility

B. Innovation

ANSWER: D

140. Integration of project management with the organization takes place with the \_\_\_\_\_.

D. both b and c

ANSWER: D

ANSWER: D

142. Project mission and objectives, procedures and systems used, and organization resources

B. Recommendation

C. lessons learned

D. financial feasibility

ANSWER: A

143. what are the components of then project report \_\_\_\_\_.

ANSWER: D

144. market potential of the project report includes \_\_\_\_\_.

A. demand and supply conditions

B. market strategy

C. after sales service

ANSWER: D

completion of all activities involved in setting up an enterprise.

A. cost structure

C. market structure

D. production structure

ANSWER: B

146. \_\_\_\_\_ describes the direction, the enterprise is going in, what its goals are, where it wants to be, and how it is going to get there.

146. \_\_\_\_\_ describes the direction, the enterprise is going in, what its goals are, where it wants to be, and how it is going to get there.

B. technical analysis

C. market analysis

D. financial analysis

ANSWER: A

147. Today, many companies are using managerial techniques that are designed to encourage \_\_\_\_\_.

A. increasing profits

B. legal compliances

D. shareholders value

ANSWER: C

round

\_\_\_\_\_ through

B. increase in profits

C. shareholders value

D. business development

ANSWER: A

B. Modern

C. Scientific

D. Traditional

ANSWER: A

150. NABARD is a Bank for  
\_\_\_\_\_ development

A. Urban

A. Urban

C. Scientific

D. Agriculture and research

ANSWER: B

Q1. Which of the following shows the  
process of creating something new:

A. Business model

B. Modeling

C. Creative flexibility

D. Innovation

Answer: d

Q2. The entrepreneur was distinguished  
from capital provider in:

a) Middle ages

b) 17th century

c) 18th century

d) 19th and 20th century

Answer: c

Q3. A corporate manager who starts a new  
initiative for their company which entails  
setting up a new distinct business unit and  
board of directors can be regarded as:

a) Ecopreneur

b) Technopreneur

c) Intrapreneur

d) Social Entrepreneur

Answer: c

Q4. Family business always interested to  
handover the change of his business to:

a) Indian Administration Officers

b) Professional Managers

c) Next generation

d) None of the above

Answer: c

Q5. EDP (Entrepreneurship Development  
Programmes) is required to help:

a) Existing entrepreneurs

b) First generation entrepreneurs

c) Future generation entrepreneurs

d) None of the above

Answer: b

Q6. A Micro Enterprise is an enterprise  
where investment in plant and machinery  
does not exceed (According to MSMED  
Act, 2006):

a) Rs. 25 Lakh

b) Rs. 20 Lakh

c) Rs. 15 Lakh

d) Rs. 30 Lakh

Answer: a

Q7. Why should an entrepreneur do a  
feasibility study for starting a new venture:

a) To identify possible sources of funds

b) To see if there are possible barriers to  
success

c) To estimate the expected sales

d) To explore potential customers

Answer: b

Q8. Which one of the following is the next  
stage to the Concept Stage of Product  
Planning and Development Process:

a) Idea Stage

b) Product Planning Stage

c) Product Development Stage

d) Test Marketing Stage

Answer: c

### ***MCQ's Question of Entrepreneurship Development***

Q9. What is the process by which  
individuals pursue opportunities without  
regard to resources they currently control:

A. Startup management

B. Entrepreneurship

C. Financial analysis

D. Feasibility planning

Answer: b

Q10. An individual who initiates, creates  
and manages a new business can be called

\_\_\_\_\_.

A. A leader

B. A manager

C. A professional

D. An entrepreneur

Answer: d

Q11. Which could provide an individual with the motivation to start a new business venture?

- A. The financial rewards.
- B. A desire to be independent.
- C. Risk taking
- D. All the above.

Answer: d

Q12. Why are small businesses important to a country's economy?

- A. They give an outlet for entrepreneurs.
- B. They can provide specialist support to larger companies.
- C. They can be innovators of new products.
- D. All the above.

Answer: d

Q13. \_\_\_\_\_ is the first development bank of the country.

- A. ICICI.
- B. IDBI.
- C. SFC.
- D. IFCI.

Answer: d

Q14. IFCI stands for\_\_\_\_\_.

- A. Industrial finance corporation of India.
- B. Institutional finance corporation of India.
- C. Industrial funding corporation of India.
- D. Indian finance corporation and institution.

Answer: a

Q15. Large investment is made in fixed assets, the project will be termed as \_\_\_\_\_.

- A. Capital Intensive.
- B. Labour Intensive.
- C. Product Intensive.
- D. Market Intensive.

Answer: a

Q16. New Small Scale industries are exempted from the payment of income tax under section 80J is called \_\_\_\_\_.

- A. Development Rebate
- B. Investment Allowance
- C. Rehabilitation Allowance
- D. Tax Holiday

Answer: b

Q17. An individual who initiates, creates and manages a new business can be called \_\_\_\_\_.

- A. A leader
- B. A manager
- C. A professional
- D. An entrepreneur

Answer: d

Q18. Why are small businesses important to a country's economy?

- A. They give an outlet for entrepreneurs.
- B. They can provide specialist support to larger companies.
- C. They can be innovators of new products.
- D. All the above.

Answer: d

Q19. As a business grows, time management continues to be an issue, but the entrepreneur's major concern usually becomes:

- a) Setting goals
- b) Finding, retaining, and motivating qualified employees
- c) Measuring performance.
- d) All of the above.

Answer: b

Q20. An entrepreneur who owns more than one business at a time is called \_\_\_\_\_.

- A. An intrapreneur
- B. A corporate entrepreneur.
- C. A portfolio entrepreneur.
- D. None of the above.

Answer: c

Q21. Idea of new product is tested in potential consumers to determine consumer acceptance at \_\_\_\_\_ stage.

- A. Concept.
- B. Product development.
- C. Test marketing.
- D. Commercialization.

Answer: c

Q22. Which one of the following describes unemployment?

- A. The number of people who voluntarily choose not to work.
- B. The number of people who are jobless and are actively seeking work.
- C. The number of people who are not actively seeking work.
- D. The number of people actively seeking work who find work.

Answer: b

Q23. Which one of the following is not considered as one of the building blocks of the model entrepreneur?

- A. Technical skills.
- B. Management competencies.
- C. Business awareness.
- D. Personal attributes.

Answer: c

Q24. The purpose of soft loan scheme is to encourage units to undertake \_\_\_\_\_.

- A. Modernization of plant and machinery.
- B. Replacement of plant and machinery.
- C. Renovation of plant and machinery.
- D. All the above

Answer: d

Q25. Seed capital assistance is \_\_\_\_\_.

- A. A long-term assistance.
- B. Initial assistance

C. A help for the purchase of seeds.

D. A short-term assistance.

Answer: b

## Unit: 02

Q1. \_\_\_\_\_ is primarily concerned with the identification of the project demand potential and the selection of the optimal technology.

- A. Techno-economic analysis
- B. Feasibility analysis
- C. Input analysis
- D. Financial analysis

Answer: a

Q2. Promoter is a person who \_\_\_\_\_.

- A. Takes part in the incorporation of a company.
- B. Is a director.
- C. Is a relative of the managing director.
- D. Works to publicity to the company.

Answer: a

Q3. Which of the following is not an aspect of appraisal of term loans by commercial banks?

- A. Financial
- B. Technical feasibility.
- C. c) Economic feasibility.
- D. Societal feasibility.

Answer: d

Q4. The application for registration of a small scale unit should be submitted to the \_\_\_\_\_.

- A. General Manager, DIC.
- B. Director, DIC.
- C. General Manager, NSIC.
- D. Director, NSIC.

Answer: a

Q5. A decision which is non-repetitive and novel nature and required to solve unstructured problem is called as \_\_\_\_\_.

- A. Programmed decisions.

- B. Non-programmed decisions.
- C. Routine decisions.
- D. Strategic decisions.

Answer: b

Q6. \_\_\_\_\_ is primarily concerned with the identification, qualification and evaluation of the project resources.

- A. Techno-economic analysis.
- B. Feasibility analysis.
- C. Input analysis.
- D. Financial analysis.

Answer: b

Q7. Industries producing complete articles for direct consumption & also processing industries are called as \_\_\_\_\_.

- A. Manufacturing industries.
- B. Feeder Industries.
- C. Service Industries.
- D. Mining or Quarrying.

Answer: a

Q8. \_\_\_\_\_ implies the availability or otherwise of plant and machinery and technical know how to produce the product.

- A. Economic viability.
- B. Financial feasibility.
- C. Technical feasibility.
- D. Managerial competence

Answer: c

Q9. Decisions taken by an entrepreneur on behalf of his enterprise are known as \_\_\_\_\_.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions

Answer: a

Q10. Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as \_\_\_\_\_.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions
- D. Strategic decisions.

Answer: d

Q11. \_\_\_\_\_ may be defined as the excess of present value of project cash inflows over that of out flows.

- A. Net present value technique.
- B. Average rate of return.
- C. Benefit-Cost ratio.
- D. Internal rate of return

Answer: a

Q12. \_\_\_\_\_ is the analysis of costs and benefits of a proposed project with the goal of assuming a rational allocation of limited funds.

- A. Project formulation.
- B. Project evaluation.
- C. Project appraisal.
- D. Project Design.

Answer: c

Q13. \_\_\_\_\_ is a graphical representation of the various activity and event relating to a project.

- A. Network
- B. Scheduling technique.
- C. Logical Model.
- D. Network Diagram

Answer: d

Q14. \_\_\_\_\_ is primarily concerned with the identification of the project demand potential and the selection of the optimal technology.

- A. Techno-economic analysis.
- B. Feasibility analysis.
- C. Input analysis.
- D. Financial analysis.

Answer: a

Q15. New Small Scale industries are exempted from the payment of income tax under section 80J is called \_\_\_\_\_.

- A. Development Rebate.
- B. Investment Allowance.
- C. Rehabilitation Allowance
- D. Tax Holiday

Answer: b

Q16. Large investment is made in fixed assets; the project will be termed as \_\_\_\_\_.

- A. Capital Intensive
- B. Labour Intensive.
- C. Product Intensive.
- D. Market Intensive.

Answer: a

Q17. \_\_\_\_\_ can be defined as a specifically evolved work plan designed to achieve a specific objective within a specific period of time.

- A. Idea generation.
- B. Opportunity Scanning.
- C. Project.
- D. Strategy.

Answer: c

Q18. EDPs course contents contain \_\_\_\_\_.

- A. General introduction to entrepreneurs.
- B. Motivation training.
- C. Managerial skills.
- D. All the above

Answer: d

Q19. A commercial banker would prefer a \_\_\_\_\_ debt-equity ratio over the years as it indicates financial strength of a unit.

- A. Declining.
- B. Increasing.
- C. Stable.
- D. Fluctuating.

Answer: a

Q20. Goods or services reach the market place through \_\_\_\_\_.

- A. Marketing channels.
- B. Multilevel pyramids.
- C. Monopolies.
- D. Multiplication.

Answer: a

Q21. Someone legally appointed to resolve the financial difficulties of an insolvent firm is called \_\_\_\_\_.

- A. An administrator.
- B. A predator.
- C. An auditor.
- D. A turnaround consultant

Answer: a

Q22. Why should an entrepreneur do a feasibility study for starting a new venture?

- A. To identify possible sources of funds
- B. To see if there are possible barriers to success
- C. To estimate the expected sales
- D. To explore potential customers

Answer: c

Q23. To provide financial assistance to entrepreneurs the government has set up a number of \_\_\_\_\_.

- A. Financial advisors.
- B. Financial intermediaries.
- C. Industrial estates.
- D. Financial institutions.

Answer: d

Q24. LOB stands for \_\_\_\_\_.

- 1. Line of Business.
- 2. Line of Balance
- 3. Loss of Business.
- 4. Loss of Balance

Answer: b

Q25. District Industries Centers are located \_\_\_\_\_.

- 1. In each district.
- 2. In each state.
- 3. Only in selected districts.
- 4. Only in selected states.

Answer: a

## Unit: 03

Q1. Which of the following is not an inventory?

- 1. Machines
- 2. Raw material
- 3. Finished products
- 4. Consumable tools

Answer: a

Q2. The time period between placing an order its receipt in stock is known as:

- 1. Lead time

2. Carrying time
3. Shortage time
4. Over time

Answer: a

Q3. The accounts payable, accruals and notes payables are listed on balance sheet as

1. Accrued liabilities
2. Current liabilities
3. Accumulated liabilities
4. Non-current liabilities

Answer: b

Q4. The cash and equivalents, inventories and accounts receivables are classified as

1. Assets on balance sheet
2. Liabilities on balance sheet
3. Earnings on income statement
4. Payments on income statement

Answer: a

Q5. In the situation of bankruptcy, the stock which is recorded above common stock and below debt account is:

1. debt liabilities
2. preferred stock
3. hybrid stock
4. common liabilities

Answer: b

Q6. According to accounting equation assets are equal to?

1. Liabilities
2. Liabilities and equities
3. Equities
4. None of these

Answer: b

Q7. The results of business activities are reflected in

1. profit and loss account
2. profit and loss appropriation account
3. balance sheet
4. none of these

Answer: c

Q8. Balance sheet is a statement which discloses an organization's

1. assets
2. liabilities
3. owner's equity
4. all of these

Answer: d

Q9. Current liabilities need to be paid

1. within one accounting cycle
2. beyond one accounting cycle
3. within 3 years
4. within 6 months

Answer: a

Q10. Which of the following is a financial asset?

1. Inventories
2. Equipment
3. Loan to an associate
4. Accounts receivable

Answer: d

Q11. The cash flow statement consists of which of the following sections?

1. Operating and non-operating
2. current and non-current
3. operating, investing and financing
4. trading and financial

Answer: c

Q12. When does an accountant record a transaction?

1. If it is materialized by a concrete document
2. if it has a tax implication
3. on Manager's demand
4. None of these

Answer: a

Q13. Which of the following describes a record of the transactions?

1. General ledger
2. Income statement
3. Balance sheet
4. Journal

Answer: d

Q14. Earnings are the result of the difference between



1. revenue and assets
2. revenue and liabilities
3. liabilities and expenses
4. revenue and expenses

Answer: d

Q15. Which of the following equations represents the balance sheet?

1. Assets + Liabilities = Shareholders' equity
2. Assets = Liabilities = shareholders' equity
3. Assets = Liabilities – Shareholders' equity
4. Assets = Liabilities + Shareholders' equity

Answer: d

Q16. Financially, shareholders are rewarded by

1. interest
2. profits
3. dividends
4. none of these

Answer: c

Q17. Process control is carried out:

1. Before production
2. During production
3. After production control
4. All of the above

Answer: b

Q18. Low cost, higher volume items requires:

1. No inspection
2. Little inspection
3. Intensive inspection
4. 100% inspection

Answer: b

Q19. High cost, low volume items requires:

1. No inspection
2. Little inspection
3. Intensive inspection
4. 100% inspection

Answer: c

Q20. A six sigma process has defect level below \_\_\_\_\_ defects per million opportunities.

1. 3.4

2. 4.5
3. 5.6
4. 6.7

Answer: a

Q21. The objective of ISO-9000 family of Quality management is:

1. Customer satisfaction
2. Employee satisfaction
3. Skill enhancement
4. Environmental issues

Answer: a

Q21. The following is (are) the machine down time.

1. Waste
2. No material
3. Breakdown
4. All of the above

Answer: d

Q22. \_\_\_\_\_ helps organization reduce employee turnover and absenteeism.

1. Job design
2. Training & development
3. Wage revision
4. All of the above

Answer: b

Q23. Inspection assures that:

1. The process is in control
  1. Workers are motivated
  2. Product meets specification
  3. Quality problems are solved
  4. Supplier quality is acceptable

Answer: c

Q24. Procurement cycle time is time consumed for

1. Receiving of raw material
2. Inspection of various raw materials
3. Inspection of purchased components parts
4. All of the above

Answer: d

Q25. Centralized and decentralized are the types of:

1. Routing
2. Dispatching
3. Scheduling
4. Follow up

Answer: b

## UNIT-4

1. A \_\_\_\_ is a set of activities which are networked in an order and aimed towards achieving the goals of a project.

- (A) Project
- (B) Process
- (C) Project management
- (D) Project cycle

**Ans – (A)**

2. Resources refers to

- (A) Manpower
- (B) Machinery
- (C) Materials
- (D) All of the above

**Ans – (D)**

3. Developing a technology is an example of

- (A) Process
- (B) Project
- (C) Scope
- (D) All of the above

**Ans – (B)**

4. The project life cycle consists of
  - (A) Understanding the scope of the project
  - (B) Objectives of the project
  - (C) Formulation and planning various activities
  - (D) All of the above

**Ans – (D)**

5. Following is(are) the responsibility(ies) of the project manager.

- (A) Budgeting and cost control
- (B) Allocating resources
- (C) Tracking project expenditure
- (D) All of the above

**Ans – (D)**

6. Following are the phases of Project Management Life Cycle. Arrange them in correct order

Design, 2. Marketing, 3. Analysis and evaluation, 4. Inspection, testing and delivery

(A) 3-2-1-4

(B) 1-2-3-4

(C) 2-3-1-4

(D) 4-3-2-1

**Ans – (A)**

7. Design phase consist of

- (A) Input received
- (B) Output received
- (C) Both (A) and (B)
- (D) None of the above

**Ans – (C)**

8. Project performance consists of

- (A) Time
- (B) Cost
- (C) Quality
- (D) All of the above

**Ans – (D)**

9. Five dimensions that must be managed on a project

- (A) Constraint, Quality, Cost, Schedule, Staff
- (B) Features, Quality, Cost, Schedule, Staff
- (C) Features, priority, Cost, Schedule, Staff
- (D) Features, Quality, Cost, Schedule, customer

**Ans – (B)**

10. Resource requirement in project becomes constant while the project is in its \_\_\_\_ progress stage.

- (A) 40 to 55%
- (B) 55 to 70%
- (C) 70 to 80%
- (D) 80 to 95%

**Ans – (D)**

11. One of the initial project documents, issued by senior management, which outlines the authority of the project manager, is

called Project charter. As a seller, what other document can be used in this place:

1. Work breakdown structure
2. Project scope
3. Contract
4. Internal memo

Answer:C

12 During the planning development process, at times it is necessary to make certain assumptions to enhance the project plan, when the data is not available. In regard to making those assumptions, which one of the following is most true for project planning purposes?

- A. The assumptions will be considered as true, real, or certain.
- B. By making the assumption, it tends to reduce the project risk.
- C. Project assumptions are based upon historical data used for the project.
- D. Senior management predefines the budget constraints.

Answer:A

13. A project planning methodology is any structured approach used to guide the project team during development of the project plan. What is an example of this methodology?

- A. Standard forms or templates.
- B. Upper management involvement
- C. Functional work authorizations
- D. Stakeholders skills

Answer: A

14. The engineer of the project in the planning phase and makes a significant contribution to the technical scope. This is an

example of what type of skill and knowledge?

- A. Inherent
- B. Stakeholder
- C. Technical evaluation
- D. Convergent thinking

Answer: B

15. In a program or project plan, there are always revisions to account for new or missing data. Which one of the following provides the best reason for performing a revision of the plan?

- A. A supplier has changed the way their product is delivered to your supplier
- B. Project tasks are crashed to meet their end dates
- C. Human resources will remain constant throughout the project
- D. Historical data on a similar project suggests that risk events are not included in the current plan.

Answer: B

16. The project closing process is essential to overall project planning. What is considered one of the most important steps in closing the project?

- A. 1. Insuring that plans are produced to implement the project by phases.
- B. 2. Issuing work orders so that financial data can be collected.
- C. 3. Transition the lease of equipment to the owner
- D. 4. Satisfying the contractual obligations

Answer: D

17. Each project phase is marked by completion of one or more:

- A. Tasks.
- B. Milestones
- C. Deliverables
- D. Life cycles

Answer: C

18. The Scope Statement should contain which of the following?

- A. Project schedule
- B. Project budget constraints
- C. Summary of project tasks , deliverables and resources required
- D. Project objectives

Answer:D

19. The Scope Management Plan is included in which of the following documents.

- A. Project Plan
- B. The Work Breakdown Structure
- C. The Scope Statement
- D. Project Specifications

Answer: C

20. Milestones established by the customer must be adhered to by:

- A. Project manager
- B. Functional managers
- C. The customer
- D. Both a and b

Answer:D

21. The decision to request an increase the resources for a project is the responsibility of the:

- A. Functional manager
- B. Project manager
- C. Director of project management
- D. Customer

Answer: B

22. The decision to request an increase the resources for a project is the responsibility of the:

- (A) Functional manager
- (B) Project manager
- (C) Director of project management
- (D) Customer

**Answer: B**

23. In which of the following project phases is the project schedule developed?

- (A) Conceptual

(B) Planning

(C) Implementation

(D) Design

**Answer: B**

24. To crash a schedule you should:

- (A) Increase the time allowed on those tasks that have float.
- (B) Try to increase expenditures of time only those tasks that are behind schedule.
- (C) Replace those worker that are not performing up to par with the busy.
- (D) Increase work efforts on those tasks that are on the critical path.

**Answer:D**

25. Which of the following is NOT one of the primary needs for good project scheduling?

- (A) Cutting costs and reducing time
- (B) Decreasing the time required for decision making
- (C) Eliminating idle time
- (D) Developing better trouble shooting procedures.

**Answer: D**

26. The time necessary to complete a project is referred to as:

- (A) Implementation time
- (B) Life cycle
- (C) Operations cycle
- (D) Production cycle

**Answer: B**

27. The successful project managers spend most of their time:

- (A) Planning with their personnel
- (B) Planning with the top management
- (C) Communication with the project team
- (D) Studying project results

**Answer: C**

28. A prerequisite of effective time management is:

- (A) Knowing the dictated project completion date
- (B) Having the most advanced software package for project planning, scheduling and control

(C) Having a good project WBS which identifies the major project deliverables and tasks, and the person responsible for each of them

(D) Having a well staffed scheduling department

**Answer: A**

29. Which type of project cost estimate is the most accurate?

(A) Preliminary

(B) Definitive

(C) Order of magnitude

(D) Conceptual

**Answer: B**

30. Cost budgeting can be best described by which of the following?

(A) The process of developing the future trends along with the assessment of probabilities, uncertainties, and inflation that could occur during the project

(B) The process of assembling and predicting costs of a project over its life cycle

(C) The process of establishing budgets, standards, and a monitoring system by which the investment cost of the project can be measured and managed

(D) The process of gathering, accumulating, analyzing, reporting, and managing the costs on an on-going basis

**Answer: C**

31. Which of the following is a direct project cost?

(A) Lighting and heating for the corporate office

(B) Workers Compensation insurance

(C) Piping for an irrigation project

(D) A and B

**Answer: C**

32. Life Cycle Costing is a term that is:

1. used when making decisions between alternatives

2. employed principally by the government

3. typically used in the construction industry

4. not used within the government

5. A and B

**Answer: E**

33. Measured quality of a manufactured product is :

(A) Always constant

(B) Continually decreasing

(C) Subject to a certain amount of variation

(D) Continually increasing

**Answer: C**

34. Which of the following is the most efficient means of product quality inspection?

(A) Acceptance sampling

(B) 100% inspection

(C) Variable sampling

(D) a and c

**Answer: C**

35. The primary components of the quality management function are :

(A) quality planning

(B) quality control and assurance

(C) quantitative measurement

(D) quantitative assessment of the project

(E) a and b

**Answer: E**

36. Which of the following has the greatest effect on product's reliability and maintenance characteristic?

(A) conceptualization

(B) product design

(C) fabrication

(D) a and b

**Answer: D**

## UNIT-5

1. Role of various national and state agencies which render assistance to small scale The Office of the Development Commissioner (Small Scale Industries) is also known as the.....

Answer : Small Industry Development Organization (SIDO)

2. ....continues to implement its various programmes and projects

throughout the country to assist the SSI units.

Answer. – NSIC

3. The ..... is a statutory body created by an Act of Parliament in April 1957.

Answer- Khadi and Village Industries Commission (KVIC)

4. .... is done mainly to facilitate SMEs to expand their capacities or diversify and/or upgrade their technology according to the needs of the market.

Answer – Equipment Leasing

5. The ..... have been identified on the basis of market needs to ensure maximum employment.

Answer – Skills

6. Which of the following is a type of intangible business property that is protected by law:

- A. Acreage
- B. Inventory
- C. Trademark
- D. Equipment

**Answer: C**

7. Limited liability, indefinite length of life, ease of expansion, legal entity, and transfer of ownership are considered advantages of a

- A. sole proprietorship.
- B. partnership.
- C. trade union.
- D. corporation.

**Answer: D**

8. Which of the following is one way that freedom in a private enterprise system is limited by laws:

- A. Certain occupations must be licensed.
- B. All workers must take ability tests.
- C. Specific pay scales are regulated.
- D. Employees must register with the state.

**Answer: A**

9. Non-corporations are taxed as pass-through entities, meaning that

- A. profits and losses are claimed on owners' personal tax returns.

B. they do not have to pay payroll taxes.

C. their income tax rates are lower than those of corporations.

D. they pay only state and local taxes.

**Answer: A**

10. Which of the following activities is an example of preparing before attempting to sell an idea:

- A. Explaining solutions to audience needs
- B. Determining the details of your idea
- C. Overcoming objections from the audience
- D. Affirming the audience's decision to "buy"

**Answer: B**

11. Which of the following statements is true about business startup requirements:

- A. New business owners usually need to register for patent protection.
- B. The financial needs to start a new business depend on the nature of the venture.
- C. Purchasing a franchise is usually easy and inexpensive for startup business owners.
- D. Equipment is the least expensive requirement for a startup business.

**Answer: B**

12. If an entrepreneur obtains a commercial bank loan to finance a new venture, s/he is often required to

- A. provide collateral.
- B. close savings accounts.
- C. relinquish contracts.
- D. charge the prime-interest rate.

**Answer: A**

13. The type of capital resources that a startup business needs to begin operating usually depends on the

- A. vendors' lead time.
- B. location.
- C. owner's preferences.
- D. industry.

**Answer: D**

14. Small-business owners develop and use operating procedures so that everyday tasks are performed in a(n) \_\_\_\_\_ way.

- A. innovative
- B. imprecise
- C. diverse
- D. standard

**Answer: D**

15. Which of the following is an example of an intangible asset:

- A. Equipment
- B. Inventory
- C. Office building
- D. Accounts receivable

**Answer: D**

16. Ethan is developing common-size financial statements so that he can compare financial performance across several different companies. Ethan is conducting \_\_\_\_\_ analysis.

- A. horizontal
- B. vertical
- C. ratio
- D. trend

**Answer: B**

17. What is the relationship between shareholders and the board of directors?

- A. The shareholders pay dividends to the board of directors.
- B. The board of directors represents the shareholders.
- C. The shareholders make decisions for the board of directors.
- D. The board of directors holds the shareholders accountable.

**Answer: B**

18. Who typically reviews and approves the guidelines for running a corporation, which are also known as corporate governance policies?

- A. The investors
- B. The shareholders
- C. The management team
- D. The board of directors

**Answer: D**

19. A manufacturing company is required by the local government to dispose of its waste in an environmentally safe way. This is an example of how process design can be affected by \_\_\_\_\_ factors.

- A. human
- B. regulatory
- C. technological
- D. natural

**Answer: B**

20. Which of the following is a situation in which a business could use the budget information to make operating changes:

- A. Total revenues exceed projected costs.
- B. Estimated sales exceed actual sales.
- C. Expected profits are increasing.
- D. Accounts receivable are on target.

**Answer: B**

Unit-I

Q1. Which of the following shows the process of creating something new:

- (a) Business model
- (b) Modelling
- (c) Creative flexibility
- (d) Innovation

Answer: d

Q2. The entrepreneur was distinguished from capital provider in:

- (a) Middle ages
- (b) 17th century
- (c) 18th century
- (d) 19th and 20th century

Answer: c

Q3. A corporate manager who starts a new initiative for their company which entails setting up a new distinct business unit and board of directors can be regarded as:

- (a) Ecopreneur
- (b) Technopreneur
- (c) Intrapreneur
- (d) Social Entrepreneur

Answer: c

Q4. Family business always interested to handover the change of his business to:

- (a) Indian Administration Officers
- (b) Professional Managers
- (c) Next generation
- (d) None of the above

Answer: c

Q5. EDP (Entrepreneurship Development Programmes) is required to help:

- (a) Existing entrepreneurs
- (b) First generation entrepreneurs
- (c) Future generation entrepreneurs
- (d) None of the above

Answer: b

Q6. A Micro Enterprise is an enterprise where investment in plant and machinery does not exceed



(According to MSMED Act, 2006):

- (a) Rs. 25 Lakh
- (b) Rs. 20 Lakh
- (c) Rs. 15 Lakh
- (d) Rs. 30 Lakh

Answer: a

Q7. Why should an entrepreneur do a feasibility study for starting a new venture:

- (a) To identify possible sources of funds
- (b) To see if there are possible barriers to success
- (c) To estimate the expected sales
- (d) To explore potential customers

Answer: b

Q8. Which one of the following is the next stage to the Concept Stage of Product Planning and Development Process:

- (a) Idea Stage
- (b) Product Planning Stage
- (c) Product Development Stage
- (d) Test Marketing Stage

Answer: c

Q9. What is the process by which individuals pursue opportunities without regard to resources they currently control:

- (a) Startup management
- (b) Entrepreneurship
- (c) Financial analysis
- (d) Feasibility planning

Answer: b

Q10. An individual who initiates, creates and manages a new business can be called \_\_\_\_\_.

- (a) A leader
- (b) A manager
- (c) A professional
- (d) An entrepreneur

Answer: d

Q11. Which could provide an individual with the motivation to start a new business venture?

- (a) The financial rewards.
- (b) A desire to be independent.
- (c) Risk taking
- (d) All the above.

Answer: d

Q12. Why are small businesses important to a country's economy?

- (a) They give an outlet for entrepreneurs.
- (b) They can provide specialist support to larger companies.
- (c) They can be innovators of new products.
- (d) All the above.

Answer: d

Q13. \_\_\_\_\_ is the first development bank of the country.

- (a) ICICI.
- (b) IDBI.
- (c) SFC.
- (d) IFCI.

Answer: d

Q14. IFCI stands for \_\_\_\_\_.

- (a) Industrial finance corporation of India
- (b) Institutional finance corporation of India
- (c) Industrial funding corporation of India
- (d) Indian finance corporation and institution.

Answer: a

Q15. Large investment is made in fixed assets, the project will be termed as \_\_\_\_\_.

- (a) Capital Intensive.

(b) Labour Intensive.

(c) Product Intensive.

(d) Market Intensive.

Answer: a

Q16. New Small Scale industries are exempted from the payment of income tax under section 80J is called \_\_\_\_\_.

- (a) Development Rebate
- (b) Investment Allowance
- (c) Rehabilitation Allowance
- (d) Tax Holiday

Answer: b

Q17. An individual who initiates, creates and manages a new business can be called \_\_\_\_\_.

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Q18. Why are small businesses important to a country's economy?

- (a) They give an outlet for entrepreneurs.
- (b) They can provide specialist support to larger companies.
- (c) They can be innovators of new products.
- (d) All the above.

Answer: d

Q19. As a business grows, time management continues to be an issue, but the entrepreneur's major concern usually becomes:

- (a) Setting goals
- (b) Finding, retaining, and motivating qualified employees
- (c) Measuring performance.
- (d) All of the above.

Answer: b

Q20. An entrepreneur who owns more than one business at a time is called \_\_\_\_\_.

- (a) An intrapreneur
- (b) A corporate entrepreneur.
- (c) A portfolio entrepreneur.
- (d) None of the above.

Answer: c

Q21. Idea of new product is tested in potential consumers to determine consumer acceptance at \_\_\_\_\_ stage.

- (a) Concept.
- (b) Product development.
- (c) Test marketing.
- (d) Commercialization.

Answer: c

Q22. Which one of the following describes unemployment?

- (a) The number of people who voluntarily choose not to work.
- (b) The number of people who are jobless and are actively seeking work.
- (c) The number of people who are not actively seeking work.
- (d) The number of people actively seeking work who find work.

Answer: b

Q23. Which one of the following is not considered as one of the building blocks of the model entrepreneur?

- (a) Technical skills.

- (b) Management competencies.
  - (c) Business awareness.
  - (d) Personal attributes.
- Answer: c

Q24. The purpose of soft loan scheme is to encourage units to undertake \_\_\_\_\_.

- (a) Modernization of plant and machinery.
- (b) Replacement of plant and machinery.
- (c) Renovation of plant and machinery.
- (d) All the above

Answer: d

Q25. Seed capital assistance is \_\_\_\_\_.

- (a) A long-term assistance.
- (b) Initial assistance
- (c) A help for the purchase of seeds.
- (d) A short-term assistance.

Answer: b

Q26. Entrepreneurship is a creative activity - Said by:

- (a) Frederick Harbison
- (b) F. Hoselitz
- (c) Higgins
- (d) Joseph

Answer: (d)

Q27. Socialism is opposed to

- (a) Social security scheme
- (b) Equal distribution of wealth
- (c) Unrestricted competition
- (d) Collective ownership and management

Answer : c

Q28. The concept of mixed economy relates to

- (a) The coexistence of rural sector and urban sector
- (b) The coexistence of public sector and private sector
- (c) The coexistence of small-scale sector and large-scale sector
- (d) The coexistence of service sector and manufacturing sector

Answer : b

Q29. An "open economy" is an economy in which

- (a) Foreign investment is allowed
- (b) Foreigners can stay for an indefinite time period
- (c) License is not required to start a business
- (d) Exports as well as imports take place

Answer : d

Q30. Economic liberalization in India started with

- (a) Substantial changes in industrial licensing policy
- (b) The convertibility of Indian rupee
- (c) Doing away with procedural formalities for foreign direct investment
- (d) Significant reduction in tax rates

Answer : a

Q31. SAMPADA scheme is related to

- (a) Empowering women through microfinance
- (b) Agricultural credit to small farmers
- (c) Agro-food processing industry
- (d) Providing loans for development of textile industries

Answer : c

Q32. Regional disparity in per capita income in India has increased in the post-reform period due to many factors. Which among the following factors has not contributed to the growth in such disparity?

- (a) Decline in the share of public investment
- (b) Change in policy regime regulating investment

location

- (c) Poor governance and poor infrastructure
- (d) Allocation of funds by the central government

Answer : d

Q33. The notion that trade between nations can be profitable even if one of the two nations can produce both the commodities more efficiently than the other nation' is the gist of

- (a) Absolute cost advantage theory
- (b) Comparative cost advantage theory
- (c) Opportunity cost theory
- (d) Factor-endowment theory

Answer : b

Q34. Tourism industry in India is quite small compared to many other countries in terms of India's potential and size. Which one of the following statements is the most appropriate answer?

- (a) Distance in India are too far apart, and its luxury hotels are too expensive for western tourists.
  - (b) For most of the months, India is too hot for western tourists to feel comfortable.
  - (c) Most of the picturesque resorts in India such as in the North East and Kashmir are, for all practical purposes, out of bounds.
  - (d) In India, the infrastructure required for attracting tourists is inadequate.
- Answer : d

Q35. In the context of the micro, small, and medium enterprises (MSME) sector in India, which among the following is/are the correct criteria for declaring an enterprise "micro"?

1. The investment in plant and machinery does not exceed Rupees 25 lakh.
2. The enterprise should fall in the category of manufacturing sector and not in service sector.

Select the correct answer using the codes given below :

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Answer : a

Q36. Consider the following statements regarding arguments for free trade :

1. Free trade leads to specialization in production.
2. Free trade prevents monopoly.
3. Free trade protects domestic industries.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 1 and 2 only
- (c) 2 and 3 only
- (d) 1, 2, and 3

Answer : b

Q37. Division of labour often involves

1. Specialized economic activity
2. Highly distinct productive roles
3. Employment roles for every individual
4. Individuals engage in only a single activity and are dependent on others to meet their various needs

Select the correct answer using the codes given below :

- (a) 1, 3 and 4 only
- (b) 1, 2, and 4 only
- (c) 1 and 3 only
- (d) 2 and 4 only

Answer : b

Q38. The main objective of setting up DICs was to promote under a single roof all the services & support required by small & village entrepreneurs. This scheme was introduced in May \_\_\_\_

- (a) 1970
- (b) 1975
- (c) 1978
- (d) None of the above

Answer: c

Q39. SIDO stands for \_\_\_\_

- (a) Small Industries Developing Organization
- (b) Small Industries Development Organization
- (c) Short Industries Development Organization
- (d) Small Industries Deployment Organization

Answer: b

Q40. ICICI stands for \_\_\_\_

- (a) Industrial Company & Investment Corporation of India Limited
- (b) Industrial Corporation & Investment Company of India Limited
- (c) Industrial Credit & Investment Corporation of India Limited
- (d) Investment Credit & Investment Corporation of India Limited

Answer: c

Q 42. "Seed Capital Scheme" has been operated by

- (a) SBI
- (b) IDBI
- (c) NSCI
- (d) None of the above

Answer : b

Q43. An \_\_\_\_ in a tract of land which is subdivided and developed according to a comprehensive plan for the use of a community of industrial enterprises.

- (a) Industrial plan
- (b) Industrial Estate
- (c) Industrial unit
- (d) None of the above

Answer: b

Q44. \_\_\_\_ signifies a situation when an enterprise process excess assets in relation to its requirement.

- (a) Over capitalization
- (b) profit
- (c) proper capitalization
- (d) Actual capitalization

Answer: a

Q45. The small sector was classified into three categories by IRP 1977

- (a) Cottage & household industries, Tiny Sector, small-scale industries.
- (b) Cottage & household industries, large, smallscale industries.
- (c) Cotton & household industries, Tiny Sector, small-scale industries.
- (d) Household industries, Tiny Sector, small-scale industries.

Answer: a

Q46. Engineering expenses related to the business & legal charges are examples of \_\_\_\_

- (a) Preliminary Expenses
- (b) Functional Expenses
- (c) Operational expenses
- (d) None

Answer: a

Q47. On the basis of organization set-Up, the following are the type of Industrial estate

- (a) Government, Public, cooperative, Municipal Industrial estate
- (b) Government, Private, cooperative, Municipal Industrial estate
- (c) Government, Public, cooperative, Municipal Industrial estate
- (d) Government, Private, public, Municipal Industrial estate

Answer: b

Q48. Capital is arranged from Internal sources refers to the owner's own money known as

- (a) Profit
- (b) Capital
- (c) Equity
- (d) None of the above

Answer: c

Q49. \_\_\_\_ is usually done by a financial institution which besides making an analysis of cost & benefits of a proposed project assesses the project from the various aspects of an investment proposition before extending finance.

- (a) Project planning
- (b) Project appraisal
- (c) Project costing
- (d) none of the above

Answer: b

Q50. According to Peter F. Drucker, there are three kinds of opportunities

- (a) Additive, Complementary, Breakthrough
- (b) Additive, Complementary, Supplementary
- (c) Additive, Complementary, Breakthrough
- (d) Additional, Complementary, Breakthrough

Answer: c

Q51. The main objective of setting up DICs was to promote under a single roof all the services & support required by small & village entrepreneurs. This scheme was introduced in May \_\_\_\_

- (a) 1970
- (b) 1975
- (c) 1978
- (d) None of the above

Answer: c

Q52. IDBI stands for \_\_\_\_

- (a) Industry Development Bank of India
- (b) Industrial Development Bank of Investment
- (c) Industrial Development by Bank of India
- (d) Industrial Development Bank of India

Answer: d

Q53. Which of the following is not a quality of a successful entrepreneur as specified by Mc Clelland?

- (a) He is endowed with unusual creativeness
- (b) He has a high degree of ambition
- (c) He is enriched by a high propensity
- (d) He has also a strong need for achievement.

Answer: (b)

Q54. SIDO was established in.

- (a) 1995
- (b) 1991
- (c) 1990
- (d) 1978

Answer: c

Q55. \_\_\_\_ says that entrepreneurship is a \_\_\_\_ activity.

- (a) Fredrick Harbison & creative
- (b) Fredrick Harbison & innovative
- (c) Schumpeter & creative
- (d) Schumpeter & innovative

Answer: (c)

Q56. IPR \_\_\_\_ initiated the modern SSI in India

- (a) 1956
- (b) 1952
- (c) 1990
- (d) 1948

Answer: a

Q57. The Human Development Index (HDI) summarizes a great deal of social performance in a single composite index, combining

- (a) disparity reduction rate, human resource development rate and the composite index.
- (b) longevity, education and living standard
- (c) minimum schooling, adult literacy and tertiary educational attainment.
- (d) human resource training, development and R&D

Answer: A

Q58. According to the text, basic needs include

- (a) food, clothing and housing.
- (b) health, education and quality housing.
- (c) adequate nutrition, primary education, health, sanitation, water supply and housing.
- (d) longevity and living standards.

Answer: B

Q59. ASEAN refers to the

- (a) Association of South East Asian Nations.
- (b) Association of South East Asian Nations.
- (c) Alliance of South East Asian Neighbors.
- (d) Alliance of South Eastern African Nations

Answer: B

Q60. As economic development proceeds, income inequality tends to follow a(n) \_\_\_\_\_ curve

- (a) convex.
- (b) inverted U-shape
- (c) L-shape
- (d) S-shape

Answer: B

Q61. According to Lewis' model, the dual economy grows only when

- (a) the modern sector increases its output share relative to the traditional sector.
- (b) agricultural sector uses modern equipment.
- (c) agricultural sector hires labor economically.
- (d) modern manufacturing sector is labor-intensive.

Answer: D

Q62. Dual economies are countries

- (a) with double capital and labor
- (b) with a modern manufacturing sector as well as traditional agriculture sector.
- (c) that specialize in labor-intensive products more than capital-intensive products.
- (d) with foreign-owned and domestically-owned capital.

Answer: B

Q63. The vicious circle theory states that

- (a) growing government assistance creates addiction to welfare programs.
- (b) low income levels create pressure for money creation.
- (c) low income levels create pressure for cheap imports.
- (d) low per capita income creates low savings that keep incomes low.

Answer: D

Q64. The Harrod-Domar growth model suggests that growth is

- (a) directly related to savings and inversely related to the capital/output ratio.

(b) directly related to the capital/output ratio and inversely related to savings.

(c) indirectly related to savings and the capital/output ratio.

(d) directly related to savings and the capital/output ratio.

Answer: D

Q65. Which of the following was not a classical economist?

- (a) Adam Smith.
- (b) Thomas R. Malthus.
- (c) John Stuart Mill.
- (d) John Maynard Keynes.

Answer: D

Q66. Adam Smith advocated I laissez-faire. II the invisible hand III free-trade policy. IV competitive markets.

- (a) I and II only
- (b) II and III only
- (c) I, II and III only
- (d) I, II, III and IV

Answer: D

Q67. Rostow's economic stages are

- (a) the preconditions for takeoff, the takeoff, the drive to maturity, and the age of creative destruction.
- (b) the traditional society, the preconditions for takeoff, the takeoff, the drive to maturity, and the age of high mass consumption.
- (c) the preconditions for consumption, the replication, the drive to maturity, and the age of high mass consumption.
- (d) the learning curve, the age of high mass consumption, post-takeoff, and the drive to maturity.

Answer: B

Q68. The essential difference between capitalism and socialism is that

- (a) capitalism exploits the worker and socialism exploits the property owner.
- (b) capitalism relies on the market to make economic decisions and socialism uses central planning.
- (c) capitalism grows through rent seeking and socialism grows through government direction.
- (d) capitalism relies on consumer satisfaction to dictate choices and socialism relies on producer satisfaction.

Answer: B

Q69. The ultimate effect of the "invisible hand" of Adam Smith is that, in a competitive economy, everyone

- (a) benefits if each acts in his/her own interest.
- (b) will increase their profits in a free market.
- (c) should act to maximize economic growth.
- (d) should act to promote the public interest.

Answer: A

Q70. Sen's welfare theory relies on

- (a) individuals' accomplishments.
- (b) individuals' capabilities.
- (c) individuals' wealth.
- (d) individuals' education.

Answer: A

Unit: 02

Q1. \_\_\_\_\_ is primarily concerned with the identification of the project demand potential and the selection of the optimal technology.

- (a) Techno-economic analysis
- (b) Feasibility analysis

- (c) Input analysis  
(d) Financial analysis  
Answer: a

Q2. Promoter is a person who \_\_\_\_\_.

- (a) Takes part in the incorporation of a company.  
(b) Is a director.  
(c) Is a relative of the managing director.  
(d) Works to publicity to the company.  
Answer: a

Q3. Which of the following is not an aspect of appraisal of term loans by commercial banks?

- (a) Financial  
(b) Technical feasibility.  
(c) Economic feasibility.  
(d) Societal feasibility.  
Answer: d

Q4. The application for registration of a small scale unit should be submitted to the \_\_\_\_\_.

- (a) General Manager, DIC.  
(b) Director, DIC.  
(c) General Manager, NSIC.  
(d) Director, NSIC.  
Answer: a

Q5. A decision which is non-repetitive and novel nature and required to solve unstructured problem is called as \_\_\_\_\_.

- (a) Programmed decisions.  
(b) Non-programmed decisions.  
(c) Routine decisions.  
(d) Strategic decisions.  
Answer: b

Q6. \_\_\_\_\_ is primarily concerned with the identification, qualification and evaluation of the project resources.

- (a) Techno-economic analysis.  
(b) Feasibility analysis.  
(c) Input analysis.  
(d) Financial analysis.  
Answer: b

Q7. Industries producing complete articles for direct consumption & also processing industries are called as \_\_\_\_\_.

- (a) Manufacturing industries.  
(b) Feeder Industries.  
(c) Service Industries.  
(d) Mining or Quarrying.  
Answer: a

Q8. \_\_\_\_\_ implies the availability or otherwise of plant and machinery and technical know how to produce the product.

- (a) Economic viability.  
(b) Financial feasibility.  
(c) Technical feasibility.  
(d) Managerial competence  
Answer: c

Q9. Decisions taken by an entrepreneur on behalf of his enterprise are known as \_\_\_\_\_.

- (a) Organizational decisions.  
(b) Personal decisions.  
(c) Routine decisions.  
(d) Strategic decisions  
Answer: a

Q10. Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as \_\_\_\_\_.

- (a) Organizational decisions.  
(b) Personal decisions.  
(c) Routine decisions  
(d) Strategic decisions.  
Answer: d

Q11. \_\_\_\_\_ may be defined as the excess of present value of project cash inflows over that of out flows.

- (a) Net present value technique.  
(b) Average rate of return.  
(c) Benefit-Cost ratio.  
(d) Internal rate of return  
Answer: a

Q12. \_\_\_\_\_ is the analysis of costs and benefits of a proposed project with the goal of assuming a rational allocation of limited funds.

- (a) Project formulation.  
(b) Project evaluation.  
(c) Project appraisal.  
(d) Project Design.  
Answer: c

Q13. \_\_\_\_\_ is a graphical representation of the various activity and event relating to a project.

- (a) Network  
(b) Scheduling technique.  
(c) Logical Model.  
(d) Network Diagram  
Answer: d

Q14. \_\_\_\_\_ is primarily concerned with the identification of the project demand potential and the selection of the optimal technology.

- (a) Techno-economic analysis.  
(b) Feasibility analysis.  
(c) Input analysis.  
(d) Financial analysis.  
Answer: a

Q15. New Small Scale industries are exempted from the payment of income tax under section 80J is called \_\_\_\_\_.

- (a) Development Rebate.  
(b) Investment Allowance.  
(c) Rehabilitation Allowance  
(d) Tax Holiday  
Answer: b

Q16. Large investment is made in fixed assets; the project will be termed as \_\_\_\_\_.

- (a) Capital Intensive  
(b) Labour Intensive.  
(c) Product Intensive.  
(d) Market Intensive.  
Answer: a

Q17. \_\_\_\_\_ can be defined as a specifically evolved work plan designed to achieve a specific objective within a specific period of time.

- (a) Idea generation.  
(b) Opportunity Scanning.  
(c) Project.  
(d) Strategy.  
Answer: c

Q18. EDPs course contents contain \_\_\_\_\_.

- (a) General introduction to entrepreneurs.  
(b) Motivation training.  
(c) Managerial skills.  
(d) All the above  
Answer: d

Q19. A commercial banker would prefer a

\_\_\_\_\_ debt-equity ratio over the years as it indicates financial strength of a unit.

- (a) Declining.
- (b) Increasing.
- (c) Stable.
- (d) Fluctuating.

Answer: a

Q20. Goods or services reach the market place through \_\_\_\_\_.

- (a) Marketing channels.
- (b) Multilevel pyramids.
- (c) Monopolies.
- (d) Multiplication.

Answer: a

Q21. Someone legally appointed to resolve the financial difficulties of an insolvent firm is called \_\_\_\_\_.

- (a) An administrator.
- (b) A predator.
- (c) An auditor.
- (d) A turnaround consultant

Answer: a

Q22. Why should an entrepreneur do a feasibility study for starting a new venture?

- (a) To identify possible sources of funds
- (b) To see if there are possible barriers to success
- (c) To estimate the expected sales
- (d) To explore potential customers

Answer: c

Q23. To provide financial assistance to entrepreneurs the government has set up a number of \_\_\_\_\_.

- (a) Financial advisors.
- (b) Financial intermediaries.
- (c) Industrial estates.
- (d) Financial institutions.

Answer: d

Q24. LOB stands for \_\_\_\_\_.

- (a) Line of Business.
- (b) Line of Balance
- (c) Loss of Business.
- (d) Loss of Balance

Answer: b

Q25. District Industries Centers are located \_\_\_\_\_.

- (a) In each district.
- (b) In each state.
- (c) Only in selected districts.
- (d) Only in selected states.

Answer: a

Q26. Which theory describes money received in the current time it has more worth than money received in future

- (a) Cash value of money
- (b) Time value of money
- (c) Storage value of money
- (d) Lead value of money

Answer: B

Q27. A project assumed monetary gain or loss by discounting entire cash inflows and outflows by utilising the necessary rate of return is listed as

- (a) Net recorded cash value
- (b) Net discounted value
- (c) Net future value
- (d) Net present value

Answer: D

Q28. As per the net present value, any projects to

be acceptable should have a

- (a) Positive net present value
- (b) Zero net present value
- (c) Negative net present value
- (d) Both A and B

Answer: D

Q29. The cash flows method, utilized by the internal rate of return and net present value method are

- (a) Future cash flows
- (b) Lean cash flows
- (c) Discounted cash flows
- (d) Vertical cash flows

Answer: C

Q30. Which method in a capital budgeting is based on the discounted cash flow?

- (a) Net equity budgeting method
- (b) Net capital budgeting method
- (c) Net future value method
- (d) Net present value method

Answer: D

Q31. Cash flows are a project' s revenue and are indicated by

- (a) Positive numbers
- (b) Negative numbers
- (c) Relative number
- (d) Hurdle number

Answer: A

Q32. In which payback period a due cash flows are discounted with the cost of capital of the project is categorized as

- (a) Discounted project cost
- (b) Discounted cash flows
- (c) Discounted rate of return
- (d) Discounted payback period

Answer: A

Q33. Which of the option is not a part of the three primary procedure of firm valuation?

- (a) Market Share
- (b) Balance sheet
- (c) Income or earnings
- (d) Discounted Cashflow

Answer: A

Q34. Internal rate of return is

- (a) The rate at which discounted cash inflow is equal to the discounted cash outflow
- (b) The rate at which discounted cash inflow is less than discounted cash outflow
- (c) The rate at which discounted cash inflow is more than discounted cash outflow
- (d) None of the above

Answer: A

Q35. Which cash flow is accessible for a firm' s investors?

- (a) Free cash flow
- (b) Investing cash
- (c) Intrinsic stock
- (d) Extrinsic stock

Answer: A

Q36. Investment can be defined as

- (a) Person' s dedication to purchasing a house or flat
- (b) Use of capital on assets to receive returns
- (c) Usage of money on a production process of products and services
- (d) Net additions made to the nation' s capital stocks

Answer: B

Q37. The concept of Financial management is.

- (a) Profit maximization
  - (b) All features of obtaining and using financial resources for company operations
  - (c) Organization of funds
  - (d) Effective Management of every company
- Answer: B

Q38. What is the primary goal of financial management?

- (a) To minimise the risk
  - (b) To maximise the owner's wealth
  - (c) To maximise the return
  - (d) To raise profit
- Answer: B

Q39. GST is a consumption of goods and service tax based on.

- (a) Development
  - (b) Dividend
  - (c) Duration
  - (d) Destination
- Answer: D

Q40. The finance manager is accountable for.

- (a) Earning capital assets of the company
  - (b) Effective management of a fund
  - (c) Arrangement of financial resources
  - (d) Proper utilisation of funds
- Answer: C

Q41. The market value of the shares is decided by

- (a) The investment market
  - (b) The government
  - (c) Shareholders
  - (d) The respective companies
- Answer: A

Q42. The capital budget is associated with.

- (a) Long terms and short terms assets
  - (b) Fixed assets
  - (c) Long terms assets
  - (d) Short term assets
- Answer: C

Q43. CAPM stands for.

- (a) Capital asset pricing model.
  - (b) Capital amount printing model.
  - (c) Capital amount pricing model.
  - (d) Capital asset printing model.
- Answer: A

Q44. What does financial leverage measure?

- (a) No change with EBIT and EPS
  - (b) The sensibility of EBIT with % change with respect to output
  - (c) The sensibility of EPS w.r.t % change in the EBIT level
  - (d) % variation in the level of production
- Answer: C

Q45. From the below-mentioned items which are financial assets?

- (a) Machines
  - (b) Bonds
  - (c) Stocks
  - (d) B and C
- Answer: D

Q46. Which among the following costs are not useful for managerial decision making?

- (a) Sunk Cost
  - (b) Marginal Cost
  - (c) Standard Cost
  - (d) None of the above
- Answer: a

Q47. The installation of a \_\_\_\_\_ system will create confidence in the minds of public about the fairness of the prices charge(d)

- (a) Costing
  - (b) Financial accounting
  - (c) Management accounting
  - (d) Information
- Answer: a

Q48. The exact cause of increase or decrease in profit or loss is disclosed by

- (a) Management accounting system
  - (b) Financial accounting system
  - (c) Cost accounting system
  - (d) Management information system
- Answer: c

Q49. Data required for the fixation of selling price is provided by

- (a) Management accounting system
  - (b) Financial counting system
  - (c) Cost accounting system
  - (d) All of these
- Answer: c

Q50. Cost accounting has developed due to the \_\_\_\_\_ of financial accounting

- (a) Advantages
  - (b) Limitations
  - (c) Merits
  - (d) Expansion
- Answer: b

Q51. The main objective of cost accounting is

- (a) Recording of cost
  - (b) Fixation of selling price
  - (c) Cost control
  - (d) Maximise profit
- Answer: c

Q52. \_\_\_\_\_ is the application of costing and cost accounting principles, methods and techniques to the art, science and practice of cost control and the ascertainment of profitability.

- (a) Cost accounting
  - (b) Cost accountancy
  - (c) Cost Control
  - (d) Cost Ascertainment
- Answer: b

Q53. Cost accountancy is considered an art because it \_\_\_\_\_

- (a) Has systematic body of knowledge
  - (b) requires necessary ability and skills
  - (c) involves continuous efforts of cost accountant
  - (d) None of the above
- Answer: b

Q54. Which of the following statements are not true regarding cost accounting?

- (a) Information obtained is used by management for decision making
  - (b) Stock is valued at cost
  - (c) Deals partly with facts & partly with estimates
  - (d) Accounts are mandatory according to Companies Act and IT Act
- Answer: d

Q55. "The amount of expenditure (actual or notional) incurred or attributable to a given thing" is

- (a) Expense
  - (b) Revenue expenditure
  - (c) Cost
  - (d) Value
- Answer: c

Q56. Cost accountancy is considered a science because \_\_\_\_\_



- (a) It has a systematic body of knowledge
- (b) It requires necessary ability and skills
- (c) Involves continuous efforts of a cost accountant
- (d) None of the above

Answer: a

Q57. \_\_\_\_\_ is a "measurement in monetary terms of the amount of resources used for some purpose". (a) Cost

- (b) Revenue expenditure
- (c) Expense
- (d) Value

Answer: a

Q58. Cost accounting mainly helps the management in

- (a) Earning profit
- (b) Providing information to management
- (c) Fixing prices of the products
- (d) All of the above

Answer: b

Q59. \_\_\_\_\_ is that portion of expired cost resulting from a productive usage of an asset.

- (a) Cost
- (b) Expense
- (c) Loss
- (d) None of these

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Answer: b

Q60. Expired cost is recorded in \_\_\_\_\_

- (a) Balance Sheet
- (b) Profit & Loss A/c
- (c) Cash flow statement
- (d) None of the above

Answer: b

Q61. Which theory describes money received in the current time it has more worth than money received in future

- (a) Cash value of money
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- (d) Lead value of money

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- (d) Vertical cash flows

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- (c) Discounted rate of return
- (d) Discounted payback period

Answer: A

Q68. Which of the option is not a part of the three primary procedure of firm valuation?

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- (a) Market Share
- (b) Balance sheet
- (c) Income or earnings
- (d) Discounted Cashflow

Answer: A

Q69. Internal rate of return is

- (a) The rate at which discounted cash inflow is equal to the discounted cash outflow
- (b) The rate at which discounted cash inflow is less than discounted cash outflow
- (c) The rate at which discounted cash inflow is more than discounted cash outflow
- (d) None of the above

Answer: A

Q70. Which cash flow is accessible for a firm's investors?

- (a) Free cash flow
- (a) Investing cash
- (a) Intrinsic stock
- (a) Extrinsic stock

Answer: A

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### Unit: III

Q1. Which of the following is not an inventory?

- (a) Machines
- (b) Raw material
- (c) Finished products
- (d) Consumable tools

Answer: a

Q2. The time period between placing an order its receipt in stock is known as:

- (a) Lead time
- (b) Carrying time
- (c) Shortage time
- (d) Over time

Answer: a

Q3. The accounts payable, accruals and notes payables are listed on balance sheet as

- (a) Accrued liabilities
- (b) Current liabilities
- (c) Accumulated liabilities
- (d) Non-current liabilities

Answer: b

Q4. The cash and equivalents, inventories and accounts receivables are classified as

- (a) Assets on balance sheet
- (b) Liabilities on balance sheet
- (c) Earnings on income statement
- (d) Payments on income statement

Answer: a

Q5. In the situation of bankruptcy, the stock which is recorded above common stock and below debt account is:

- (a) debt liabilities
- (b) preferred stock
- (c) hybrid stock
- (d) common liabilities

Answer: b

Q6. According to accounting equation assets are equal to?

- (a) Liabilities
- (b) Liabilities and equities
- (c) Equities
- (d) None of these

Answer: b

Q7. The results of business activities are reflected in

- (a) profit and loss account
- (b) profit and loss appropriation account
- (c) balance sheet
- (d) none of these

Answer: c

Q8. Balance sheet is a statement which discloses an organization's

- (a) assets
- (b) liabilities
- (c) owner's equity
- (d) all of these

Answer: d

Q9. Current liabilities need to be paid

- (a) within one accounting cycle
- (b) beyond one accounting cycle
- (c) within 3 years

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- (d) within 6 months

Answer: a

Q10. Which of the following is a financial asset?

- (a) Inventories
- (b) Equipment
- (c) Loan to an associate
- (d) Accounts receivable

Answer: d

Q11. The cash flow statement consists of which of the following sections?

- (a) Operating and non-operating
- (b) current and non-current
- (c) operating, investing and financing
- (d) trading and financial

Answer: c

Q12. When does an accountant record a transaction?

- (a) If it is materialized by a concrete document
- (b) if it has a tax implication
- (c) on Manager's demand
- (d) None of these

Answer: a

Q13. Which of the following describes a record of the transactions?

- (a) General ledger
- (b) Income statement
- (c) Balance sheet
- (d) Journal

Answer: d

Q14. Earnings are the result of the difference between

- (a) revenue and assets
- (b) revenue and liabilities
- (c) liabilities and expenses
- (d) revenue and expenses

Answer: d

Q15. Which of the following equations represents the balance sheet?

- (a)  $\text{Assets} + \text{Liabilities} = \text{Shareholders' equity}$
- (b)  $\text{Assets} = \text{Liabilities} = \text{shareholders' equity}$
- (c)  $\text{Assets} = \text{Liabilities} - \text{Shareholders' equity}$
- (d)  $\text{Assets} = \text{Liabilities} + \text{Shareholders' equity}$

Answer: d

Q16. Financially, shareholders are rewarded by

- (a) interest
- (b) profits
- (c) dividends

- (d) none of these

Answer: c

Q17. Process control is carried out:

- (a) Before production
- (b) During production
- (c) After production control
- (d) All of the above

Answer: b

Q18. Low cost, higher volume items requires:

- (a) No inspection
- (b) Little inspection
- (c) Intensive inspection
- (d) 100% inspection

Answer: b

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Q19. High cost, low volume items requires:

- (a) No inspection
- (b) Little inspection
- (c) Intensive inspection
- (d) 100% inspection

Answer: c

Q20. A six sigma process has defect level below \_\_\_\_\_ defects per million opportunities.

- (a) 3.4
- (b) 4.5
- (c) 5.6
- (d) 6.7

Answer: a

Q21. The objective of ISO-9000 family of Quality management is:

- (a) Customer satisfaction
- (b) Employee satisfaction
- (c) Skill enhancement
- (d) Environmental issues

Answer: a

Q21. The following is (are) the machine down time.

- (a) Waste
- (b) No material
- (c) Breakdown
- (d) All of the above

Answer: d

Q22. \_\_\_\_\_ helps organization reduce employee turnover and absenteeism.

- (a) Job design
- (b) Training & development
- (c) Wage revision
- (d) All of the above

Answer: b

Q23. Inspection assures that:

- (a) The process is in control
- (b) Workers are motivated
- (c) Product meets specification
- (d) Quality problems are solved

Answer: c

Q24. Procurement cycle time is time consumed for

- (a) Receiving of raw material
- (b) Inspection of various raw materials
- (c) Inspection of purchased components parts
- (d) All of the above

Answer: d

Q25. Centralized and decentralized are the types of:

- (a) Routing
- (b) Dispatching
- (c) Scheduling
- (d) Follow up

Answer: (b)

Q26. Accounting provides data or information on

- (a) Income and cost for the managers
- (b) Financial conditions of the institutions
- (c) Company's tax liability for a particular year
- (d) All the above

Answer: D

Q27. Long term assets without any physical existence but, possessing a value are called

- (a) Intangible assets
- (b) Fixed assets

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- (c) Current assets
- (d) Investments

Answer: A

Q28. The assets that can be easily converted into cash within a short period, i.e., 1 year or less are known as

- (a) Current assets
- (b) Fixed assets
- (c) Intangible assets
- (d) Investments

Answer: A

Q29. Copyrights, Patents and Trademarks are examples of

- (a) Current assets
- (b) Fixed assets
- (c) Intangible assets
- (d) Investments

Answer: C

Q30. The debts which are to be repaid within a short period (a year or less) are referred to as,

- (a) Current Liabilities
- (b) Fixed liabilities
- (c) Contingent liabilities
- (d) All the above

Answer: A

Q31. Gross profit is

- (a) Cost of goods sold + Opening stock
- (b) Sales - cost of goods sold
- (c) Sales - Purchases
- (d) Net profit - expenses

Answer: B

Q32. Net profit is calculated in which of the following account?

- (a) Profit and loss account
- (b) Balance sheet
- (c) Trial balance
- (d) Trading account

Answer: A

Q33. In order to find out the value of the closing stock during the end of the financial year we,

- (a) do this by stocktaking
- (b) deduct the cost of goods sold from sales
- (c) deduct opening stock from the cost of goods sold
- (d) look in the stock account

Answer: A

Q34. Which of these best explains fixed assets?

- (a) Are bought to be used in the business
- (b) Are expensive items bought for the business
- (c) Are items which will not wear out quickly
- (d) Are of long life and are not purchased specifically for resale

Answer: D

Q35. The charges of placing commodities into a saleable condition should be charged to

- (a) Trading account
- (b) P & L a/c
- (c) Balance Sheet
- (d) None of the above

Answer: B

Q36. Suppliers personal a/c are seen in the

- (a) Sales Ledger
- (b) Nominal ledger

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- (c) Purchases Ledger
- (d) General Ledger

Answer: C

Q37. If you want to ensure that your money will be secured if cheques sent are wasted in the post, you should

- (a) Always pay by cash
- (b) Cross your Cheques 'Account Payee only, Not Negotiable.'

- (c) Always get the money in person
- (d) Not use the postal service in future

Answer: B

Q38. Discounts received are

- (a) Buyer of goods granted discount by seller
- (b) Deducted when we receive cash
- (c) Given by us when we sell goods on credit
- (d) None of these

Answer: A

Q39. Sales invoices are first entered in

- (a) The Cash Book
- (b) The Purchases Journal
- (c) The Sales Journal
- (d) The Sales Account

Answer: C

Q40. Entered in the Purchases Journal are

- (a) Discounts received
- (b) Purchases invoices
- (c) Payments to suppliers
- (d) Trade discounts

Answer: B

Q41. At the balance sheet date, the balance on the Accumulated Provision for Depreciation Account is

- (a) Simply deducted from the asset in the Balance Sheet
- (b) Transferred to Profit and Loss Account
- (c) Transferred to the Asset Account
- (d) Transferred to Depreciation Account

Answer: A

Q42. If we take goods for own use we should

- (a) Debit Drawings Account, Credit Purchases Account
- (b) Debit Drawings Account: Credit Stock Account
- (c) Debit Sales Account: Credit Stock Account
- (d) Debit Purchases Account: Credit Drawings Account

Answer: A

Q43. Which of the following is true for 'Routing' ?

- (a) It is flow of work in the plant
- (b) Route sheets include list of machine tools that are to be followed
- (c) It depends upon material handling facilities
- (d) All of the above

Answer: d

Q44. Loading may be defined as

- (a) Sending the raw material to the machine
- (b) Sending the finished material to the store
- (c) Assign the work to the facilities
- (d) Uploading a software in machine control panel

Answer: c

Q45. Dispatching authorizes the start of production operations by

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Release of material and components from stores to first process

Release of material from process to process

Issue of drawings instruction sheets

Which of the following is (are) true?

- (a) Only i
- (b) Only ii
- (c) i & ii
- (d) i, ii & iii

Answer: d

Q46. The bill of material does not consists of

- (a) Part number
- (b) Specifications of part
- (c) Name of the part
- (d) Price of the part

Answer: d

Q47. Procurement cycle time is time consumed for

- (a) Receiving of raw material
- (b) Inspection of various raw materials
- (c) Inspection of purchased components parts
- (d) All of the above

Answer: d

Q48. The transit time consist of

- (a) Time taken by raw material from machine to machine
- (b) Time consumed in moving the work between various departments
- (c) Time taken by a worker to machine a component
- (d) None of the above

Answer: b

Q49. Master schedule is prepared for

- (a) Single product continuous production
- (b) Multi product batch production
- (c) Assembly product continuous production
- (d) Single product batch production

Answer: c

Q50. Which of the following chart is drawn Machine vs time?

- (a) Man machine chart
- (b) The load chart
- (c) The progress chart
- (d) Curve chart

Answer: b

Q51. Gantt chart is mostly used for

- (a) Routing
- (b) Scheduling
- (c) Follow up
- (d) Inspection and quality control

Answer: b

Q52. If the firm stops making repayments and the goods or assets are taken away from them as a result, this is known as:

- (a) Cancellation
- (b) Forfeiture
- (c) Repossession
- (d) Annulment

Answer: C

Q53. Which of the following would not make a distinction between a hire purchase and a 'normal' purchase?

- (a) Trade discounts cannot be offered on hire purchase
- (b) Purchaser pays for item by instalments over a period of time

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- (c) Cost to buyer is likely to be higher than it would be for a normal purchase
- (d) Asset does not belong to purchaser when delivery is received from supplier

Answer: A

Q54. On the balance sheet of a company, the value of the asset bought through hire purchase will appear as:

- (a) Cost less depreciation to date less amount owing on hire purchase less interest owing
- (b) Cost less amounts owing on hire purchase
- (c) Cost less depreciation to date less amount owing on hire purchase
- (d) Cost less depreciation to date

Answer: D

Q55. The depreciation on an asset purchased through hire purchase should be:

- (a) Should be straight line only
- (b) Based on the cost price of the asset only
- (c) Based on the total cost including interest
- (d) No depreciation should be provide until the final payment is made

Answer: B

Q56. The interest charged on the hire purchase should appear in the profit and loss account in what manner?

- (a) The total interest levied should be divided equally over the total period the for purchase agreement
- (b) The interest charged in that period only should be included
- (c) Interest should instead be capitalised on the balance sheet
- (d) Interest should be apportioned in proportion to the repayment totals

Answer: B

Q57. Ownership of goods under hire purchase agreement is transferred at the time of :

- (a) Payment of down payment
- (b) Payment of first instalment
- (c) Payment of last instalment
- (d) None of the above

Answer: C

Q58. Which of the following does not give a difference between a hire purchase and a normal purchase?

- (a) Timing of payment for asset.
- (b) Legal ownership of asset.
- (c) Quality of asset purchase(d)
- (d) Total cost of asset.

Answer: C

Q59. The act of buying an asset without having to make full payment in the immediate future is known as:

- (a) Hire purchase
- (b) Finance lease
- (c) Operating lease
- (d) Sale and leaseback

Answer: A

Q60. The amount of interest is credited by the buyer to..... (a) Hire purchase Account

- (b) Hire Vendor Account
- (c) Interest Account
- (d) Cash Account

Answer: B

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Q61. Which of the following statements is correct?

- (a) Marketing is the term used to refer only to the sales function within a firm
- (b) Marketing managers usually don't get involved in production or distribution decisions
- (c) Marketing is an activity that considers only the needs of the organization, not the needs of society as a whole
- (d) Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large

Answer: (D)

Q62. Which of the following is NOT an element of the marketing mix?

- (a) Distribution
- (b) Product
- (c) Target market
- (d) Pricing

Answer: (C)

Q63. Marketing decision makers in a firm must constantly monitor competitors' activities-their products, prices, distribution, and promotional efforts-because

- (a) The competitors may be violating the law and can be reported to the authorities
- (b) The actions of competitors may threaten the monopoly position of the firm in its industry
- (c) The actions of competitors may create an oligopoly within an industry
- (d) New product offerings by a competitor

with the resulting competitive variations may require adjustments to one or more components of the firm's marketing mix

Answer: (D)

Q64. Political campaigns are generally examples of---

- (a) Cause marketing
- (b) Organization marketing
- (c) Event marketing
- (d) Person marketing

Answer: (D)

Q65. \_\_\_\_\_ is the collection and interpretation of information about forces, events, and relationships that may affect the organization.

- (a) Environmental scanning
- (b) Stakeholder analysis
- (c) Market sampling
- (d) Opportunity analysis

Answer: (A)

Q66. Which of the following is typically NOT a result of recognizing the importance of ethnic groups by marketers?

- (a) Use of an undifferentiated one-size-fits-all marketing strategy
- (b) Different pricing strategies for different groups
- (c) Variations in product offerings to suit the wants of a particular group
- (d) Study of ethnic buying habits to isolate market segments

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Answer: (A)

Q67. Strategic marketing planning establishes the--

- (a) Resource base provided by the firm's strategy
- (b) Economic impact of additional sales
- (c) Tactical plans that must be implemented by the entire organization
- (d) Basis for any marketing strategy

Answer: (D)

Q68. These objectives are often the most suitable when firms operate in a market dominated by a major competitor and where their financial resources are limited

- (a) Niche
- (b) Hold
- (c) Harvest
- (d) Divest

Answer: (A)

Q69. When companies make marketing decisions by considering consumers' wants and the long-run interests of the company, consumer, and the general population, they are practicing which of the following principles?

- (a) Innovative marketing
- (b) Consumer-oriented marketing
- (c) Value marketing
- (d) Societal marketing

Answer: (D)

Q70. The use of price points for reference to different levels of quality for a company's related products is typical of which product-mix pricing strategy?

- (a) Optional-product pricing
- (b) Captive-product pricing
- (c) By-product pricing
- (d) Product line pricing

Answer: (D)

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#### Unit-IV

1. A \_\_\_\_\_ is a set of activities which are networked in an order and aimed towards achieving the goals

of a project.

- (a) Project
- (b) Process
- (c) Project management
- (d) Project cycle

Answer: (A)

2. Resources refers to

- (a) Manpower
- (b) Machinery
- (c) Materials
- (d) All of the above

Answer: (D)

3. Developing a technology is an example of

- (a) Process
- (b) Project
- (c) Scope
- (d) All of the above

Answer: (B)

4. The project life cycle consists of

- (a) Understanding the scope of the project
- (b) Objectives of the project
- (c) Formulation and planning various activities
- (d) All of the above

Answer: (D)

5. Following is(are) the responsibility(ies) of the project manager.

- (a) Budgeting and cost control
- (b) Allocating resources
- (c) Tracking project expenditure
- (d) All of the above

Answer: (D)

6. Following are the phases of Project Management Life Cycle. Arrange them in correct order

Design, 2. Marketing, 3. Analysis and evaluation, 4. Inspection, testing and delivery

- (a) 3-2-1-4
- (b) 1-2-3-4
- (c) 2-3-1-4
- (d) 4-3-2-1

Answer: (A)

7. Design phase consist of

- (a) Input received
- (b) Output received
- (c) Both (a) and (B)
- (d) None of the above

Answer: (C)

8. Project performance consists of

- (a) Time
- (b) Cost
- (c) Quality
- (d) All of the above

Answer: (D)

9. Five dimensions that must be managed on a project

- (a) Constraint, Quality, Cost, Schedule, Staff
- (b) Features, Quality, Cost, Schedule, Staff
- (c) Features, priority, Cost, Schedule, Staff
- (d) Features, Quality, Cost, Schedule, customer

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Answer: (B)

10. Resource requirement in project becomes constant while the project is in its \_\_\_\_\_ progress stage.

- (a) 40 to 55%
- (b) 55 to 70%
- (c) 70 to 80%
- (d) 80 to 95%

Answer: (D)

11. One of the initial project documents, issued by senior management, which outlines the authority of the project manager, is

called Project charter. As a seller, what other document can be used in this place:

- (a) Work breakdown structure
- (b) Project scope

(c) Contract  
(d) Internal memo  
Answer: C

12. During the planning development process, at times it is necessary to make certain assumptions to enhance the project plan, when the data is not available. In regard to making those assumptions, which one of the following is most true for project planning purposes?  
(a) The assumptions will be considered as true, real, or certain.  
(b) By making the assumption, it tends to reduce the project risk.  
(c) Project assumptions are based upon historical data used for the project.  
(d) Senior management predefines the budget constraints.  
Answer: A

13. A project planning methodology is any structured approach used to guide the project team during development of the project plan. What is an example of this methodology?  
(a) Standard forms or templates.  
(b) Upper management involvement  
(c) Functional work authorizations  
(d) Stakeholders skills  
Answer: A

14. The engineer of the project in the planning phase and makes a significant contribution to the technical scope. This is an example of what type of skill and knowledge?  
(a) Inherent  
(b) Stakeholder  
(c) Technical evaluation  
(d) Convergent thinking  
Answer: B

15. In a program or project plan, there are always revisions to account for new or missing data. Which one of the following provides the best reason for performing a revision of the plan?  
(a) A supplier has changed the way their product is delivered to your supplier  
(b) Project tasks are crashed to meet their end dates  
(c) Human resources will remain constant through out the project  
(d) Historical data on a similar project suggests that risk events are not included in the current plan.  
Answer: B

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16. The project closing process is essential to overall project planning. What is considered one of the most important steps in closing the project?  
(a) Insuring that plans are produced to implement the project by phases.  
(b) Issuing work orders so that financial data can be collected  
(c) Transition the lease of equipment to the owner  
(d) Satisfying the contractual obligations  
Answer: D

17. Each project phase is marked by completion of one or more:  
(a) Tasks.  
(b) Milestones  
(c) Deliverables  
(d) Life cycles  
Answer: C

18. The Scope Statement should contain which of the following?  
(a) Project schedule  
(b) Project budget constraints  
(c) Summary of project tasks, deliverables

and resources required  
(d) Project objectives  
Answer: D

19. The Scope Management Plan is included in which of the following documents.  
(a) Project Plan  
(b) The Work Breakdown Structure  
(c) The Scope Statement  
(d) Project Specifications  
Answer: C

20. Milestones established by the customer must be adhered to by:  
(a) Project manager  
(b) Functional managers  
(c) The customer  
(d) Both a and b  
Answer: D

21. The decision to request an increase the resources for a project is the responsibility of the:  
(a) Functional manager  
(b) Project manager  
(c) Director of project management  
(d) Customer  
Answer: B

22. The decision to request an increase the resources for a project is the responsibility of the:  
(a) Functional manager  
(b) Project manager  
(c) Director of project management  
(d) Customer  
Answer: B

23. In which of the following project phases is the project schedule developed?  
(a) Conceptual  
(b) Planning  
(c) Implementation  
(d) Design  
Answer: B

24. To crash a schedule you should:

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(a) Increase the time allowed on those tasks that have float.  
(b) Try to increase expenditures of time only those tasks that are behind schedule.  
(c) Replace those workers that are not performing up to par with the busy.  
(d) Increase work efforts on those tasks that are on the critical path.  
Answer: D

25. Which of the following is NOT one of the primary needs for good project scheduling?  
(a) Cutting costs and reducing time  
(b) Decreasing the time required for decision making  
(c) Eliminating idle time  
(d) Developing better trouble shooting procedures.  
Answer: D

26. The time necessary to complete a project is referred to as:  
(a) Implementation time  
(b) Life cycle  
(c) Operations cycle  
(d) Production cycle  
Answer: B

27. The successful project managers spend most of their time:  
(a) Planning with their personnel  
(b) Planning with the top management  
(c) Communication with the project team  
(d) Studying project results  
Answer: C

28. A prerequisite of effective time management is:  
(a) Knowing the dictated project completion date  
(b) Having the most advanced software package for project planning, scheduling and control

(c) Having a good project WBS which identifies the major project deliverables and tasks, and the person responsible for each of them

(d) Having a well staffed scheduling department

Answer: A

29. Which type of project cost estimate is the most accurate?

(a) Preliminary

(b) Definitive

(c) Order of magnitude

(d) Conceptual

Answer: B

30. Cost budgeting can be best described by which of the following?

(a) The process of developing the future trends along with the assessment of probabilities, uncertainties, and inflation that could occur during the project

(b) The process of assembling and predicting costs of a project over its life cycle

(c) The process of establishing budgets, standards, and a monitoring system by which the investment cost of the project can be measured and managed

(d) The process of gathering, accumulating, analyzing, reporting, and managing the costs on an on-going basis

Answer: C

31. Which of the following is a direct project cost?

(a) Lighting and heating for the corporate office

(b) Workers Compensation insurance

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(c) Piping for an irrigation project

(d) A and B

Answer: C

32. Life Cycle Costing is a term that is:

(a) used when making decisions between alternatives

(b) employed principally by the government

(c) typically used in the construction industry

(d) not used within the government

(e) A and B

Answer: E

33. Measured quality of a manufactured product is :

(a) Always constant

(b) Continually decreasing

(c) Subject to a certain amount of variation

(d) Continually increasing

Answer: C

34. Which of the following is the most efficient means of product quality inspection?

(a) Acceptance sampling

(b) 100% inspection

(c) Variable sampling

(d) a and c

Answer: C

35. The primary components of the quality management function are :

(a) quality planning

(b) quality control and assurance

(c) quantitative measurement

(d) quantitative assessment of the project

(e) a and b

Answer: E

36. Which of the following has the greatest effect on product's reliability and maintenance characteristic?

(a) conceptualization

(b) product design

(c) fabrication

(d) a and b

Answer: D

37. Cash flow example from a financing activity is

(a) Payment of Dividends

(b) Receipt of Dividend on Investment

(c) Cash Received from Customers

(d) Purchase of Fixed Asset

Answer: A

38. Cash flow example from an investing activity is

(a) Issue of Debenture

(b) Repayment of Long-term Loan

(c) Purchase of Raw Materials for Cash

(d) Sale of Investment by Non-Financial Enterprise

Answer: D

39. Cash flow example from an operating activity is

(a) Purchase of Own Debenture

(b) Sale of Fixed Assets

(c) Interest Paid on Term-deposits by a Bank

(d) Issue of Equity Share Capital

Answer: C

40. Which item comes under financial activities in cash flow?

(a) Redemption of Preference Share

(b) Issue of Preference Share

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(c) Interest Paid

(d) All the above

Answer: D

41. Managerial Economics is

(a) Dealing only micro aspects

(b) Only a normative science

(c) Deals with practical aspects

(d) All of the above

Answer: (D)

42. The techniques of optimization include

(a) Marginal analysis

(b) Calculus

(c) Linear programming

(d) All of the above

Answer: (D)

43. In economics, desire backed by purchasing power is known as

(a) Utility

(b) Demand

(c) Consumption

(d) Scarcity

Answer: (B)

44. Basic assumptions of law of demand include

(a) Prices of other goods should change.

(b) There should be substitute for the commodity.

(c) The commodity should not confer any distinction.

(d) The demand for the commodity should not be continuous

Answer: (C)

45. Higher the price of certain luxurious articles, higher will be the demand, this concept is called

(a) Giffen effects

(b) Veblen effects

(c) Demonstration effects

(d) Both b & c above

Answer: (B)

46. In the case of perfect elasticity, the demand curve is

(a) Vertical

(b) Horizontal

(c) Flat

(d) Steep

Answer: (B)

47. Outlay method of measurement of elasticity is also called as

(a) Percentage method

(b) Expenditure method

(c) Point method

(d) Geometric method

Answer: (B)

48. \_\_\_\_\_ demand forecasting is related to the business conditions prevailing in the economy as a whole



- (a) Macro level
- (b) Industry level
- (c) Firm level
- (d) None of these

Answer: (A)

49. \_\_\_\_\_ is the base of marketing planning

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- (a) Demand Estimation
- (b) Demand analysis
- (c) Demand function
- (d) Demand forecasting

View answer

Answer: (D)

Demand forecasting

50. \_\_\_\_\_ is the change in total revenue irrespective of changes in price or due to the effect of managerial decision on revenue

- (a) Average revenue
- (b) Total revenue
- (c) Marginal revenue
- (d) Incremental revenue

Answer: (D)

51. Disinvestments of PSE' s implies

- (a) Sale of equity shares to private sector/public
- (b) Closing down operations
- (c) Investing in new areas
- (d) Buying shares of PSE' s

Answer: (a)

52. PSE' s are organisations owned by

- (a) Joint Hindu family
- (b) Government
- (c) Foreign Companies
- (d) Private entrepreneurs

Answer: (b)

53. A government company is any company in which the paid up capital held by the government is not less than

- (a) 49 percent
- (b) 51 percent
- (c) 50 percent
- (d) 25 percent

Answer: (b)

54. Indian economy is a

- (a) socialist economy
- (b) pure market economy
- (c) mixed economy
- (d) traditional economy

Answer: (c)

55. Which of the following enterprises may benefit the most by an established brand name at the time of incorporation?

- (a) Departmental Undertaking
- (b) Government Company
- (c) Statutory corporations
- (d) Joint Venture

Answer: (d)

56. Which of the following types of organisations has the capability of expansion of market territory and operates through a network of subsidiaries, branches and affiliates?

- (a) MOFA
- (b) MNC
- (c) Public Sector enterprises
- (d) Private sector enterprises

Answer: (b)

57. Which of the following statements regarding recent Government policy measures towards the public sector is/are true?

- (a) Restructuring and reviving potentially viable PSU' s.
- (b) Closing down of those PSU' s that can not be

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revive(d)

(c) Bringing down government equity in all non strategic PSU' s to 50 percent or lower.

(d) Fully protecting the interest of workers.

(a) Only a, b and c

(b) Only a, c and d

(c) Only a, b and d

(d) Only b, c and d

Answer: (c)

58. In the 2001 resolution on industrial policy the number of industries exclusively reserved for the public sector was brought down. This meant that the private sector can now enter all areas, except these and the public sector would have to compete with them. Which of the following areas are now exclusive for the public sector?

- (a) Atomic energy
- (b) Arms
- (c) Communication
- (d) Railways

(a) Only a, b and c

(b) Only a, c and d

(c) Only a, b and d

(d) Only b, c and d

Answer: (c)

59. The public sector enterprises are to invest and operate in certain spheres. Which of the following is not one of these core sectors?

- (a) Civil aviation
- (b) Power generation plants
- (c) Pharmaceuticals
- (d) Project management consultancies

Answer: (c)

60. The shares of a Government Company are purchased in the name of which of the following?

- (a) The Indian Government.
- (b) The President of India
- (c) The Chief Minister of the state, where the head office of the company lies.
- (d) The Managing Director of the company.

Answer: (b)

61. Basic objective of Financial Management is \_\_\_\_\_.

- (a) Maximization of profit.
- (b) Maximization of share holder's wealth
- (c) Ensuring Financial discipline in the firm.
- (d) All of these.

Answer: B

62. Financial structure refers to \_\_\_\_\_.

- (a) Short-term resources.
- (b) All the financial resources.
- (c) Long-term resources.
- (d) All of these.

Answer: B

63. The market value of the firm is the result of \_\_\_\_\_.

- (a) Dividend decisions.
- (b) Working capital decisions.
- (c) Capital budgeting decisions.
- (d) Trade-off between risk and return.

Answer: D

64. Cost of capital is \_\_\_\_\_.

- (a) Lesser than the cost of debt capital.
- (b) Equal to the last dividend paid to the equity shareholders.

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(c) Equal to the dividend expectations of equity shareholders for the coming year.

(d) None of the above.

Answer: D

65. In Walter model formula D stands for \_\_\_\_\_.

- (a) Dividend per share.
- (b) Direct dividend(d)
- (c) Direct earnings.

(d) None of these.

Answer: A

66. \_\_\_\_\_ security is known as variable income security.

- (a) Debentures.
- (b) Preference shares.
- (c) Equity shares.
- (d) None of these.

Answer: C

67. Quick asset does not include \_\_\_\_\_.

- (a) Government bonds.
- (b) Book debts.
- (c) Advance for supply of raw materials.
- (d) Inventories.

Answer: D

68. Long term finance is required for \_\_\_\_\_.

- (a) Current assets.
- (b) Fixed assets.
- (c) Intangible assets.
- (d) None of these.

Answer: B

69. Financial leverage can be measured in \_\_\_\_\_.

- (a) Stock term.
- (b) Flow term.
- (c) Both (a) and (b).
- (d) None of these.

Answer: C

70. Current ratio of a concern is 1, its net working capital will be \_\_\_\_\_.

- (a) Positive.
- (b) Neutral.
- (c) Negative.
- (d) None of the above.

Answer: C

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#### Unit-V

1. Role of various national and state agencies which render assistance to small scale The Office of the Development Commissioner (Small Scale Industries) is also known as the \_\_\_\_\_.

Answer: Small Industry Development Organization (SIDO)

2. \_\_\_\_\_ continues to implement its various programmes and projects throughout the country to assist the SSI units.

Answer: - NSIC

3. The \_\_\_\_\_ is a statutory body created by an Act of Parliament in April 1957.

Answer: Khadi and Village Industries Commission (KVIC)

4. \_\_\_\_\_ is done mainly to facilitate SMEs to expand their capacities or diversify and/or upgrade their technology according to the needs of the market.

Answer - Equipment Leasing

5. The \_\_\_\_\_ have been identified on the basis of market needs to ensure maximum employment.

Answer - Skills

6. Which of the following is a type of intangible business property that is protected by law:

- (a) Acreage
- (b) Inventory
- (c) Trademark
- (d) Equipment

Answer: C

7. Limited liability, indefinite length of life, ease of expansion, legal entity, and transfer of ownership are considered advantages of a

- (a) sole proprietorship.
- (b) partnership.

(c) trade union.

(d) corporation.

Answer: D

8. Which of the following is one way that freedom in a private enterprise system is limited by laws:

- (a) Certain occupations must be license(d)
- (b) All workers must take ability tests.
- (c) Specific pay scales are regulate(d)
- (d) Employees must register with the state.

Answer: A

9. Non-corporations are taxed as pass-through entities, meaning that

(a) profits and losses are claimed on owners' personal tax returns.

(b) they do not have to pay payroll taxes.

(c) their income tax rates are lower than those of corporations.

(d) they pay only state and local taxes.

Answer: A

10. Which of the following activities is an example of preparing before attempting to sell an idea:

- (a) Explaining solutions to audience needs
- (b) Determining the details of your idea
- (c) Overcoming objections from the audience

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(d) Affirming the audience' s decision to "buy"

Answer: B

11. Which of the following statements is true about business startup requirements:

(a) New business owners usually need to register for patent protection.

(b) The financial needs to start a new business depend on the nature of the venture.

(c) Purchasing a franchise is usually easy and inexpensive for startup business owners.

(d) Equipment is the least expensive requirement for a startup business.

Answer: B

12. If an entrepreneur obtains a commercial bank loan to finance a new venture, s/he is often required to

(a) provide collateral.

(b) close savings accounts.

(c) relinquish contracts.

(d) charge the prime-interest rate.

Answer: A

13. The type of capital resources that a startup business needs to begin operating usually depends on the

(a) vendors' lead time.

(b) location.

(c) owner' s preferences.

(d) industry.

Answer: D

14. Small-business owners develop and use operating procedures so that everyday tasks are performed in

a(n) \_\_\_\_\_ way.

(a) innovative

(b) imprecise

(c) diverse

(d) standard

Answer: D

15. Which of the following is an example of an intangible asset:

(a) Equipment

(b) Inventory

(c) Office building

(d) Accounts receivable

Answer: D

16. Ethan is developing common-size financial statements so that he can compare financial performance across several different companies. Ethan is

conducting \_\_\_\_\_ analysis.

- (a) horizontal
- (b) vertical
- (c) ratio
- (d) trend

Answer: B

17. What is the relationship between shareholders and the board of directors?

- (a) The shareholders pay dividends to the board of directors.
- (b) The board of directors represents the shareholders.
- (c) The shareholders make decisions for the board of directors.
- (d) The board of directors holds the shareholders accountable.

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Answer: B

18. Who typically reviews and approves the guidelines for running a corporation, which are also known as corporate governance policies?

- (a) The investors
- (b) The shareholders
- (c) The management team
- (d) The board of directors

Answer: D

19. A manufacturing company is required by the local government to dispose of its waste in an environmentally safe way. This is an example of how process design can be affected by \_\_\_\_\_ factors.

- (a) human
- (b) regulatory
- (c) technological
- (d) natural

Answer: B

20. Which of the following is a situation in which a business could use the budget information to make operating changes:

- (a) Total revenues exceed projected costs.
- (b) Estimated sales exceed actual sales.
- (c) Expected profits are increasing.
- (d) Accounts receivable are on target.

Answer: B

21. IFCI has been converted into a \_\_\_\_\_.

- (a) Joint stock company.
- (b) Co-operative society.
- (c) Partnership firm.
- (d) Sole proprietorship.

Answer: (A)

22. What is the role of a Business Ange?

- (a) To provide small business advice.
- (b) To provide capital for business development in exchange for a stake in the Business ownership.
- (c) To set up a franchise business.
- (d) To assist an entrepreneur to open a lifestyle business.

Answer: (B)

23. A business arrangement where one party allows another party to use a business name and sell its products or services is known as \_\_\_\_\_.

- (a) A cooperative.
- (b) A franchise.
- (c) An owner-manager business.
- (d) A limited company.

Answer: B

24. Having more than 50% ownership position that provides the entrepreneur with managerial control is called:

- (a) Joint venture
- (b) Majority interest
- (c) Horizontal merger
- (d) Diversified activity merger

Answer: (B)

25.. A business arrangement where one party

allows another party to use a business name and sell its products or services is known as \_\_\_\_\_.

- (a) A franchise
- (b) A cooperative.
- (c) An owner-manager business.

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(d) A limited company.

Answer: (A)

26. An agreement made with free consent to which the consideration is lawful but inadequate is;

- (a) Void
- (b) Valid
- (c) Voidable
- (d) Unlawful

Answer: (B)

27.. A contract with the minor, which is beneficial for him, is;

- (a) Void ab initio
- (b) Voidable
- (c) Valid
- (d) Illegal

Answer: (C)

28. When the consent to an agreement is obtained by coercion, the agreement is voidable at the option of

- (a) Either party to the agreement
- (b) A party whose consent was so obtained
- (c) A party who obtained the consent
- (d) None of these

Answer: (B)

29. Where the consent of both the parties is given by mistakes, the contract is;

- (a) Void
- (b) Valid
- (c) Voidable
- (d) Illegal

Answer: (A)

30. A mistake as to law not in force in India has the same effect as;

- (a) Mistake of fact
- (b) Mistake of Indian Law
- (c) Fraud
- (d) Misrepresentation

Answer: (A)

31. An agreement in restraint of legal proceedings is void- It does not cover an agreement which--

- (a) Restrict absolutely the parties from enforcing their legal rights.
- (b) Cuts short the period of limitation
- (c) Discharges a party from liability or extinguishes the rights of a party
- (d) Provides for a reference to arbitration instead of court of law

Answer: (D)

32. The basis of 'quasi contractual relations' is the

- (a) Existence of a valid contract between the parties
- (b) Prevention of unjust enrichment at the expense of others
- (c) Provision contained in section 10 of the Contract Act
- (d) Existence of a voidable contract between the parties

Answer: (B)

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33. The special damages ie, the damages which arise due to so a special or unusual circumstances

- (a) Are not recoverable altogether
- (b) Are illegal being punitive in nature
- (c) Cannot be claimed as a matter of right
- (d) Can be claimed as a matter of right

Answer: (C)

34. When the offeree offers to qualified acceptance of the offer subject to modifications and variations he is said to have made a

- (a) Standing, open or continuing offer
- (b) Counter offer
- (c) Cross offer
- (d) Special offer

Answer: (B)

35. Which is the following is false? An offer to be valid must;

- (a) Intend to create legal relations
- (b) Have certain and unambiguous terms
- (c) Contain a term the non - compliance of which would amount to acceptance
- (d) Be communicated to the person to whom it is made

Answer: (C)

36. In case of anticipatory breach, the aggrieved party may treat the contract;

- (a) As discharged and bring an immediate action for damages
- (b) As operative and wait till the time for performance arrives
- (c) Exercise option either (a) or (b)
- (d) None of these

Answer: (C)

37. A contingent contract depend on the happening of the future uncertain event can be enforced when the event;

- (a) Happens
- (b) Becomes impossible
- (c) Doesn't happen
- (d) Either of these

Answer: (A)

38. On the acceptance of an offer by a offeree

- (a) Only the acceptor becomes bound by accepting the offer
- (b) Only the offeror becomes bound as his terms are accepted
- (c) Both the acceptor and offeree becomes bound by the contract
- (d) None of these

Answer: (C)

39. Which of the following persons are not competent to contract?

- (a) Minors
- (b) Persons of unsound mind
- (c) Persons disqualified by law
- (d) All of these

Answer: (D)

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40. When the consent of a party is obtained by coercion undue influence, fraud or misrepresentation, the contract is;

- (a) Void
- (b) Voidable
- (c) Valid
- (d) Illegal

Answer: (B)

41. Which of the following is a benefit of the corporate form of business?

- (a) Rising large amount of capital is easier
- (b) Ownership is easily transferrable
- (c) Limited liability of the shareholders/stockholders
- (d) All of the above

Answer: D

42. Which of the following enjoys the benefit of limited liability?

- (a) Limited company
- (b) Sole-proprietorship
- (c) Foundation
- (d) Trust

Answer: A

43.What is a Sole Proprietorship?

- (a) Business owned by president
- (b) Business owned by several companies
- (c) Business owned by one person
- (d) Business owned by a company

Answer: C

44. Which of the following is owned by a single person

- (a) Private Company
- (b) Public Company
- (c) Joint Hindu Family
- (d) Sole Proprietorship

Answer: D

45. Sole proprietorship business can be started by

- (a) at least seven persons
- (b) any one person
- (c) at least two persons
- (d) at least three persons

Answer: B

46. A sole proprietor has a limit in which of the following ability

- (a) Managerial
- (b) Owner
- (c) Worker
- (d) None of these

Answer: A

47: The structure in which there is separation of ownership and management is called

- (a) Sole proprietorship
- (b) Partnership
- (c) Company
- (d) All business organizations

Answer: (c) Company

48. Income Tax Act was passed in the year.....

- (a) 1934
- (b) 1956
- (c) 1961
- (d) 1972

Answer: C

49. Income Tax Act came into force on.....

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- A)1 st April 1935
- (b) 1 st April 1961
- (c) 1 st April 1962
- (d) 1 st April 1956

Answer: C

50. Income tax is a.....

- (a) Professional tax
- (b) Direct tax
- (c) Indirect tax
- (d) Service tax

Answer: B

51. Income tax rates are fixed in.....

- (a) Income tax Act
- (b) Finance Act
- (c) Income tax rules
- (d) Finance rules

Answer: B

52. There are ..... heads of income

- (a) 3
- (b) 4
- (c) 5
- (d) 2

Answer: C

53. A person with the age of ..... or more is considered as a super senior citizen as per Income tax Act.

- (a) 56
- (b) 60
- (c) 80
- (d) 85

Answer: C

54. The minimum exceptional limit of income is.....

- (a) 250,000

- (b) 200,000
- (c) 300,000
- (d) 500,000

Answer: C

55. Rebate of Income tax is defined as per section .....

- (a) 81A
- (b) 87A
- (c) 81C
- (d) 87C

Answer: B

56. Section 2(9) of Income tax deals with.....

- (a) Person
- (b) Assessee
- (c) Previous Year
- (d) Assessment Year

Answer: D

57. Assessment year is the period of 12 months commencing from ..... Every year.

- (a) 1st March
- (b) 31st March
- (c) 1st April
- (d) 30th April

Answer: C

58. The payment of compensation to railway employees by the railway administration for injury by accident is governed by:

- (a) The Employees Compensation Act, 1923

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- (b) The payment of Wages Act, 1936
- (c) Rights of Persons with Disabilities Act, 2016
- (d) The Workmen Compensation Act, 1986

Answer: a

59. Which of the following statements is/are INCORRECT regarding Employees Compensation Act, 1923?

- i) Compensation is payable for accidents arising out of and in the course of employment.
- ii) Compensation is payable for injuries resulting due to influence of drink or drug.
- iii) Compensation is payable for partial disablement for a period up to 3 days.
- iv) There must be a casual relationship between the accident and the employment.

- (a) ii)
- (b) iii)
- (c) ii) & iii)
- (d) i) & iv)

Answer: c)

60. The amount of compensation under Employees Compensation Act, 1923 depends on

- (a) Age of railway servant on the date of accident
- (b) Wages of the railway servant drawn in the preceding one year from the date of accident
- (c) Nature of injury
- (d) All the above

Answer: d)

61. The minimum amount of compensation payable under Employees Compensation Act, 1923 in case of death of a railway servant due to accident is Rs .....

- (a) Rs 80,000/-
- (b) Rs 90,000/-
- (c) Rs 1,40,000/-
- (d) Rs 1,20,000/-

Answer: (d)

62. The minimum amount of compensation payable under Employees Compensation Act, 1923 in case of total permanent disablement of a railway servant due to accident is Rs .....

- (a) Rs 80,000/-
- (b) Rs 90,000/-
- (c) Rs 1,40,000/-

- (d) Rs 1,20,000/-

Answer: (c)

63. The employer shall not be liable to pay such compensation under Employees Compensation Act, 1923 in the following cases:

- i) For injuries that does not result in total or partial disablement for a period exceeding 3 days.
- ii) For injuries (not resulting in death) resulting due to influence of drink or drug.
- iii) For willful disobedience of order for securing security.
- iv) Willful removal of safety devices.

Which of the above statements is INCORRECT?

- (a) i)
- (b) ii)
- (c) iii) & iv)
- (d) None of the above.

Answer: (d)

64. Compensation under Employees Compensation Act, 1923 shall be paid within

- (a) three months from the date of accident
- (b) one month from the date of accident

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- (c) 01 year from the date of accident
- (d) No time limit

Answer: b

65. If the employer fails to pay compensation within the stipulated time limit, the Commissioner for Employees Compensation may

- (a) Impose simple interest @ 12% per annum OR at such higher rate not exceeding the maximum of the lending rates of any scheduled Commercial Bank.
- (b) Impose penalty not exceeding 50% of the amount of compensation.

- (c) May impose both (a) and (b)
- (d) Cannot impose any penalty

Answer: (c)

66. A Railway servant was killed in a bus accident during the course of employment. His family members may claim compensation under

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- (a) The Motor Vehicle Act
- (b) The Employees Compensation Act, 1923
- (c) Both (a) and (b)
- (d) Either under (a) OR under (b)

Answer: (d)

67. In case of death of a railway servant due to accidents arising out of and in the course of employment, compensation will be paid to the dependents as defined in

- (a) The Railway Servants (Pass) Rules, 1986
- (b) The Railway Services (Pension) Rules, 1993
- (c) The Employees Compensation Act 1923
- (d) None of these

Answer: (c)

68. The life of sole proprietorship business is

- (a) Stable
- (b) Very short life
- (c) Unstable
- (d) Long life

Answer: C

69. In which form of business, there is no need to share profits.

- (a) Company
- (b) Sole proprietorship
- (c) Partnership
- (d) Joint Hindu family business

Answer: B

70. A Sole proprietor concern is free from regulation by.

- (a) Indian Contract Act
- (b) Government

(c) Private Indian  
D. Indian Law  
Answer: B

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**Exercise**

**Set-I**

1. The term "Entrepreneur" has been derived from the word "entreprendre" which means:

- a. To give
- b. To undertake
- c. To choose
- d. To decide

Ans: b.

2. Entrepreneurship is a creative activity - Said by:

- a. Frederick Harbison
- b. B. F. Hoselitz
- c. B. Higgins
- d. Joseph

Ans: d.

3. What is the hallmark of a successful entrepreneur?

- a. Risk bearing capacity
- b. Persistence
- c. Flexibility
- d. Self-confidence

Ans: c.

4. Which type of entrepreneurs utilizes a chance to introduce a new technique or new product?

- a. Innovative entrepreneur
- b. Instigated entrepreneur
- c. Initiative entrepreneur
- d. Fabian entrepreneur

Ans: a.

5. In which state of India, the standard of education is highest?

- a. Tamil Nadu
- b. Andhra Pradesh
- c. Kerala
- d. Karnataka

Ans: c.

6. Which phase is the phase of real training?

- a. Initial phase
- b. Training phase
- c. Post-training phase
- d. Follow up phase

Ans: b.

7. "Seed Capital Scheme" is being operated by?

- a. IDBI
- b. SIDC
- c. ICICI
- d. IFCI

Ans: a.

8. Calcutta "Y" Self-Employment Centre targets unemployed youths between?

- a. 18 to 30 years
- b. 16 to 25 years
- c. 18 to 25 years
- d. 20 to 30 years

Ans: a.

9. In the 1995 - 96 periods what percentage of the total entrepreneurs were women entrepreneurs?

- a. 10 %
- b. 11.2%
- c. 13%

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d. 9%

Ans: b.

10. Why the majority of women are unaware of technological developments?

- a. Low-risk bearing ability
- b. Low mobility
- c. Lack of education
- d. Low need for achievement

Ans: c.

11. Which of the following is a remedy to solve the problems of women entrepreneurs?

- a. Social attitude
- b. Finance cells
- c. Stiff Competition
- d. Supervision

Ans: b.

12. When was the "Yashaswini Programme" held in Mysore?

- a. November 2000
- b. July 2001
- c. June 2002
- d. November 2001

Ans: d.

13. What is the analytical study of the end products and by-product can throw light on new product ideas?

- a. Emerging technologies
- b. Market characteristics
- c. Social and economic trends
- d. Product profile

Ans: d.

14. Who manufactured "Sumeet" mixies to suit Indian conditions?

- a. Manohar Kumar Mathur
- b. Satya Prakash Mathur
- c. Mridula Kumar Mathur
- d. Prakash Kumar Mathur

Ans: b.

15. What can be defined as an attractive project idea which an entrepreneur accepts as a basis for his investment decision?

- a. Possibility
- b. Business
- c. Opportunity
- d. Notion

Ans: c.

16. What is a two-way exchange process in which the needs and wants of the buyer and seller are satisfied?

- a. Marketing
- b. Selling
- c. Producing
- d. Accounting

Ans: a.

17. Which phase starts after the investment decision is taken?

- a. Normalisation phase
- b. Construction phase
- c. Pre-investment phase
- d. Product identification phase

Ans: b.

18. What provides all the necessary information of the unit proposed to be set-up for the manufacture

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of a product or rendering a service?

- a. Project description
- b. Project appraisal
- c. Project implementation schedule
- d. Project report

Ans: d.

19.  $BEP = (F/(S-V)) \times 100$

What does F stand for?

- a. Fixed sales
- b. Fixed cost
- c. Finished stock
- d. Final output

Ans: b.

20. Which statement gives a projection of future sources of cash and their applications?

- a. Cash flow statement
- b. Fund flow statement
- c. Income statement

d. Balance sheet

Ans: a.

21. In long term capital, the repayment of money is arranged for what time period?

a. Within 1 year

b. More than 2 years

c. More than 7 years

d. More than 5 years

Ans: d.

22. Ownership capital is also known as?

a. Debt

b. Equity

c. Loan

d. Mortgage

Ans: b.

23. To whom does the company pay interest?

a. Shareholder

b. Customer

c. Debenture holder

d. Creditor

Ans: c.

24. When was the first SFC (State Financial Corporation) set up in Punjab?

a. 1950

b. 1958

c. 1953

d. 1960

Ans: c.

25. When was Small Scale Industries Board constituted?

a. 1958

b. 1960

c. 1953

d. 1954

Ans: d.

26. Which type of industrial estates is called conventional industrial estates?

a. General type of industrial estate

b. Special type industrial estate

c. Ancillary industrial estate

d. Workshop bay

Ans: a.

27. Government industrial estates come under which type of classification?

a. Variant

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b. Objective

c. Functional

d. Organizational

Ans: d.

28. Under Section 80J of the Income Tax act, 1961 new industrial undertakings are exempted from the payment of income tax on their profits subject maximum of what percentage of their capital employed?

a. 5%

b. 6%

c. 10%

d. 15%

Ans: b.

29. Rehabilitation allowance is granted under which section of the Income Tax Act, 1961?

a. 30-B

b. 80-C

c. 32-D

d. 33-B

Ans: d.

30. When was the investment allowance introduced?

a. 1970

b. 1961

c. 1967

d. 1976

Ans: d.

31. IPR stands for?

a. Industrial Policy Resolutions

b. Industrial Protection Resolutions

c. Independent Policy Reforms

d. Income Plan Rewards

Ans: a.

32. When was the policy titled "Policy Measures for Promoting and Strengthening and Supplementing Small, Tiny and Village Enterprises" tabled in the Parliament?

a. July 6, 1990

b. August 28, 1992

c. August 6, 1991

d. June 15, 1991

Ans: c.

33. National Programme for Rural Industrialization has been announced with a mission to set up how many rural clusters every year?

a. 150

b. 200

c. 250

d. 100

Ans: d.

34. "Quality is fitness for use or purpose" said by:

a. Philip B. Crosby

b. Joseph M. Juran

c. W. Edwards Deming

d. ISO

Ans: b.

35. What refers to managing continuous improvement and does not address any specific organizational level?

a. Quality

b. Administration

c. Management

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d. People

Ans: c.

36. What is the fourth element involved in TQM?

a. Processes

b. Team Work

c. Continuous Improvement

d. Customer Satisfaction

Ans: b.

37. What breeds personal initiative?

a. Empowerment

b. Consensus

c. Teamwork

d. Organization

Ans: a.

38. In which stage the business expands by way of opening its branches?

a. Startup stage

b. Growth stage

c. Expansion stage

d. Maturity stage

Ans: c.

39. Which form of growth of the business is diversification?

a. External

b. Vertical

c. Horizontal

d. Internal

Ans: a.

40. When two or more enterprises merge into one to form a new enterprise, what is it called?

a. Absorption

b. Amalgamation

c. Joint Venture

d. Franchising

Ans: b.

41. \_\_\_\_ says that entrepreneurship is a \_\_\_\_ activity.

a. Fredrick Harbison & creative

b. Fredrick Harbison & innovative

c. Schumpeter & creative

d. Schumpeter & innovative

Ans: c.

42. Which of the following is not a quality of a successful entrepreneur as specified by McClelland?

- a. He is endowed with unusual creativeness
- b. He has a high degree of ambition
- c. He is enriched by a high propensity
- d. He has also a strong need for achievement.

Ans: b.

43. The Institute of Entrepreneurship Development has trained around \_\_\_\_ youths in \_\_\_\_ programmes till 1987 April.

- a. 300, 14
- b. 500, 20
- c. 200, 10
- d. 400, 13

Ans: d.

44. Madhya Pradesh Consultancy Organisation Ltd. gives \_\_\_\_ and \_\_\_\_ training to entrepreneurs.

- a. Technical and managerial
- b. Vocational and technical
- c. Managerial and administrative
- d. Financial and technical

Ans: a.

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45. According to Frederick Harbison, which of the following is not a function of a women entrepreneur?

- a. Explore the prospects of starting new enterprises.
- b. Co-ordination, administration and control
- c. The power to resist criticism
- d. Supervision and providing leadership in all aspects of the business.

Ans: c.

46. Which of the following is not a source of idea for an entrepreneur?

- a. Cost of the project
- b. Product profile
- c. Imports and exports
- d. Emerging technologies

Ans: a.

47. While doing a market survey for raw material availability, which of the following should be considered?

- a. Existing brand loyalties and consumption pattern
- b. Leading suppliers and time for order execution
- c. Market strategy and advertising
- d. Major manufacturers and machinery delivery schedules

Ans: b.

48. According to Peter Drucker, which of the following is not a kind of opportunity?

- a. Breakthrough
- b. Additive
- c. Complementary
- d. Market

Ans: d.

49. Debt-Service Coverage ratio = Net profit after tax + \_\_\_\_ + interest for one year / \_\_\_\_ + interest for one year

- a. Depreciation and sales
- b. Depreciation and capital employed
- c. Equity and instalment
- d. Depreciation and instalment

Ans: d.

50. On the basis of permanence, the financial needs are classified into :

- a. Fixed & working capital
- b. Long term & fixed capital
- c. Short term & fixed capital
- d. Long term & short term capital

Ans: a.

51. An optimum capital structure can be defined as a financing mix incurring the \_\_\_\_ cost but yielding

the \_\_\_\_ results.

- a. Least & maximum
- b. Maximum & least
- c. Least & minimum
- d. Maximum & minimum

Ans: a.

52. The term "export finance" refers to \_\_\_\_ facilities and techniques of \_\_\_\_ at the pre-shipment and post-shipment stages.

- a. Debit & payment
- b. Credit & payment
- c. Credit & collection
- d. Credit & debit

Ans: b.

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53. On the basis of the organizational set - up, industrial estates are classified into:

- a. Private industrial estates & functional industrial estates
- b. Functional industrial estates & the workshop bay
- c. Municipal industrial estates & private industrial estates
- d. Functional industrial estates & Municipal industrial estates

Ans: c.

54. In order to become eligible for tax concession, the small scale industries need to employ at least \_\_\_\_ & \_\_\_\_ workers in a manufacturing process carried on with and without the aid of power respectively.

- a. 10 & 20
- b. 20 & 10
- c. 10 & 30
- d. 20 & 30

Ans: a.

55. Section 80M of the Income Tax Act, 1961, provides for deductions in respect of:

- a. Royalties from any company in India & Inter corporate dividends
- b. Inter-corporate dividends & Income of Cooperative Societies
- c. Income of Co-operative Societies & Royalties from any company in India
- d. Royalties from any company in India & Royalties from certain foreign companies

Ans: a.

56. The IPR 1956 for SSI aimed at :

- a. Protection plus Growth
- b. Protection plus Development
- c. Protection plus Promotion
- d. Promotion plus Development

Ans: b.

57. The main thrust of the Seventh Plan was \_\_\_\_ and not \_\_\_\_.

- a. Reservation & competition
- b. Development & competition
- c. Competition & reservation
- d. Advancement & reservation

Ans: c.

58. Quality is a \_\_\_\_ determination, not the \_\_\_\_ determination.

- a. Manufacturer' s & Customer' s
- b. Seller' s & Customer' s
- c. Customer' s & Manufacturer' s
- d. Seller' s & Buyer' s

Ans: c.

59. TQM is a philosophy where the approach is \_\_\_\_ and \_\_\_\_.

- a. Human & scientific
- b. Behavioural & Scientific
- c. Behavioural & Human
- d. Systematic & Human

Ans: c.

60. Sub - contracting is a \_\_\_\_ beneficially \_\_\_\_



relationship between two companies.

- a. Exclusively & Traditional
  - b. Mutually & Commercial
  - c. Mutually & Traditional
  - d. In exclusively & Commercial
- Ans: b.

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### Set-II

1. Which one of the following theories has the attribute of moderate risk taking as a function of skill, not chance?

- A. Need for independence
- B. Need for achievement
- C. Need for affiliation
- D. Need for authority

Correct answer: (B) Need for achievement

2. Foundation companies are formed from:

- A. Fashion
- B. Research and development
- C. Most popular business
- D. winding up company

Correct answer: (B) Research and development

3. All of the following are the broad categories of External forces EXCEPT:

- A. Economic forces
- B. S Socioeconomic forces
- C. Technological forces
- D. Competitive forces

Correct answer: (B) S Socioeconomic forces

4. A \_\_\_\_\_ is a professional money manager who makes risk investment from a pool of equity capital to obtain a high rate of return on investments.

- A. venture capitalist
- B. entrepreneur
- C. businessman
- D. buyer

Correct answer: (A) venture capitalist

5. Members of distribution channels are excellent sources for new ideas because:

- A. They are familiar with the needs of the market
- B. They earn a handsome profit from new business
- C. They do not bother if entrepreneur bears a loss
- D. They have well-developed sales force

Correct answer: (A) They are familiar with the needs of the market

6. Which of the following geographical area is having least interest to U.S. entrepreneurs?

- A. Europe
- B. The Far East
- C. Central Asia

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D. Transition economies

Correct answer: (C) Central Asia

7. Andrew Carnegie is an example of entrepreneur of which century:

- A. Earliest period
- B. 19<sup>th</sup> and 20<sup>th</sup> century
- C. Middle ages
- D. 17<sup>th</sup> century

Correct answer: (B) 19th and 20th century

8. The activity which occurs when the new venture is started are called:

- A. Business skills
- B. Motivation
- C. Departure point
- D. Goal orientation

Correct answer: (C) Departure point

9. The business plan should be prepared by:

- A. Entrepreneurs
- B. Consultants
- C. Engineers
- D. Small business administration services

Correct answer: (A) Entrepreneurs

10. What is the primary concern of founders who trade equity for capital for their growing venture?

- A. Capitalization
- B. Control
- C. Valuation
- D. Investor capabilities

Correct answer: (A) Capitalization

11. The importance of intellectual property should be understood by entrepreneur even before:

- A. Hiring a manager
- B. Engaging an attorney
- C. Developing a product
- D. Establishing new venture

Correct answer: (B) Engaging an attorney

12. A patent is granted for a specified amount of time because of the assumption:

- A. That during this time firm will cover its development costs
- B. That firm will earn a sufficient profit during this period
- C. To limit the monopoly of the firm
- D. That it will stimulate idea and development of a better product

Correct answer: (D) That it will stimulate idea and development of a better product

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13. External forces directly affect all of the following EXCEPT:

- A. Market segmentation strategies
- B. Types of products/services offered
- C. Management structure of organization
- D. Choice of businesses to acquire or sell

Correct answer: (C) Management structure of organization

14. Which of the following is alternatively called corporate venturing?

- A. Intrapreneurship
- B. Entrepreneurship
- C. Act of stating a new venture
- D. Offering new products by an existing company

Correct answer: (A) Intrapreneurship

15. Following are the types of non equity arrangements EXCEPT:

- A. Licensing
- B. T turnkey project
- C. Direct export
- D. Management contracts

Correct answer: (C) Direct export

16. Government can help in forming new venture by providing:

- A. finance
- B. technology
- C. infrastructure
- D. funds

Correct answer: (C) infrastructure

17. The longest lasting trade agreement with the objective of liberalizing trade by eliminating or reducing tariffs, subsidies and quotas is:

- A. Free trade area - FTA
- B. European community - EC
- C. General agreement on tariffs and trade - GATT
- D. The North American free trade agreement - NAFTA

Correct answer: (C) General agreement on tariffs and trade - GATT

18. Entrepreneurial success has been significant because of the culture and the political and

economic systems in -----.

- A. Asian countries
- B. European countries
- C. Transition economies
- D. Middle East

Correct answer: (A) Asian countries

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19. The transitional disturbance and lack of reform has led to boom black market in:

- A. China
- B. Hungary
- C. Singapore
- D. Poland

Correct answer: (D) Poland

20. Which of the following factors has allowed small companies to act like they are big ones?

- A. Customers
- B. Competition
- C. Economic development
- D. Technology

Correct answer: (D) Technology

21. Gazelles are the firms with:

- A. High growth rate
- B. Moderate growth rate
- C. Zero% growth rate
- D. Low growth rate

Correct answer: (A) High growth rate

22. Professional support network includes following EXCEPT:

- A. Personal affiliations
- B. Mentor
- C. Friends
- D. Trade associations

Correct answer: (C) Friends

23. The period in which the money person entered into a contract with the go-between to sell his goods is known as

- A. Middle ages
- B. 18th century
- C. 17th century
- D. Earliest period

Correct answer: (D) Earliest period

24. Which one of the Following is not the way by which an entrepreneur can enter into international business?

- A. Export
- B. Non equity arrangements
- C. Direct foreign investment
- D. Communication

Correct answer: (D) Communication

25. \_\_\_\_\_ viewed the entrepreneur as a risk taker who "buy(s) at an uncertain price, therefore operating at a risk".

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- A. Eli Whitney
- B. Edward hariman
- C. Richard cantillon
- D. Thomas Edison

Correct answer: (C) Richard cantillon

26. Female entrepreneurs differ from male entrepreneurs in terms of all of the following EXCEPT:

- A. Motivation
- B. business skills
- C. Departure point
- D. Goal orientation

Correct answer: (D) Goal orientation

27. An entrepreneur into the hosiery business found out the reason his hosiery was not selling was due to its color. What could be the best source of this information?

- A. Supplier
- B. Retailer

C. Competition

D. Government bureau

Correct answer: (B) Retailer

28. Which of the following factors does not affect a person for being an entrepreneur?

- A. Gender
- B. Education
- C. Family background
- D. values

Correct answer: (C) Family background

29. Which of the following factors does not affect a person for being an entrepreneur?

- A. Work history
- B. Nationality
- C. Education
- D. Personal values

Correct answer: (B) Nationality

30. The former USSR received technology and syrup from Pepsi and provided it with Soviet vodka and rights to distribute it in the US. This is an example of:

- A. Economic development
- B. Balance of payment
- C. Barter system
- D. International trade

Correct answer: (C) Barter system

31. Which one of the following is NOT a condition of a contract?

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- A. An offer is made
- B. Consideration is given
- C. An acceptance of offer
- D. Contract must be illegal

Correct answer: (D) Contract must be illegal

32. Government can help in forming new venture by providing:

- A. Finance
- B. Technology
- C. Infrastructure
- D. Subsidiaries

Correct answer: (C) Infrastructure

33. A contract must be signed by:

- A. At least one party
- B. Both the parties
- C. Not necessary to sign
- D. By third party

Correct answer: (B) Both the parties

34. Which of the following areas are preferred by women entrepreneurs?

- A. Administration
- B. Organization
- C. Utilities
- D. Manufacturing

Correct answer: (A) Administration

35. A typical inventor is usually \_\_\_\_\_.  
A. Highly creative & in love with the invention

- B. Does not encourage change
- C. Willing to modify the invention
- D. Not enthusiastic

Correct answer: (A) Highly creative & in love with the invention

36. Which one of the following is the fourth step in the entrepreneurial process?

- A. Developing successful business ideas
- B. Initiating New rules
- C. Deciding to become an entrepreneur
- D. Growing the entrepreneurial firm

Correct answer: (D) Growing the entrepreneurial firm

37. The commitment of administrative domain to the resources is for:

- A. Periodic intervals
- B. Total amount needed
- C. For certain tasks

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D. For long time

Correct answer: (B) Total amount needed

38. Developing a new idea through inquiry and testing is called:

A. Forced relationship

B. Heuristics

C. Scientific method

D. Value analysis

Correct answer: (C) Scientific method

39. Which of the following is not a source of idea generation?

A. Consumers

B. Federal government

C. Brain storming

D. Training

Correct answer: (D) Training

40. Which of the following cannot be covered under the copyright protection?

A. Computer software

B. Poems and songs

C. Computer hardware

D. Models and sculpture

Correct answer: (D) Models and sculpture

41. An individual who initiates, creates and manages a new business can be called

A. A leader

B. A manager

C. A professional

D. An entrepreneur

Correct answer: (D) An entrepreneur

42. Intellectual Property laws can protect

A. Trademarks.

B. Copyright.

C. Patents.

D. All the above.

Correct answer: (D) All the above.

43. A new venture's business plan is important because

A. It helps to persuade others to commit funding to the venture.

B. Can help demonstrate the viability of the venture.

C. Provides a guide for business activities by defining objectives.

D. All the above.

Correct answer: (D) All the above.

44. Which of the following are described as one of the Big Five personality traits?

A. tolerance of others.

B. need for achievement.

C. propensity to leadership.

D. locus of control.

Correct answer: (B) need for achievement.

45. Someone legally appointed to resolve the financial difficulties of an insolvent firm is called

A. an administrator.

B. a predator.

C. an auditor.

D. a turnaround consultant.

Correct answer: (A) an administrator.

46. IFCI stands for

A. Industrial finance corporation of India.

B. Institutional finance corporation of India.

C. Industrial funding corporation of India.

D. Indian finance corporation and institution.

Correct answer: (A) Industrial finance corporation of India.

47. SIPCOT's financial assistance is in the form of

A. term loan.

B. seed capital scheme.

C. underwriting the capital issues.

D. All of the above.

Correct answer: (D) All of the above.

48. EDPs course contents contains

A. General introduction to entrepreneurs.

B. Motivation training.

C. Managerial skills.

D. All the above.

Correct answer: (D) All the above.

49. \_\_\_\_\_ is a form of financing especially for funding high technology, high risk and perceived high reward projects

A. Fixed capital.

B. Current capital.

C. Seed capital.

D. Venture capital.

Correct answer: (D) Venture capital.

50. \_\_\_\_\_ is primarily concerned with the identification of the project demand potential and the selection of the optimal technology.

A. Techno-economic analysis.

B. Feasibility analysis.

C. Input analysis.

D. Financial analysis.

Correct answer: (A) Techno-economic analysis.

51. EST stands for \_\_\_\_\_.

A. Earliest Start Time.

B. Event Start Time.

C. Effective Start Time.

D. Essential Start Time.

Correct answer: (A) Earliest Start Time.

52. \_\_\_\_\_ may be defined as the excess of present value of project cash inflows over that of out flows.

A. Net present value technique.

B. Average rate of return.

C. Benefit-Cost ratio.

D. Internal rate of return

Correct answer: (A) Net present value technique.

53. \_\_\_\_\_ implies the availability or otherwise of plant and machinery and technical know how to produce the product.

A. Economic viability.

B. Financial feasibility.

C. Technical feasibility.

D. Managerial competence

Correct answer: (C) Technical feasibility.

54. Which of the list below does not form Intellectual Property?

A. Trade marks.

B. Patents.

C. Tangible assets.

D. Copyright.

Correct answer: (C) Tangible assets.

55. Idea of new product is tested in potential consumers to determine consumer acceptance at \_\_\_\_\_ stage.

A. Concept.

B. Product development.

C. Test marketing.

D. Commercialization.

Correct answer: (C) Test marketing.

56. Strategic entrepreneurial marketing has been summarised as the 4Is, identification of target markets, interactive marketing methods, informal intelligence gathering and - what is the fourth?

A. independence.

B. instructiveness.

C. innovation.

D. internet.

Correct answer: (C) innovation.

57. LOB stands for \_\_\_\_\_.

A. Line of Business.

B. Line of Balance.

C. Loss of Business.

D. Loss of Balance

Correct answer: (B) Line of Balance.

58. Decisions which are non-repetitive and novel nature and required to solve unstructured problem is called as \_\_\_\_\_.

A. Programmed decisions.

B. Non - programmed decisions.

C. Routine decisions.

D. Strategic decisions.

Correct answer: (B) Non - programmed decisions.

59. When a firm enters into some business which is related with its present business in terms of technology, marketing or both it is called as \_\_\_\_\_.

A. conglomerate diversification.

B. horizontal integration.

C. vertical integration.

D. concentric integration.

Correct answer: (D) concentric integration.

60. EXIM bank is a \_\_\_\_\_.

A. State-level institution.

B. Regional - level institution.

C. All India institution.

D. International institution.

Correct answer: (C) All India institution.

61. The policy which stressed the role of cottage and small-scale industries for balanced industrial development of the country is \_\_\_\_\_.

A. IPR 1940.

B. IPR 1948.

C. IPR 1956.

D. IPR 1977.

Correct answer: (B) IPR 1948.

62. Under-capitalization arises due to \_\_\_\_\_.

A. excess of assets over the liabilities.

B. excess of liabilities over the assets.

C. actual capitalization is higher than the proper capitalization.

D. actual capitalization is lower than the proper capitalization.

Correct answer: (D) actual capitalization is lower than the proper capitalization.

63. A public corporation means \_\_\_\_\_.

A. public company.

B. government company.

C. statutory corporation.

D. department of union government

Correct answer: (C) statutory corporation.

64. A project, which may not add to the existing profits, should be financed by \_\_\_\_\_.

A. debentures.

B. preference share capital.

C. equity capital.

D. public deposits.

Correct answer: (A) debentures.

65. The charter of a company is its \_\_\_\_\_.

A. prospectus.

B. statement lieu of prospectus.

C. memorandum of association.

D. articles of association.

Correct answer: (A) prospectus.

66. As a new company grows, the entrepreneur will need to \_\_\_\_\_.

A. be responsive to changes in the market.

B. ensure financial controls are maintained.

C. build a management team.

D. all the above.

Correct answer: (D) all the above.

67. The minimum amount of \_\_\_\_\_

irrespective of such private participation, could be specified at a minimum 17.5 per cent of project costs by lending institutions.

A. bank loans

B. promoters contribution

68

C. fixed capital

D. working capital

Correct answer: (B) promoters contribution

68. The content of the final report typically includes the following topics \_\_\_\_\_.

A. Executive summary

B. review and analysis

C. recommendations

D. If all the above are correct.

Correct answer: (D) If all the above are correct.

69. \_\_\_\_\_ describes the direction, the enterprise is going in, what its goals are, where it wants to be, and how it is going to get there.

A. project report

B. technical analysis

C. market analysis

D. financial analysis

Correct answer: (A) project report

70. Someone who improves an existing business can be called \_\_\_\_\_.

A. A changeling.

B. A professional.

C. A co-worker.

D. An intrapreneur.

Correct answer: (D) An intrapreneur.

71. The UK government has implemented a number of policies to encourage Entrepreneurship in schools. One such initiative is \_\_\_\_\_.

A. Young Enterprise.

B. Youth venture.

C. Young Business.

D. Young Initiative.

Correct answer: (A) Young Enterprise.

72. Innovation can best be defined as \_\_\_\_\_.

A. the successful exploitation of new ideas.

B. the evolution of new ideas.

C. the opposite of creativity.

D. the generation of new ideas.

Correct answer: (A) the successful exploitation of new ideas.

73. Which of the following statements is false?

69

A. Market segmentation is a useful process for small businesses to undertake.

B. Selling is essentially a matching process.

C. A benefit is the value of a product feature to a customer.

D. It is a good idea for small businesses to compete solely on price.

Correct answer: (D) It is a good idea for small businesses to compete solely on price.

74. To provide financial assistance to entrepreneurs the government has set up a number of \_\_\_\_\_.

A. financial advisors.

B. financial intermediaries.

C. Industrial estates.

D. financial institutions.

Correct answer: (D) financial institutions.

75. IFCI has been converted into a \_\_\_\_\_.

A. joint stock company.

B. co-operative society.

C. partnership firm.

D. sole proprietorship.

Correct answer: (A) joint stock company.

76. TIIC is sponsored by the \_\_\_\_\_.

A. Government of Karnataka.

B. Government of Andhra Pradesh.

C. Government of Kerala.

D. Government of Tamil Nadu.

Correct answer: (D) Government of Tamil Nadu.

77. \_\_\_\_\_ can be defined as a specifically evolved work plan designed to achieve a specific objective within a specific period of time
- A. Idea generation.
  - B. Opportunity Scanning.
  - C. Strategy
  - D. Project.

Correct answer: (D) Project.

78. The term \_\_\_\_\_ denotes bonus or financial aid which is given by a government to an industry to help it compete with other units

- A. Incentive.
- B. Subsidy.
- C. Concession
- D. Bounty.

Correct answer: (D) Bounty.

79. \_\_\_\_\_ is a graphical representation of the various activity and event relating to a project.

- A. Network analysis.
- B. Scheduling technique.
- C. Logical Model.
- D. Network Diagram

Correct answer: (D) Network Diagram

80. \_\_\_\_\_ is an event-oriented approach.

- A. CPM.
- B. GERT.
- C. WASP.
- D. PERT.

Correct answer: (D) PERT.

81. Additional time which a non-critical activity can consume without increasing the project duration is called \_\_\_\_\_.

- A. Total Float.
- B. Free Float
- C. Independent Float.
- D. Dependant Float

Correct answer: (A) Total Float.

82. Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as \_\_\_\_\_.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions.

Correct answer: (D) Strategic decisions.

83. \_\_\_\_\_ is granted to small scale units under section 33B of the Income tax act, 1961.

- A. Depreciation Allowance.
- B. Development Debate.
- C. Investment Allowance.
- D. Rehabilitation Allowance.

Correct answer: (D) Rehabilitation Allowance.

84. National Alliance of Young Entrepreneurs (NAYE) Sponsored an Entrepreneurial Development scheme with Bank of India in \_\_\_\_\_.

- A. January 1920.
- B. August 1920.
- C. January 1972.
- D. August 1972.

Correct answer: (D) August 1972.

85. What is the role of a Business Angel?

- A. To provide small business advice.
- B. To provide capital for business development in exchange for a stake in the Business ownership.
- C. To set up a franchise business.
- D. To assist an entrepreneur to open a lifestyle business.

Correct answer: (B) To provide capital for business development in exchange for a stake in the Business ownership.

86. New entrepreneurs entering the field of medium industry for the first time can have market studies with the subsidiary of \_\_\_\_\_.

- A. 75% of the cost or Rs.15000 whichever is less.
- B. 75% of the cost or Rs.15000 whichever is high
- C. 50% of the cost or Rs.15000 whichever is less.
- D. 50% of the cost or Rs.15000 whichever is high

Correct answer: (A) 75% of the cost or Rs.15000 whichever is less.

87. The type of diversification in which the company adds complementary to the existing product or service line is \_\_\_\_\_.

- A. conglomerate diversification.
- B. horizontal integration.
- C. vertical integration.
- D. concentric integration.

Correct answer: (C) vertical integration.

88. District Industries Centres are located \_\_\_\_\_.

- A. in each district.
- B. in each state.
- C. only in selected districts.
- D. only in selected states.

Correct answer: (A) in each district.

89. Institutional agencies grant financial assistance to small scale industries for \_\_\_\_\_.

- A. participation in equity capital only.
- B. acquisition of fixed assets.
- C. working capital assistance.
- D. all of the above.

Correct answer: (D) all of the above.

90. The expenses incurred on the setting up of the enterprise are called as \_\_\_\_\_.

- A. Cost of financing.
- B. Cost of promotion.
- C. Cost of fixed assets.
- D. Cost of current assets.

Correct answer: (B) Cost of promotion.

91. Which of the following leads to undercapitalization?

- A. raising of more money by issue of shares.
- B. acquiring fixed assets on excessive amounts.
- C. over-estimation of earnings for enterprise.
- D. under-estimation of initial rate of earnings.

Correct answer: (D) under-estimation of initial rate of earnings.

92. The term Capitalization is used in relation to \_\_\_\_\_.

- A. sole-proprietorship.
- B. Partnership.
- C. joint stock companies.
- D. co-operative societies

Correct answer: (C) joint stock companies.

93. O & M refers to \_\_\_\_\_.

- A. overall efficiency of business.
- B. efficiency of office and administrative work.
- C. office work measurement.
- D. office and management study.

Correct answer: (D) office and management study.

94. Which of the following is a characteristic typical of \_\_\_\_\_? Most entrepreneurs

- A. Choose high risk ventures.
- B. Choose low risk ventures.
- C. Choose moderate (or calculated) risk ventures.
- D. Choose no risk ventures.

Correct answer: (C) Choose moderate (or calculated) risk ventures.

95. Entrepreneurship can best be described as \_\_\_\_\_.

- A. a process that requires setting up a



business.

B. taking a significant risk in a business context.

C. having a strong vision.

D. a process involving innovation, new products or services, and value creation.

Correct answer: (D) a process involving innovation, new products or services, and value creation.

96. Project management is ideally suited for a business environment requiring all of the following except \_\_\_\_\_.

A. Flexibility

B. Innovation

C. speed

D. Repetability

Correct answer: (D) speed

97. what are the components of then project report \_\_\_\_\_.

A. requirement of funds

B. location

C. manpower

D. all the above

Correct answer: (D) all the above

98. Today, many companies are using managerial techniques that are designed to encourage \_\_\_\_\_.

A. Ethical behaviour

B. legal compliances

C. increasing profits

D. shareholders value

Correct answer: (A) Ethical behavior

99. Which could provide an individual with the motivation to start a new business venture?

A. The financial rewards.

B. A desire to be independent.

C. Risk taking

D. All the above.

Correct answer: (D) All the above.

100. Which of the following is the reason for business failure \_\_\_\_\_.

A. Lack of market research.

B. Poor financial control.

C. Poor management.

D. All the above

Correct answer: (D) All the above.

101. Good sources of information for an entrepreneur about competitors can be Obtained from \_\_\_\_\_.

A. Websites.

B. Product information leaflets.

C. Company reports and published accounts.

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D. All the above.

Correct answer: (D) All the above.

102. The purpose of all good small business strategy is \_\_\_\_\_.

A. to increase turnover.

B. to increase profitability.

C. to achieve competitive advantage.

D. to achieve stated objectives.

Correct answer: (D) to achieve stated objectives.

103. State Industrial corporations engage in the development of \_\_\_\_\_.

A. industrial estates.

B. institutional estates.

C. individual investors.

D. agricultural entrepreneurs.

Correct answer: (A) industrial estates.

104. Which of the following is a function of SIDBI?

A. Extension of seed capital.

B. Discounting of bills.

C. Providing factoring services.

D. All of the above.

Correct answer: (D) All of the above.

105. A commercial banker would prefer a \_\_\_\_\_ debt- equity ratio over the years as it indicates financial strength of a unit.

A. Declining.

B. Increasing.

C. Stable.

D. Fluctuating.

Correct answer: (A) Declining.

106. PERT stands for \_\_\_\_\_.

A. Programme Evaluation and Research Techniques.

B. Project Evaluation and Review Techniques.

C. Programme Evaluation and Review Techniques.

D. Project Evaluation and Research Techniques.

Correct answer: (C) Programme Evaluation and Review Techniques.

107. New Small Scale industries are exempted from the payment of income tax under section 80J is called \_\_\_\_\_.

A. Investment Allowance.

B. Development Rebate.

C. Rehabilitation Allowance.

D. Tax Holiday

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Correct answer: (A) Investment Allowance.

108. \_\_\_\_\_ is an activity-oriented approach.

A. CPM

B. PERT

C. GERT

D. WASP

Correct answer: (A) CPM

109. \_\_\_\_\_ is the systematic development of a project idea for the eventual purpose of arriving at an investment decision.

A. Project identification.

B. Project formulation.

C. Project feasibility.

D. Project evaluation.

Correct answer: (B) Project formulation.

110. A provisional SSI registration certificate is valid for a period of \_\_\_\_\_.

A. four Years.

B. three Years.

C. two Years.

D. one year.

Correct answer: (D) one year.

111. Which of the following factors would not be included in a PESTLE analysis?

A. Government re-cycling policy.

B. Proposed reduction in interest rates.

C. Demographic changes.

D. Competitor activity.

Correct answer: (D) Competitor activity.

112. The use of informal networks by entrepreneurs to gather information is known as \_\_\_\_\_.

A. Entrepreneurial networking.

B. Secondary research.

C. Informal parameters.

D. Marketing

Correct answer: (A) Entrepreneurial networking.

113. Entrepreneurs are motivated by \_\_\_\_\_.

A. money.

B. personal values.

C. pull influences.

D. All the above.

Correct answer: (D) All the above.

114. \_\_\_\_\_ is the first development bank of the country.

- A. ICICI.
- B. IDBI.
- C. SFC.
- D. IFCI.

Correct answer: (D) IFCI.

115. The business development department of SIPCOT guides entrepreneurs in \_\_\_\_\_.

- A. applying for licenses.
- B. approval on collaboration.
- C. allocation of scarce raw materials.
- D. All the above.

Correct answer: (D) All the above.

116. \_\_\_\_\_ is used to accomplish the project economically in the minimum available time with limited resources

- A. Project Scheduling.
- B. Network Analysis.
- C. Budget Analysis.
- D. Critical Planning.

Correct answer: (A) Project Scheduling.

117. The granting of cash subsidy on the capital investment is called \_\_\_\_\_.

- A. Concessional finance.
- B. Quantum of Subsidy.
- C. Interest Subsidy.
- D. Central Investment Subsidy.

Correct answer: (D) Central Investment Subsidy.

118. Activities which must be finished before a given event can occur are termed as \_\_\_\_\_.

- A. Preceding Activities.
- B. Succeeding Activities
- C. Concurrent Activities
- D. Dummy Activities.

Correct answer: (A) Preceding Activities.

119. Decisions taken by an entrepreneur on behalf of his enterprise are known as \_\_\_\_\_.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions

Correct answer: (A) Organizational decisions.

120. CPM stands for \_\_\_\_\_.

- A. Continuous Path Method.
- B. Clear Path Method.
- C. Critical Probabilistic Method.

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D. Critical Path Method.

Correct answer: (D) Critical Path Method.

121. The 'T' in a PESTLE analysis refers to \_\_\_\_\_.

- A. Technology.
- B. Time.
- C. Training.
- D. Talent.

Correct answer: (A) Technology.

122. Which one of the following describes unemployment?

- A. The number of people who voluntarily choose not to work.
- B. The number of people who are jobless and are actively seeking work.
- C. The number of people who are not actively seeking work.
- D. The number of people actively seeking work who find work.

Correct answer: (B) The number of people who are jobless and are actively seeking work.

123. Which of the following factors does the macro-environment not include?

- A. political and regulatory factors.
- B. customer needs in a given market.
- C. social and demographic factors.
- D. technological changes.

Correct answer: (B) customer needs in a given

market.

124. Industries producing complete articles for direct consumption & also processing industries is called as \_\_\_\_\_.

- A. Manufacturing industries.
- B. Feeder Industries.
- C. Service Industries.
- D. Mining or Quarrying.

Correct answer: (A) Manufacturing industries.

125. Section 80 HHB provides for a deduction of \_\_\_\_\_ of profits and gains earned by a resident Indian company.

- A. 65%.
- B. 60%.
- C. 55%.
- D. 50%

Correct answer: (D) 50%

126. The type of diversification in which the company adds up same type of products at the same level of production is \_\_\_\_\_.

- A. conglomerate diversification.
- B. horizontal integration.
- C. vertical integration.
- D. concentric integration.

Correct answer: (B) horizontal integration.

127. Seed capital assistance \_\_\_\_\_.

- A. a long-term assistance.
- B. initial assistance
- C. a help for the purchase of seeds.
- D. a short-term assistance.

Correct answer: (B) initial assistance

128. The policy which emphasized the need of promoting small-scale industries through integrated industrial development is \_\_\_\_\_.

- A. IPR 1948.
- B. IPR 1956.
- C. IPR 1977.
- D. IPR 1980.

Correct answer: (C) IPR 1977.

129. A valid definition of a business purpose is to \_\_\_\_\_.

- A. create a customer.
- B. maximize profits.
- C. serve the society.
- D. increase the wealth of the firm.

Correct answer: (B) maximize profits.

130. Which of the following securities proves a burden on finances of the company, when company is not earning profits?

- A. Equity shares.
- B. Preference shares.
- C. Redeemable preference shares.
- D. Debentures.

Correct answer: (D) Debentures.

121. The 'T' in a PESTLE analysis refers to \_\_\_\_\_.

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- D. Talent.

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- A. The number of people who voluntarily choose not to work.
- B. The number of people who are jobless and are actively seeking work.
- C. The number of people who are not actively seeking work.
- D. The number of people actively seeking work who find work.

Correct answer: (B) The number of people who are jobless and are actively seeking work.

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- C. social and demographic factors.
- D. technological changes.

Correct answer: (B) customer needs in a given market.

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- C. Service Industries.
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- A. Equity shares.
- B. Preference shares.
- C. Redeemable preference shares.
- D. Debentures.

Correct answer: (D) Debentures.

141. \_\_\_\_\_ is a problem -solving technique designed to produce numerous ideas in a short period

- A. Synectics.
- B. Delphi technique.
- C. Brain storming.
- D. Nominal group technique.

Correct answer: (C) Brain storming.

142. A business arrangement where one party allows another party to use a business Name and sell its products or services is known as \_\_\_\_\_.

- A. A cooperative.
- B. A franchise.
- C. An owner-manager business.
- D. A limited company.

Correct answer: (B) A franchise.

143. Which one of the following is not considered as one of the Building blocks of the model entrepreneur?

- A. technical skills.
- B. management competencies.
- C. business awareness.
- D. personal attributes.

Correct answer: (C) business awareness.

144. An entrepreneur who owns more than one business at a time is called \_\_\_\_\_.

- A. an intrapreneur.
- B. a corporate entrepreneur.
- C. a portfolio entrepreneur.
- D. None of the above.

Correct answer: (C) a portfolio entrepreneur.

145. Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as \_\_\_\_\_.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions.

Correct answer: (D) Strategic decisions.

146. When a firm enters into business which is unrelated to its existing business both in terms of technology and marketing \_\_\_\_\_.

- A. conglomerate diversification.
- B. horizontal integration.
- C. vertical integration.
- D. concentric integration

Correct answer: (A) conglomerate diversification.

147. Under section 80J of the income tax act, 1961, small-scale industries are exempted from the payment of income tax on their profits at \_\_\_\_\_.

- A. 6% p.a.
- B. 6% p.m.
- C. 5% p.a.
- D. 5% p.a.

Correct answer: (A) 6% p.a.

148. Over - capitalization arises due to \_\_\_\_\_.

- A. excess of assets over the liabilities.
- B. excess of liabilities over the assets.
- C. actual earnings are lower than the expected earnings.
- D. actual earnings are higher than the expected earnings.

Correct answer: (C) actual earnings are lower than the expected earnings.

149. Reserve bank of India is a/an \_\_\_\_\_.

- A. statutory corporation.
- B. company limited by guarantee.
- C. company limited by shares.
- D. unlimited company.

Correct answer: (A) statutory corporation.

150. Which of the following sources is not use for medium term financing?

- A. Issue of equity shares.
- B. Issue of debentures.
- C. Term loans from banks.
- D. Sale of current asset.

Correct answer: (A) Issue of equity shares.

151. Memorandum of association of a firm contains \_\_\_\_\_.

- A. rules regarding the internal management of the company.
- B. rules regarding the constitution and activities of the company.
- C. rules regarding the external management.
- D. rules regarding the constitution.

Correct answer: (B) rules regarding the constitution and activities of the company.



152. An entrepreneur into the hosiery business found out the reason his hosiery was not selling was due to its color. What could be the best source of this information?

- A. Supplier.
- B. Retailer.
- C. Competition.
- D. Government bureau.

Correct answer: (B) Retailer.

153. Which of the following is not considered to be a characteristic of a project?

- A. An established objective
- B. Complex tasks
- C. A clear beginning and end
- D. Only for internal use

Correct answer: (D) A clear beginning and end

154. Every entrepreneur should draw an \_\_\_\_\_ for his project to ensure the timely completion of all activities involved in setting up an enterprise.

- A. cost structure
- B. implementation plan
- C. market structure
- D. production structure

Correct answer: (B) implementation plan

155. Why are small businesses important to a country's economy?

- A. They give an outlet for entrepreneurs.
- B. They can provide specialist support to larger companies.
- C. They can be innovators of new products.
- D. All the above.

Correct answer: (D) All the above.

156. Primary data is \_\_\_\_\_.

- A. new data specifically collected for a project.
- B. the data that is collected first.
- C. the most important data.
- D. data that is collected second.

Correct answer: (A) new data specifically collected for a project.

157. Which of the following is a recognized disadvantage of setting up as a start-up as compared with other routes to market entry?

- A. less satisfaction of the owners.
- B. less help from various agencies.
- C. there are more funds required.
- D. there is a high failure rate.

Correct answer: (D) there is a high failure rate.

158. SIDBI was set up as a subsidiary of \_\_\_\_\_.

- A. IDBI.
- B. IFCI.
- C. ICICI.
- D. SFC.

Correct answer: (A) IDBI.

159. In backward areas, term loans for expansion or setting up a new unit are available at \_\_\_\_\_.

- A. concessional terms.
- B. differential terms.
- C. standard terms.
- D. specific terms.

Correct answer: (A) concessional terms.

160. In \_\_\_\_\_, machines and equipments are arranged in the order or sequence in which they are to be used for manufacturing the product

- A. Product Layout.
- B. Factory Layout.
- C. Process Layout.
- D. Combined Layout.

Correct answer: (A) Product Layout.

161. Activities which can be accomplished simultaneously are termed as \_\_\_\_\_.

- A. Preceding Activities.

B. Succeeding Activities.

- C. Dummy Activities
- D. Concurrent Activities

Correct answer: (D) Concurrent Activities

162. The process of preparing an inventory of skills needed for effective implementation of the project is called as \_\_\_\_\_.

- A. Economic viability.
- B. Financial feasibility.
- C. Technical feasibility.
- D. Managerial competence.

Correct answer: (D) Managerial competence.

163. Which of the following is not one of the 4 Ms?

- A. motivation.
- B. management.
- C. money.
- D. materials.

Correct answer: (D) materials.

164. Which of the following statements is false?

Electronic commerce:

- A. can allow new ventures to compete on more or less equal terms with large firms.
- B. can lead to small businesses having reduced contact with its customers.
- C. is rarely used in small businesses.
- D. is used in many different industries and markets.

Correct answer: (C) is rarely used in small businesses.

165. \_\_\_\_\_ is primarily concerned with the identification, qualification and evaluation of the project resources.

- A. Techno-economic analysis.
- B. Feasibility analysis.
- C. Input analysis.
- D. Financial analysis.

Correct answer: (B) Feasibility analysis.

166. The application for registration of a small scale unit should be submitted to the \_\_\_\_\_.

- A. General manager, DIC.
- B. Director, DIC.
- C. General manager, NSIC.
- D. Director, NSIC.

Correct answer: (A) General manager, DIC.

167. The purpose of soft loan scheme is to encourage units to undertake \_\_\_\_\_.

- A. modernization of plant and machinery.
- B. replacement of plant and machinery.
- C. renovation of plant and machinery.
- D. all the above

Correct answer: (D) all the above

168. The small scale unit wishing to export has to obtain exporters code number from \_\_\_\_\_.

- A. The Reserve Bank of India.
- B. The Central Bank of India.
- C. Any Regional Bank.
- D. Any International Bank.

Correct answer: (A) The Reserve Bank of India.

169. Promoter is a person who \_\_\_\_\_.

- A. takes part in the incorporation of a company.
- B. is a director.
- C. is a relative of the managing director.
- D. works to publicity to the company.

Correct answer: (A) takes part in the incorporation of a company.

170. Business risks can be \_\_\_\_\_.

- A. avoided.
- B. reduced.
- C. ignored.
- D. erased.

Correct answer: (B) reduced.

171. A person owning and running a small firm, is known as \_\_\_\_\_.

A. A manager-owner.  
 B. An owner-manager.  
 C. A professional adapter.  
 D. An enterprise worker.  
 Correct answer: (B) An owner-manager.

172. One of the disadvantages of a franchise business for a franchisee is \_\_\_\_\_.  
 A. Lack of independence.  
 B. Franchise businesses typically have a high failure rate.  
 C. Lack of brand identity.  
 D. Training is not normally provided by the franchisor.  
 Correct answer: (A) Lack of independence.

173. Integration of project management with the organization takes place with the \_\_\_\_\_.  
 A. master budget  
 B. strategic plan  
 C. Process of managing actual projects  
 D. both b and c  
 Correct answer: (D) both b and c

174. market potential of the project report includes \_\_\_\_\_.  
 A. demand and supply conditions  
 B. market strategy  
 C. after sales service  
 D. all the above  
 Correct answer: (D) all the above

175. A business arrangement where one party allows another party to use a business name and sell its products or services is known as \_\_\_\_\_.  
 A. A franchise.  
 B. A cooperative.  
 C. An owner-manager business.  
 D. A limited company.  
 Correct answer: (A) A franchise.

176. Which of the following is least likely to influence the timing of new business births?  
 A. Government policies.  
 B. Profitability.  
 C. Consumer expenditure.  
 D. Weather conditions.  
 Correct answer: (D) Weather conditions.

177. SFC is prohibited from granting financial assistance to any company whose aggregate paid up capital exceed \_\_\_\_\_.  
 A. 1 crore.  
 B. 1.5 crores.  
 C. 2 crores.  
 D. 2.5 crores.  
 Correct answer: (A) 1 crore.

178. Large investment is made in fixed assets, the project will be termed as \_\_\_\_\_.  
 A. Capital Intensive.  
 B. Labour Intensive.  
 C. Product Intensive.  
 D. Market Intensive.  
 Correct answer: (A) Capital Intensive.

179. \_\_\_\_\_ is the analysis of costs and benefits of a proposed project with the goal of assuming a rational allocation of limited funds.  
 A. Project formulation.  
 B. Project evaluation.  
 C. Project appraisal.  
 D. Project Design.  
 Correct answer: (C) Project appraisal.

180. DGTD stands for \_\_\_\_\_.  
 A. Directorate General of Technical Development.  
 B. District General of Technical Development.  
 C. District General of Taxation Deduction.  
 D. Directorate General of Taxation Deduction.  
 Correct answer: (A) Directorate General of

Technical Development.

181. A key aspect of the financial section of the business plan is \_\_\_\_\_.  
 A. A statement of management skills.  
 B. A realistic sales forecast.  
 C. Production capacity.  
 D. A description of competitors.  
 Correct answer: (B) A realistic sales forecast.

182. Underestimation of project cost leads to \_\_\_\_\_.  
 A. Time under run.  
 B. Cost under run  
 C. Time over run.  
 D. Cost over run  
 Correct answer: (D) Cost over run

183. Which of the following is not an aspect of appraisal of term loans by commercial banks?  
 A. Financial feasibility.  
 B. Technical feasibility.  
 C. Economic feasibility.  
 D. Societal feasibility.  
 Correct answer: (D) Societal feasibility.

184. DIC is headed by General Manager in the rank of \_\_\_\_\_.  
 A. Joint Director of industries.  
 B. Assistant Director of industries.  
 C. Non-departmental officer.  
 D. Departmental officer.  
 Correct answer: (A) Joint Director of industries.

185. Which of the following leads to overcapitalization?  
 A. acquiring fixed assets on excessive amounts.  
 B. under-estimation of initial rate of earnings.  
 C. using lower-rate of capitalization.  
 D. under estimation of required funds.  
 Correct answer: (A) acquiring fixed assets on excessive amounts.

186. Investment in which of the following is most risky?  
 A. Equity shares.  
 B. Preference shares.  
 C. Debentures.  
 D. Land.  
 Correct answer: (C) Debentures.

187. A Company is called an artificial person because \_\_\_\_\_.  
 A. it does not have the shape of a natural person.  
 B. it cannot be used in the court of law.  
 C. it is invisible and intangible.  
 D. it exists only in contemplation of law.  
 Correct answer: (C) it is invisible and intangible.

188. \_\_\_\_\_, which is included in the project cost, is estimated on the basis of the year when the enterprise breaks even.  
 A. working capital  
 B. cost of capital  
 C. cost of production  
 D. cost of equity  
 Correct answer: (A) working capital

189. Business means \_\_\_\_\_.  
 A. Commerce.  
 B. industry and commerce.  
 C. trade and commerce.  
 D. selling and buying of goods.  
 Correct answer: (B) industry and commerce.

190. Large investment is made in fixed assets, the project will be termed as \_\_\_\_\_.  
 A. Capital Intensive.  
 B. Labour Intensive.  
 C. Product Intensive.  
 D. Market Intensive.  
 Correct answer: (A) Capital Intensive.

191. Which of the following shows the process of creating something new?  
 A. Business model

B. Modeling  
 C. Creative flexibility  
 D. Innovation  
 Correct answer: (D) Innovation

192. Individuals influencing an entrepreneur's career choice and style are known as which of the following?  
 A. Moral-support network  
 B. Role model  
 C. Professional support network  
 D. Support system  
 Correct answer: (B) Role model

193. SBA stands for:  
 A. Small business accountants  
 B. Small business administration  
 C. Small business adequacy  
 D. Small business advisors  
 Correct answer: (B) Small business administration

194. EDP (Entrepreneurship Development Programmes) is required to help:  
 A. Existing entrepreneurs  
 B. First generation entrepreneurs  
 C. Future generations entrepreneurs  
 D. None of the above  
 Correct answer: (B) First generation entrepreneurs

195. A corporate manager who starts a new initiative for their company which entails setting up a new distinct business unit and board of directors can be regarded as?  
 A. Ecopreneur  
 B. Technopreneur  
 C. Intrapreneur  
 D. Social Entrepreneur  
 Correct answer: (C) Intrapreneur

196. Which of the following is used by entrepreneurs to acquire experience in an international market before making a major commitment?  
 A. Merger  
 B. Minority Interest  
 C. Joint venture  
 D. Majority interest  
 Correct answer: (B) Minority Interest

197. What is the process by which individuals pursue opportunities without regard to resources they currently control?  
 A. Startup management  
 B. Entrepreneurship  
 C. Financial analysis  
 D. Feasibility planning  
 Correct answer: (B) Entrepreneurship

198. Which of the following factors is the most important in forcing U.S companies to focus on new product development and increased productivity?  
 A. Entrepreneurship  
 B. Hyper competition  
 C. Governmental laws  
 D. Organizational culture  
 Correct answer: (B) Hyper competition

199. Which one of the following is an important source of idea generation due to their familiarity with the needs of market?  
 A. Existing products and services  
 B. Distribution channels  
 C. Federal government  
 D. Consumers  
 Correct answer: (B) Distribution channels

200. A performance and credit rating scheme has been launched by the MSME Ministry to assess creditworthiness and capabilities of industries in the sector. What is it called?  
 A. Performance and Credit Rating Scheme  
 B. Zero Defect Zero Effect Certification  
 C. Performance and Economy Rating Scheme  
 D. None of the above

Correct answer: (A) Performance and Credit Rating Scheme

201. A women entrepreneur is supposed to have a minimum financial interest in share capital of entrepreneur's enterprise:  
 A. 35 per cent  
 B. 51 per cent  
 C. 25 per cent  
 D. None of the above  
 Correct answer: (C) 25 per cent

202. The entrepreneur was distinguished from capital provider in:  
 A. Middle ages  
 B. 17th century  
 C. 18th century  
 D. 19th and 20th century  
 Correct answer: (C) 18th century

203. Having more than 50% ownership position that provides the entrepreneur with managerial control is called:  
 A. Joint venture  
 B. Majority interest  
 C. Horizontal merger  
 D. Diversified activity merger  
 Correct answer: (B) Majority interest

204. The activity which occurs when the new venture is started is called:  
 A. Motivation  
 B. Business skills  
 C. Departure point  
 D. Goal orientation  
 Correct answer: (C) Departure point

205. Which one of the following is the most important characteristic of a successful business website?  
 A. Innovation  
 B. Speed  
 C. Graphics  
 D. Products  
 Correct answer: (B) Speed

206. Family business always interested to handover the change of his business to:  
 A. Indian Administration Officers  
 B. Professional Managers  
 C. Next generation  
 D. None of the above  
 Correct answer: (C) Next generation

207. Which one of the following gives suggestions for new product and also help to market new products?  
 A. Existing products and services  
 B. Federal government  
 C. Distribution Channels  
 D. Consumers  
 Correct answer: (C) Distribution Channels

208. Which one of the following is the process of entrepreneurs developing new products that over time make current products obsolete?  
 A. New business model  
 B. Anatomization  
 C. None of the given options  
 D. Creative destruction  
 Correct answer: (D) Creative destruction

209. Members of distribution channels are excellent sources for new ideas because:  
 A. They earn a handsome profit from new business  
 B. They are familiar with the needs of the market  
 C. They do not bother if entrepreneur bears a loss  
 D. They have well-developed sales force  
 Correct answer: (B) They are familiar with the needs of the market

210. Why should an entrepreneur do a feasibility study for starting a new venture

A. To identify possible sources of funds  
 B. To see if there are possible barriers to success  
 C. To estimate the expected sales  
 D. To explore potential customers  
 Correct answer: (B) To see if there are possible barriers to success

211. A corporate manager who starts a new initiative for their company which entails setting up a new distinct business unit and board of directors can be regarded as?  
 A. Ecopreneur  
 B. Technopreneur  
 C. Intrapreneur  
 D. Social Entrepreneur  
 Correct answer: (C) Intrapreneur

212. Venture capital is concerned with:  
 A. New project having potential for higher profit  
 B. New project of high technology  
 C. New project having high risk  
 D. All the above.  
 Correct answer: (A) New project having potential for higher profit

213. GATT is established in 1947, under:  
 A. German leadership  
 B. U.S. leadership  
 C. French leadership  
 D. U.K. leadership  
 Correct answer: (B) U.S. leadership

214. Having less than 50 percent of equity share in an international venture is called:  
 A. Joint Venture  
 B. Majority interest  
 C. Minority interest  
 D. Exporting  
 Correct answer: (C) Minority interest

215. The level at which an individual is viewed by society is called:  
 A. Financial status  
 B. Qualification  
 C. Social status  
 D. Achievement  
 Correct answer: (C) Social status

216. Which one of the following is the next stage to the Concept Stage of Product Planning and Development Process?  
 A. Idea Stage  
 B. Product Planning Stage  
 C. Product Development Stage  
 D. Test Marketing Stage  
 Correct answer: (C) Product Development Stage

217. A Micro Enterprise is an enterprise where investment in plant and machinery does not exceed (According to MSMED Act, 2006):  
 A. Rs. 15 Lakh  
 B. Rs. 20 Lakh  
 C. Rs. 25 Lakh  
 D. Rs. 30 Lakh  
 Correct answer: (C) Rs. 25 Lakh

218. Which of the following is alternatively called corporate venturing?  
 A. Entrepreneurship  
 B. Intrapreneurship  
 C. Act of stating a new venture  
 D. Offering new products by an existing company  
 Correct answer: (B) Intrapreneurship

219. Information regarding all of the following is related to operations, EXCEPT:  
 A. Location  
 B. Promotion  
 C. Raw materials  
 D. Labor skills  
 Correct answer: (C) Raw materials

220. A Business Model is related to

A. A way of doing Business  
 B. A perspective and a mode of looking at Markets  
 C. A mode of transaction  
 D. A structure of doing business involving market analysis and planning, revenue model and a plan of interacting with all the stakeholders involved.  
 Correct answer: (D) A structure of doing business involving market analysis and planning, revenue model and a plan of interacting with all the stakeholders involved.

221. Social entrepreneurship can be defined as which of the following?  
 A. A process involving the innovative use and combination of resources to pursue opportunities to catalyze change and/or address social needs  
 B. Coming up with new solutions to social problems and then implementing them, often on a large scale  
 C. An attempt at the creation new social value through the creation of a new enterprise, such as self-employment, creating a new business or nonprofit, or the expansion of an existing social enterprise by an individual, team of individuals or firm'  
 D. Any entrepreneurship is Social Entrepreneurship. /All of the above  
 Correct answer: (D) Any entrepreneurship is Social Entrepreneurship. /All of the above

222. Strategy Canvass is based on the framework of  
 A. Eliminate Raise  
 B. Eliminate Raise reduce create  
 C. Focus, Divergence and Compelling tagline  
 D. Offerings  
 Correct answer: (B) Eliminate Raise reduce create

223. As a business model  
 A. Amazon is same as Uber  
 B. Big Basket is same as Big Bazaar  
 C. Amway is similar to HUL Shakti  
 D. IBM is same as Dell Computers  
 Correct answer: (C) Amway is similar to HUL Shakti

224. According to the \_\_\_\_\_, it can be concluded that firms have a competitive advantage in a market if they offer products of a higher perceived value to the customers and lower relative costs than competing firms.  
 A. Red ocean strategy  
 B. Analysis of national competitiveness  
 C. Blue ocean strategy  
 D. Competitive triangle  
 Correct answer: (D) Competitive triangle

225. What is the aim of a strategy canvas?  
 A. To avoid red oceans  
 B. To move towards uncontested market space  
 C. To increase a produce range  
 D. To beat competitors on prices  
 Correct answer: (B) To move towards uncontested market space

226. An entrepreneur has an amalgamation of  
 A. Thinking Ability, creativity, critical thinking, analytical abilities and originality.  
 B. Aptitude for Human Relations.  
 C. Communication Skills.  
 D. Financial Ability  
 Correct answer: (A) Thinking Ability, creativity, critical thinking, analytical abilities and originality.

227. Which of the following traditional marketing elements do not apply to social entrepreneurship efforts?  
 A. Public Relations

- B. Sales Promotion
- C. Marketing mix
- D. None of the above

Correct answer: (D) None of the above

228. Which of the following sentences best summarizes the differences between the red and blue oceans strategies?

- A. In the red oceans, industry boundaries are defined and accepted and the competitive rules of the game are known. Blue oceans are occasionally created well beyond existing industry boundaries.
- B. Red oceans denote an environment where products are not yet well defined while blue oceans refer to the frequently accessed marketplaces where the products are well defined, competitors are known and competition is based on price, product quality and service.
- C. Blue oceans are an old paradigm that represents all the industries in existence today while red oceans are those where companies beat competition by focusing on developing compelling value innovations that create uncontested market space.
- D. Red oceans are about avoiding head-to-head competition while blue oceans are about rivals fighting over a shrinking profit pool.

Correct answer: (A) In the red oceans, industry boundaries are defined and accepted and the competitive rules of the game are known. Blue oceans are occasionally created well beyond existing industry boundaries.

229. Which of the following is correct?

- A. All innovations are also inventions.
- B. All inventions are also innovations.
- C. Inventions are related to science while innovations are related to social issues.
- D. None of the above

Correct answer: (A) All innovations are also inventions.

230. "Recognizing that most of the future processes are going to be affected by blockchain technology", is an example of

- A. Recognition of waste
- B. Understanding the future wave
- C. Feeling the pain of current users of technology
- D. All of the above

Correct answer: (B) Understanding the future wave

231. What is the role of technology forecasting in innovation?

- A. It helps in understanding the future application of existing technology.
- B. It helps in understanding the development of new technologies.
- C. It helps in understanding the market of a technology.
- D. All of the above

Correct answer: (D) All of the above

232. What is the innovation gap?

- A. An opening that rivals might exploit
- B. The time that elapses between invention and innovation
- C. A nation's lack of inventiveness
- D. An opening that can be exploited by an entrepreneur with a good idea

Correct answer: (D) An opening that can be exploited by an entrepreneur with a good idea

233. Which of the following is correct?

- A. Technology is the use of engineering knowledge for wealth generation.
- B. Innovations are scientific inventions.
- C. Innovations are new ideas.
- D. Innovations are new ideas.

Correct answer: (A) Technology is the use of engineering knowledge for wealth generation.

234. "Realizing that solid waste management is poor in India, some reasons were identified. One of the reason is almost zero segregation of waste at source. Waste segregation after collection is a very difficult task." How will you use this observation in challenge book?

- A. Waste of efforts in segregation
- B. Pain of citizens for poor solid waste management
- C. Opportunity to use latest technology for Solid waste management
- D. All of the above

Correct answer: (D) All of the above

235. Which of the following is correct?

- A. Science is a systematic way of studying any phenomenon.
- B. Science is all about experimentation.
- C. Science is concerned with explaining things in a rational manner.
- D. All of the above

Correct answer: (D) All of the above

236. What is the general shape of a technology life cycle?

- A. S curve
- B. Normal distribution curve
- C. Bell curve
- D. Straight line

Correct answer: (A) S curve

237. According to MSME Act in India, what is the limit of investment in plant and machinery for a micro enterprises involved in manufacturing?

- A. Rs 5 lakhs
- B. Rs.20 lakhs
- C. Rs.25 lakhs
- D. There is no such limit in the act.

Correct answer: (C) Rs.25 lakhs

238. Which of the following is not included in the parameters of sustainable development?

- A. Carrying capacity
- B. Inter and Intra-generation equity
- C. Gender disparity and diversity
- D. None of the above

Correct answer: (D) None of the above

239. Innovations provide

- A. The primary means for differentiating your product from your competitors'
- B. Higher profit margins
- C. Potential barriers to entry
- D. All of the above

Correct answer: (D) All of the above

240. Basic framework of Insights is proposed on the basis of

- A. Contentions
- B. Information
- C. Observation
- D. Connections, Contradictions and Creative Desperation

Correct answer: (D) Connections, Contradictions and Creative Desperation

241. Entrepreneurship Management Which of the examples seem to be associated with Insight and Entrepreneurship.

- A. Clocks
- B. Footwear
- C. Furniture
- D. All the business and products are a resultant of Insight and Entrepreneurship

Correct answer: (D) All the business and products are a resultant of Insight and Entrepreneurship

242. Monetizing an idea to make money with some method of operations is known to be

- A. Strategy
- B. Scope
- C. Business model



D. Business system

Correct answer: (A) Strategy

243. According to MSME Act in India, what is the limit of investment in plant and machinery for a small enterprises involved in services?

A. There is no separate classification for service and manufacturing organizations.

B. It is less than Rs 1 crore.

C. It is less than Rs 2 crore.

D. It is more than Rs 10 lakh but less than Rs 2 crore.

Correct answer: (D) It is more than Rs 10 lakh but less than Rs 2 crore.

244. "Not-invented-here (NIH) syndrome," "I already known it (IAKI)," "Prove it to me (PITM)," and "How on Earth could my firm possibly do that" are.

A. Legitimate reasons to maintain a conservative innovation policy

B. Innovation's worst enemies

C. Signs of weak management

D. None of the above

Correct answer: (B) Innovation's worst enemies

245. Which of the following describes the totality of the means people employ to accomplish desired tasks?

A. Innovation

B. Competitive advantage

C. Technology

D. Facilities

Correct answer: (C) Technology

246. Which of the ministry of Government of India deals with matters related to intellectual property?

A. Niti Aayog

B. Ministry of Human Resource Development

C. Ministry of Commerce and Industry

D. Ministry of Finance

Correct answer: (C) Ministry of Commerce and Industry

247. Which of the following is correct?

A. Knowledge available in patent is available in public domain.

B. Knowledge available in patent is kept confidential so that it can not be used by others.

C. Patenting of invention is a big hindrance of use of technology for social welfare.

D. All of the above

Correct answer: (A) Knowledge available in patent is available in public domain.

248. What do you mean by WIPO?

A. World Intellectual Property Right Organization

B. World Internet Protection Organization

C. World Intellectual Protection Organization

D. World Indicator of Patents Organization

Correct answer: (A) World Intellectual Property Right Organization

249. Which of the following is correct?

A. A Patent is an exclusive right granted for an invention.

B. Getting patent is a guarantee for a regular income for your invention.

C. Both (a) and (b)

D. None of the above

Correct answer: (A) A Patent is an exclusive right granted for an invention.

250. What do you mean by PCT?

A. Patent Cooperation Treaty

B. Protection of Copyright Treaty

C. Patent and Copyright Treaty

D. None of the above

Correct answer: (A) Patent Cooperation Treaty

251. What is not an essential condition to obtain patent?

A. Novelty

B. Non obviousness

C. Theory development

D. Industry application

Correct answer: (C) Theory development

252. What is the normal life a patent?

A. 10 years

B. 20 Years

C. 25 Years

D. There is no fixed life.

Correct answer: (B) 20 Years

253. Which of the following is correct?

A. A Patent gives universal protection.

B. A Patent is a territorial protection.

C. A Patent is specific to an industry.

D. A patent is specific to an application.

Correct answer: (B) A Patent is a territorial protection.

254. Which of the following is not a form of intellectual property?

A. Patent

B. Copyright

C. Cash in hand

D. Geographical Indicator

Correct answer: (C) Cash in hand

255. The typical \_\_\_\_\_ has a climate and reward system that favor conservative decision making.

A. Entrepreneurship culture

B. Corporate culture

C. Intrapreneurial culture

D. None of the above

Correct answer: (B) Corporate culture

256. Which of the following is correct?

A. Mind-set is the biggest barrier in the process of innovation.

B. External environment is a major barrier in the process of innovation.

C. "Many of us feel that innovation is not my cup of tea" - this is a major challenge in the process of innovation.

D. All of the above

Correct answer: (D) All of the above

257. Which of the following is not a characteristics of systems thinking approach?

A. Point of leverage is to be identified.

B. It uses concept of silver bullet.

C. Theory of constraints is best suited for systems thinking.

D. None of the above

Correct answer: (D) None of the above

258. Which of the following is not correct with respect to "concept of challenge book" ?

A. It helps in creating a template for recording various observations.

B. It helps in getting a readymade list of various problems which require innovative solution.

C. It is a record of impact created by different innovations.

D. None of the above

Correct answer: (C) It is a record of impact created by different innovations.

259. Which of the following is a possible assumption to be validated in an experiment in the process of innovation?

A. Indian customers would enjoy buying product on line.

B. Indian customers would enjoy movies depicting India mythological characters.

C. Indian customers would pay for an email service for high level of data security.

D. All of the above

Correct answer: (D) All of the above

260. Who is not needed in developing participation for innovation in the organizations?

i. Role Model

- ii. Catalyst
- iii. Investor
- iv. Customer
- A. Only (iv)
- B. Only (iii) and (ii)
- C. Only (iii) and (iv)
- D. Only (i)

Correct answer: (C) Only (iii) and (iv)

261. Which of the following is correct?

- A. Incubators are used for getting initial funding for startups.
- B. Incubators are used for getting mentorship for startups.
- C. Both (a) and (b) are false.
- D. Both (a) and (b) are correct.

Correct answer: (D) Both (a) and (b) are correct.

262. How does an Organization delivers value? Through

- A. By knowing what business they are into?
- B. By knowing what the World is doing?
- C. By knowing the politics of their Country.
- D. By understanding the people around.

Correct answer: (A) By knowing what business they are into?

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263. Looking at things with the innovative and innovation perspective India should be looking at the market growth with reference to products/areas of business/services like

- A. Energy and Food
- B. Entertainment
- C. Shipping
- D. Financial Management

Correct answer: (A) Energy and Food

264. What is not part of the design thinker's profile?

- A. Empathy
- B. Integrative Thinking
- C. Creativity
- D. Functionality Focus

Correct answer: (D) Functionality Focus

265. The \_\_\_\_\_ plan shows whether the business is economically easible or not.

- A. Financial
- B. Business
- C. Technical
- D. Marketing

Correct answer: (B) Business

266. Japanese term "Kaizen" is close to

- A. Product innovation
- B. Process innovation
- C. Business model innovation
- D. None of the above

Correct answer: (B) Process innovation

267. Which of the following can be a source of curiosity?

- A. Use of Social Media
- B. 5 G Mobile Technology
- C. Packaging wastages
- D. All of the above

Correct answer: (D) All of the above

268. What is convergent thinking?

- A. The process of creating many solutions to one problem.
- B. The process of routine solutions to many problems.
- C. The process of coming up with a logical, single best solution to a problem
- D. The process of coming up with a logical solution to several problems.

Correct answer: (C) The process of coming up with a logical, single best solution to a problem

269. What are the different types of assumptions to be validated in an experiment designed in

- i. Need
- ii. Technical
- iii. Positioning
- A. Only (i) and (ii)
- B. Only (ii) and (iii)
- C. Only (i) and (iii)
- D. All (i) , (ii) and (iii)

Correct answer: (A) Only (i) and (ii)

270. A set of reasons for engaging in a particular behavior, especially human behavior is known as

- A. Values
- B. Vision
- C. Entrepreneurship
- D. Motivation

Correct answer: (D) Motivation

271. One of the most important remedies of a business model failure is:

- A. Consistency and Persistence of the organization and the leadership
- B. Market Analysis
- C. Competitor' s Analysis
- D. Product analysis

Correct answer: (A) Consistency and Persistence of the organization and the leadership

272. The importance of intellectual property should be understood by entrepreneur even before

- A. Hiring a manager
- B. Engaging an attorney
- C. Developing a product
- D. Establishing new venture

Correct answer: (B) Engaging an attorney

273. Which of the following is correct?

- A. Uncertainty about future gives excitement to an innovator.
- B. Prediction disability is a villain in the process of innovation.
- C. Innovation is an adventurous process.
- D. None of the above

Correct answer: (B) Prediction disability is a villain in the process of innovation.

274. Which of the following is not a characteristics of design thinking approach?

- A. Rapid prototyping
- B. Detailed analysis
- C. Faster implementation
- D. None of the above

Correct answer: (B) Detailed analysis

275. Which of the following statements is not correct?

- A. Divergent thinking works best for open ended problems.
- B. Divergent thinking involves creativity.
- C. Unlike convergent thinking, there is no single best correct answer in divergent thinking.
- D. The process of divergent thinking is systematic and logical

Correct answer: (C) Unlike convergent thinking, there is no single best correct answer in divergent thinking.

276. Which of the following is not a possible assumption to be validated in an experiment designed in the process of innovation?

- A. Women are as hard working as men.
- B. Women are as intelligent as men.
- C. Women are as fearless as men.
- D. All of the above

Correct answer: (D) All of the above

277. Which of the following is not correct?

- A. In process of cocreation, customers and solution provider shares value.
- B. In process of cocreation, focus shifts from

problem loci to problem space.

C. Both (a) and (b) are false.

D. Both (a) and (b) are correct.

Correct answer: (C) Both (a) and (b) are false.

278. How does an organization creates value?

A. By knowing their customers well

B. By knowing their employees well

C. By knowing themselves well

D. By knowing their successors well

Correct answer: (A) By knowing their customers well

279. How should India or similar markets look at the future?

A. On the basis of Needs and Resources.

B. On the basis of pattern set by the developed markets.

C. On the basis of the neighboring markets

D. On the basis of the desire of the entrepreneurs.

Correct answer: (A) On the basis of Needs and Resources.

280. Which of the following is/are challenge(s) in the process of innovation?

A. Fear of failure

B. Unable to predict

C. Lack of resources

D. All of the above

Correct answer: (D) All of the above

281. Which of the following is correct?

A. In present times, the product life cycles are reducing.

B. In present times, the product life cycles are increasing.

C. In present times, uncertainty in business environment is reducing.

D. None of the above

Correct answer: (A) In present times, the product life cycles are reducing.

282. Which of the following is correct?

A. Innovation starts with creativity.

B. Innovation begins with curiosity.

C. Innovation happens accidentally.

D. All of the above

Correct answer: (B) Innovation begins with curiosity.

283. Which of the following is correct?

A. Maslow proposed a five stage need hierarchy model.

B. Maslow proposed three stages need hierarchy model.

C. Maslow divided human behaviour in two categories.

D. Maslow divided human behaviour in three categories.

Correct answer: (A) Maslow proposed a five stage need hierarchy model.

284. In stage of responsibility allocation process the entrepreneur follows?

A. High centralized decision making process

B. Highly decentralized decision making process

C. Somewhat centralized decision making process

D. No particular standards

Correct answer: (B) Highly decentralized decision making process

285. Which of the following is not correct?

A. Cocreation is a process which is used by innovators for getting new ideas.

B. Cocreation involves participation of customers in the process of solving a problem

C. Cocreation is possible in services and manufacturing.

D. None of the above

Correct answer: (A) Cocreation is a process which

is used by innovators for getting new ideas.

286. What is the role of incubator in the process of entrepreneurship?

A. Incubator provides financial support to start up.

B. Incubator provides mentorship support.

C. Incubator provides networking opportunities with venture capitalists.

D. All of the above

Correct answer: (D) All of the above

287. Single largest factor associated with a Business Model Failure is:

A. Incoherence with the Business Environment

B. Unavailability of regular banking and finance support

C. Powerful Competition

D. Complacency of the Organization and the team

Correct answer: (D) Complacency of the Organization and the team

288. Which of the following is correct?

A. Japanese manufacturing philosophy focuses on Cost minimization.

B. Japanese manufacturing philosophy focuses on innovation.

C. Japanese manufacturing philosophy focuses on quality with minimum cost.

D. All of the above

Correct answer: (C) Japanese manufacturing philosophy focuses on quality with minimum cost.

289. Which of the following is important in selection of an idea?

A. Novelty of idea

B. Ease of implementation of idea

C. Impact of idea

D. All of the above

Correct answer: (D) All of the above

290. Which of the following can not be a type of reward for encouraging innovation in your organization?

A. Putting a poster mentioning your achievement alongwith your photograph on main notice board of the company

B. Giving you a Cash prize of Rs1 million

C. Giving you a promotion to some different department or location

D. None of the above

Correct answer: (C) Giving you a promotion to some different department or location

291. Which of the following is correct?

A. All ideas leading to innovation must go through the process of incubation.

B. All ideas leading to innovation must develop a prototype.

C. Both (a) and (b) are false.

D. Both (a) and (b) are correct.

Correct answer: (B) All ideas leading to innovation must develop a prototype.

292. The development of a new venture based on an inventor's work often requires \_\_\_\_\_

A. Expertise of an entrepreneur

B. Heavy investment from financiers

C. Skilled Human resources

D. Highly educated staff

Correct answer: (A) Expertise of an entrepreneur

293. Which of the following is correct?

A. "naïve perception" helps in improving our ability to see more things around us.

B. "naïve perception" helps in improving our ability to implement the idea.

C. "naïve perception" helps in creating harmonious environment for innovation.

D. All of the above



Correct answer: (A) "naïve perception" helps in improving our ability to see more things around us.

294. Which of the following is not a characteristics of frugal innovation?

A. Reducing complexity of a product

B. Removing nonessential features of a product

C. Reducing cost of a product

D. Improving quality of a product

Correct answer: (D) Improving quality of a product