

### ### 1. What is a problem? (5 Marks)

A problem, in entrepreneurship, refers to a need, pain point, or challenge experienced by individuals or organizations that disrupts their normal functioning or limits their ability to achieve desired outcomes. Identifying a problem is the starting point for most entrepreneurial ventures, as solutions to these problems can form the basis for new products or services.

### ### 2. What is “Job-to-be-done” (JTBD)? (5 Marks)

The “Job-to-be-Done” (JTBD) framework is a customer-centric concept that focuses on understanding the task or goal that customers are trying to achieve when they hire a product or service. In entrepreneurship, JTBD helps innovators focus not just on the product but on the customer’s desired outcomes. It emphasizes the functional, emotional, and social aspects of why customers use a particular product.

### ### 3. When does a problem become an opportunity? (5 Marks)

A problem becomes an opportunity when an entrepreneur identifies a viable and innovative solution that addresses the problem and meets the needs of a target market. The problem should present a potential for a profitable business model, meaning the solution can be scaled, marketed, and monetized effectively, turning it into a business opportunity.

### ### 4. What is a problem worth solving? (5 Marks)

A problem is worth solving when it affects a significant number of people, causes substantial inconvenience or inefficiency, and presents an unmet need in the market. Additionally, the problem should have economic potential—meaning that customers are willing to pay for a solution. Entrepreneurs need to validate that the problem is both urgent and important to their target audience.

### ### 5. What other job does the customer want to get done? (5 Marks)

In addition to solving the primary problem, customers often have related or underlying “jobs” they want to accomplish. These could be emotional, social, or functional jobs that enhance the overall experience. For example, beyond buying a phone (functional job), a customer might also want to feel more connected to their peers or appear tech-savvy (social and emotional jobs).

### ### 6. How do you validate that you have identified a problem worth solving? (5 Marks)

To validate a problem worth solving, entrepreneurs can use methods such as customer interviews, surveys, and prototype testing. Gathering feedback directly from potential customers helps determine if the problem is significant and widespread. Additionally, market research, analyzing competitors, and testing demand through Minimum Viable Products (MVPs) help in validating the problem's importance.

### ### 7. Who is a consumer? (5 Marks)

A consumer is the end user of a product or service, the person who ultimately benefits from it. In

entrepreneurship, understanding the consumer's needs, preferences, and behaviors is critical as they drive the demand for goods or services.

#### ### 8. How is a consumer different from a customer? (5 Marks)

A consumer is the person who uses or consumes the product, whereas a customer is the person who purchases the product. In many cases, the customer and the consumer are the same, but not always. For example, a parent (customer) buys toys for their child (consumer). Thus, entrepreneurs need to understand the needs of both customers and consumers.

#### ### 9. What is Bootstrapping? (5 Marks)

Bootstrapping refers to starting and growing a business using personal savings, revenue from early customers, and other non-traditional forms of funding, rather than relying on external investments like venture capital. Entrepreneurs who bootstrap maintain full control of their business but face limitations due to limited resources. It is a common approach for early-stage startups looking to prove their concept before seeking investment.

#### ### 10. What is the Design Thinking process? What are the steps to apply design thinking in practice? (5 Marks)

Design Thinking is a human-centered approach to problem-solving that involves understanding user needs and developing innovative solutions. It is widely used in entrepreneurship to create products or services that meet market demands.

The key steps in the Design Thinking process are:

1. **Empathize**: Understand the user's needs and challenges through research and observation.
2. **Define**: Clearly articulate the problem you're solving for.
3. **Ideate**: Brainstorm creative solutions to the problem.
4. **Prototype**: Develop a simplified model or mock-up of the proposed solution.
5. **Test**: Evaluate the prototype by testing it with real users and iterating based on feedback.

#### ### 11. What are the major market types? Why do you need to know them? (5 Marks)

The major market types are:

1. **Business-to-Consumer (B2C)**: Selling directly to individual consumers.
2. **Business-to-Business (B2B)**: Selling products or services to other businesses.
3. **Business-to-Government (B2G)**: Supplying products or services to government agencies.
4. **Peer-to-Peer (P2P)**: Individuals buying and selling directly from one another.

Understanding market types is crucial for entrepreneurs to tailor their business models, marketing strategies, and product development to the right audience. Each market type has different sales cycles, pricing models, and buyer behavior.

#### ### 12. What is Segmentation and Targeting? (5 Marks)

**Segmentation** refers to dividing a broad consumer or business market into smaller, more manageable groups based on shared characteristics such as demographics, needs, or

behaviors.

**\*\*Targeting\*\*** involves selecting specific segments to focus on, based on their attractiveness and the company's ability to serve them effectively. It helps in creating personalized marketing and product strategies that meet the specific needs of each segment.

#### ### 13. What is a Niche Market? (5 Marks)

A **\*\*niche market\*\*** is a specialized segment of a larger market that has its own unique demands, preferences, and identity. It typically involves a smaller, more specific audience with distinct needs that are not fully addressed by mainstream offerings. Entrepreneurs often target niche markets to avoid direct competition with larger companies and build a loyal customer base.

#### ### 14. Who are the Early Adopters? (5 Marks)

Early adopters are the first group of people to use or buy a new product or service after it is launched. They are typically willing to take risks on new innovations and provide valuable feedback that can be used to improve the product. Early adopters are crucial because their positive experiences can influence later customers and accelerate market growth.

#### ### 15. What is a Customer Persona and why do you need to create one? (5 Marks)

A **\*\*customer persona\*\*** is a detailed, semi-fictional profile that represents a key segment of your target audience. It includes demographic information, buying behavior, goals, challenges, and preferences. Creating a customer persona helps entrepreneurs to understand their audience better and design products, services, and marketing messages that resonate with specific customer needs.

#### ### 16. What is the Value Proposition Canvas? (5 Marks)

The **\*\*Value Proposition Canvas (VPC)\*\*** is a tool that helps entrepreneurs clearly define how their product or service delivers value to customers. It consists of two parts: the **\*\*Customer Profile\*\***, which outlines the customer's jobs, pains, and gains, and the **\*\*Value Map\*\***, which describes the features of the product that address those pains and create gains. It ensures that there is a match between what the customer wants and what the business offers.

#### ### 17. How to craft your value proposition using the VPC? (5 Marks)

To craft a value proposition using the VPC:

1. Identify the customer's key jobs, pain points, and desired gains.
2. Design your product or service to directly address these pain points and enhance the gains.
3. Clearly communicate how your solution solves the customer's problem or improves their life in a way that competitors cannot.

This helps in differentiating your product and making it more attractive to your target audience.

#### ### 18. What is an MVP? Why is it important? (5 Marks)

A **\*\*Minimum Viable Product (MVP)\*\*** is a simplified version of a product with just enough features to satisfy early users and provide feedback for future development. MVPs allow

entrepreneurs to test ideas, validate market demand, and gather insights with minimal resources, reducing the risk of investing in a full product without knowing whether it will succeed in the market.

### ### 19. What are the various types of Prototypes? (5 Marks)

There are several types of prototypes, including:

1. **Sketches**: Simple drawings that visualize product concepts.
2. **Wireframes**: Low-fidelity blueprints showing structure without detailed content.
3. **Mockups**: High-fidelity static representations of the final product.
4. **Proof of Concept (POC)**: Demonstrates the feasibility of an idea or technology.
5. **Functional Prototypes**: Early versions of the product that can be tested with users.

Prototypes help entrepreneurs test the feasibility and functionality of their product before full development.

### ### 20. How to build the final product out of your MVP? (5 Marks)

After gathering feedback from your MVP, iterate and improve based on user insights. This involves:

1. Enhancing features that users find valuable.
2. Fixing pain points or issues raised by early users.
3. Scaling the product by adding more functionality, refining the user experience, and preparing for larger production.

The final product should incorporate all validated learnings from the MVP phase.

### ### 21. What are the types of costs? (5 Marks)

Costs in a business are typically divided into:

1. **Fixed Costs**: Expenses that remain constant, regardless of the level of production or sales (e.g., rent, salaries).
2. **Variable Costs**: Costs that vary with production volume (e.g., raw materials, packaging).
3. **Direct Costs**: Expenses directly tied to the production of goods or services (e.g., labor, materials).
4. **Indirect Costs**: Costs that are not directly linked to production but are necessary for operations (e.g., utilities, administrative costs).

Understanding these costs helps in pricing strategy and managing profitability.

### ### 22. How do you determine revenue? (5 Marks)

Revenue is determined by multiplying the number of units sold by the price per unit. In a business, revenue can come from various streams, including product sales, services, subscriptions, and partnerships. Entrepreneurs need to track all income sources to get a clear picture of their total revenue. For example:

$$\text{Revenue} = \text{Price per Unit} \times \text{Units Sold}$$

For businesses with multiple products or services, total revenue is the sum of all individual revenues.

### ### 23. What is the right pricing strategy for a startup? (5 Marks)

The right pricing strategy for a startup depends on factors like market demand, competition, costs, and the perceived value of the product. Common strategies include:

1. **Cost-Plus Pricing**: Adding a markup to the cost of production.
2. **Value-Based Pricing**: Setting a price based on the customer's perceived value of the product.
3. **Penetration Pricing**: Offering a low price to enter the market and attract customers.
4. **Premium Pricing**: Setting a high price to reflect exclusivity and higher quality.

The ideal pricing strategy balances competitiveness with profitability and customer perception.

### ### 24. How do you determine the profitability of your business idea? (5 Marks)

Profitability is determined by calculating the difference between total revenue and total costs:

$$\text{Profit} = \text{Total Revenue} - \text{Total Costs}$$

If the result is positive, the business is profitable. To assess the profitability of a business idea, entrepreneurs need to consider factors like pricing, demand, cost of goods sold (COGS), operational expenses, and margins. Tools like break-even analysis, which identifies the point where revenue equals costs, are also useful in determining profitability.

### ### 25. What is your Burn Rate and Runway Period? (5 Marks)

**Burn Rate** is the rate at which a company spends its available cash. It is typically calculated on a monthly basis and is crucial for startups in the early stages.

$$\text{Burn Rate} = \text{Monthly Operating Expenses}$$

**Runway Period** refers to the amount of time a business can continue operating before running out of money. It is determined by dividing the cash reserves by the burn rate:

$$\text{Runway} = \frac{\text{Cash Reserves}}{\text{Burn Rate}}$$

Both metrics help startups manage cash flow and plan for fundraising or profitability.

### ### 26. What is your CAC and CLV? (5 Marks)

- **Customer Acquisition Cost (CAC)** is the total cost of acquiring a new customer. This includes marketing, sales, and other related expenses. It's calculated by dividing the total acquisition costs by the number of new customers acquired during a specific period.

$$\text{CAC} = \frac{\text{Total Acquisition Costs}}{\text{Number of New Customers}}$$

- **Customer Lifetime Value (CLV)** represents the total revenue a business expects to earn from a customer over the entire duration of their relationship.

$$\text{CLV} = \text{Average Revenue per Customer} \times \text{Customer Retention Period}$$

Balancing CAC and CLV is essential to ensure that the cost of acquiring customers is justified by the value they bring over time.

### ### 27. Importance of Identifying the Competitors (5 Marks)

Identifying competitors helps businesses understand the market landscape, spot gaps, and refine their strategies. Competitors influence pricing, product features, marketing strategies, and customer expectations. Knowing who the competitors are also helps businesses position

themselves and differentiate their products effectively to stand out.

### ### 28. Understanding the Importance of Analyzing Competition (5 Marks)

Analyzing competition is crucial because it helps businesses understand the strengths and weaknesses of their rivals. It allows entrepreneurs to learn from competitors' successes and failures, identify potential threats, and discover opportunities for innovation. Regular competition analysis ensures that a business stays competitive in a dynamic market.

### ### 29. Benefits of Competition Analysis (5 Marks)

The benefits of competition analysis include:

1. **Improved decision-making**: Helps in making informed strategic decisions based on competitors' performance.
2. **Identifying market trends**: Spotting shifts in customer preferences or industry innovations.
3. **Enhancing differentiation**: Helps businesses find ways to stand out.
4. **Benchmarking performance**: Allows entrepreneurs to measure their success against industry standards.
5. **Spotting potential threats**: Helps in anticipating competitors' moves and preparing for market disruptions.

### ### 30. Understanding Sustainable Differentiation by Applying Blue Ocean Strategy (5 Marks)

The **Blue Ocean Strategy** is a business approach that focuses on creating new, uncontested market space (a "blue ocean") rather than competing in existing, saturated markets (a "red ocean"). By applying this strategy, businesses aim for sustainable differentiation by innovating and offering value in a way that competition becomes irrelevant. Entrepreneurs use this to tap into unexplored opportunities and develop unique value propositions that attract new customer segments.

### ### 31. What is a Business Model? (5 Marks)

A **business model** is a plan or framework that describes how a company creates, delivers, and captures value. It outlines the core aspects of a business, such as the target market, value proposition, revenue streams, cost structure, key activities, resources, and partnerships. A clear business model helps entrepreneurs understand how their business will function and generate profit over time.

### ### 32. What are the stages of the Entrepreneurial Life Cycle? (5 Marks)

The stages of the entrepreneurial life cycle include:

1. **Ideation**: Generating and refining the business idea.
2. **Startup**: Turning the idea into a tangible business, including product development and market entry.
3. **Growth**: Expanding the business by acquiring more customers and increasing revenue.
4. **Maturity**: The business stabilizes, with consistent revenue and a well-established position in the market.



5. **Expansion or Exit**: Entrepreneurs may scale the business to new markets or consider exiting through sale, merger, or IPO.

Each stage has its own challenges and opportunities, requiring different management strategies.

<https://corporatefinanceinstitute.com/resources/valuation/business-life-cycle/>

### ### 33. What is the Lean Canvas? (5 Marks)

The **Lean Canvas** is a one-page business plan template specifically designed for startups and entrepreneurs to quickly outline their business model. It simplifies complex business ideas and focuses on key components that drive value creation and customer satisfaction. Developed by Ash Maurya, the Lean Canvas helps entrepreneurs visualize their business and test their assumptions in a structured format. It covers nine key building blocks:

1. **Problem**
2. **Customer Segments**
3. **Unique Value Proposition (UVP)**
4. **Solution**
5. **Channels**
6. **Revenue Streams**
7. **Cost Structure**
8. **Key Metrics**
9. **Unfair Advantage**

The Lean Canvas is a useful tool because it allows for quick iterations, making it easier to adapt to new insights and challenges in the startup environment.

### ### 34. How to fill up the Lean Canvas to come up with your own business model? (5 Marks)

To fill up the Lean Canvas, follow these steps:

1. **Problem**: Identify the top 1-3 problems your target customers are facing. Focus on pain points that are significant and unresolved in the market.
2. **Customer Segments**: Define the different groups of people or organizations you aim to serve. Be specific about who your early adopters will be.
3. **Unique Value Proposition (UVP)**: Craft a clear, compelling statement that explains why your solution is unique and why customers should choose your product over others.

4. **Solution**: Outline the key features or services that directly address the problems identified. This is your solution to the customer's pain points.
5. **Channels**: Determine how you will reach your customers. Consider both digital and physical channels such as social media, websites, email, or retail stores.
6. **Revenue Streams**: Specify how your business will make money. This could include direct sales, subscriptions, licensing, or advertising models.
7. **Cost Structure**: List the most significant costs involved in your business, such as development, marketing, salaries, and infrastructure.
8. **Key Metrics**: Identify the critical metrics that will measure the success of your business (e.g., customer acquisition cost, customer retention, monthly revenue).
9. **Unfair Advantage**: Describe any unique factors that give your business a competitive edge. This could be proprietary technology, exclusive partnerships, or access to special resources.

By filling out each section, you begin to visualize and shape your business model, and understand the assumptions you need to test.

### **### 35. How to align the various blocks of the Lean Canvas with each other? (5 Marks)**

Aligning the blocks of the Lean Canvas involves ensuring that each section is coherent and supports the others. Here's how you can align them:

- **Problem and Solution Alignment**: Your proposed solution should directly address the problems you've identified. Ensure there's a clear connection between customer pain points and how your product or service alleviates them.
- **Customer Segments and Channels Alignment**: The channels you choose should effectively reach your identified customer segments. Tailor your communication and marketing efforts based on where your target customers spend their time.
- **Unique Value Proposition (UVP) and Unfair Advantage Alignment**: Your UVP must stand out, and your unfair advantage should reinforce why customers would choose you over competitors. Your UVP should reflect what makes your solution unique, while your unfair advantage highlights the defensibility of your business.
- **Revenue Streams and Cost Structure Alignment**: The way you generate revenue should cover your costs and leave room for profit. Ensure that the business model is financially sustainable by balancing your revenue streams with your key expenses.



- **\*\*Key Metrics and Problem-Solution Fit\*\***: The metrics you track should reflect how well your solution addresses the problem. For instance, customer acquisition, retention rates, or churn rates can show whether the product solves the customer's problem effectively.

Aligning these blocks helps ensure that your business model is consistent, scalable, and rooted in a strong understanding of customer needs and market opportunities.