

CLEO
BIRLA INSTITUTE OF TECHNOLOGY & SCIENCE, PILANI
SECOND SEMESTER 2022-23
BITS482 Creating & Leading an Entrepreneurial Organisation
COMPREHENSIVE EXAMINATION 20th May, 2023
Weight age 15% (30 Marks) Time 60 Minutes PART A CLOSED BOOK

- I. Fill up the blanks with appropriate word(s) (0.50X15=7.5)
- i) An entrepreneur is opportunity-obsessed with the goal of creating _____ without regard to _____.
 - ii) An _____ creates something for the first time.
 - iii) Business Plan is a _____ describing all relevant internal and external elements and strategies for starting a new venture
 - iv) Business plan is meant for all _____.
 - v) _____ is method for developing new ideas when the individuals are unaware of the problem.
 - vi) _____ is the most important document of a company – constitution.
 - vii) The Financial plan seeks to reflect the financial implications of your marketing, people and operational plans in the form of profit-loss accounts, cash flows, and _____.
 - viii) Volume of sales where the venture neither makes a profit nor incurs a loss is called _____.
 - ix) _____ gives a contractual agreement giving rights to others to use intellectual property in return for a royalty or fee.
 - x) _____ should specify partner's capital, profit sharing percentage and _____.
 - xi) _____ gives priority to the applicant over any other person who is likely to file an application in respect of the same invention being developed concurrently .
 - xii) A patent may be revoked by _____ at any time during the life of the patent on a counter claim by the defendant in a suit of infringement.
 - xiii) Most difficult phase to raise capital is the financing in _____ phase, particularly as entrepreneur you may not have anything other than the idea and its worth in the eyes of funding organisations.
 - xiv) Trade creditors and funding through customers comes under _____ funding.
 - xv) Dividends are paid subject to company making _____, however may or may not be declared by Board of Directors

II. Multiple Choice Questions

(0.50X15=7.5)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

1. Which of the following risk factors are not inherent in the entrepreneurial process?
 - a. Financial risk
 - b. Psychological risk
 - c. Social risk
 - d. Currency risk
2. Which of the following activities is associated with entrepreneurship?
 - a. Creating value by providing a new product or service
 - b. Going public
 - c. Harvesting value as soon as possible to launch a new venture
 - d. All of the above.
3. Entrepreneurship involves bearing the risks of planning, supervising, organizing, and owning the factors of _____.
 - a. production
 - b. efficiency
 - c. innovation
 - d. labor
4. Incremental change leading to capturing enlarged market potential or improving the efficiency of operation is called:
 - a. Breakthrough innovations
 - b. Continuous innovations
 - c. Dynamically continuous innovations
 - d. Discontinuous innovations
5. Startups having high potential for growth are called:
 - a. Lifestyle companies
 - b. Foundation companies
 - c. Tech companies
 - d. Gazelles
6. Purchasing and selling goods and services on the internet is called:
 - a. E-commerce
 - b. E-marketing
 - c. E-banking
 - d. E -names
7. Technique for idea generation through pictorial way of giving shape is called:
 - a. Group creativity
 - b. Focus groups
 - c. Brainstorming
 - d. Mind mapping

8. In SCAMPER technique to generate creative ideas; alphabet R stands for:
 - a. Rewind
 - b. Reverse
 - c. Revenue
 - d. Record
9. Perceiving a possibility for a new profit through founding and formation of a new venture, or significant improvement in the existing venture is called:
 - a. Opportunity Analysis
 - b. Opportunity Process
 - c. Opportunity Assessment
 - d. Opportunity Recognition.
10. Funds required to start a business for fixed assets and working capital needs of a startup are called:
 - a. Capital requirement
 - b. Equity Requirement
 - c. Authorised Capital
 - d. Paid up capital
11. IPRs stand for:
 - a. Industrial Patent Rights
 - b. Industrial Property Rights
 - c. Intellectual Patent Rights
 - d. Intellectual Property Rights
12. _____ involves collection of data about customers, competitors and the effectiveness of marketing strategies, so as to develop a framework for implementation of strategies that would yield expected results.
 - a. Market Demand
 - b. Marketing Strategies
 - c. Marketing Plan
 - d. Marketing Research
13. _____ consists of a set of customers who envisage a sufficient level of interest in the product being offered in the market.
 - a. Target Market
 - b. Available Market
 - c. Potential Market
 - d. Penetrated Market
14. _____ helps in measuring the financial soundness of a business.
 - a. Liquidity Ratio
 - b. Solvency Ratio
 - c. Leverage Ratio
 - d. Soundness Ratio

15. _____ is a facility designed to assist startups to become sustainable during their initial phase.

- a. Business Incubators
- b. Business Accelerators
- c. Business Incubate
- d. Business Seed Incubator

III)

- i. What is meant by entrepreneurial decision process? Normally what are the key reasons that lead one to start his own venture? What factors led Mr Bill Gates to start Microsoft? (2)

- ii. What are the key factors that need to be considered while evaluating an opportunity? (2)

- iii. Given below is the profit and loss account of DGK Ltd.

	Rs/ in Lakhs
Revenue	60
Cost of Goods Sold	30
Operating Expenses	
Research & development	5
Sales & Marketing	5
General and Administrative	3
Taxes	4

- a. If company has paid up capital of Rs 6 lakhs and free reserves of Rs 5 lakhs as a on 31.3 2022, what will be return on net worth. (1)

- b. In case company goes in for working capital loan of Rs 25 lakhs at the rate of 12% pa payable annually. What will be the PBT and interest cover? Is it worth while proposition for such a venture to borrow Rs 25 lakhs? Comment . (2)
- c. In this example what important cost component has not been considered? In case we considered it, what would be its implication? (2)
- iv. Give some reasons why an individual entrepreneur might succeed in bringing a product to the market where the government or a large company would fail. (2)

v. What possible problems might emerge for the first generation entrepreneur if current ratio is below one and debt equity ratio has increased successively during the past 3 years.

(2)

vi. Define with the help of an example different steps involved in undertaking marketing research for a new venture.

(2)

