

## STARUP AND NEW VENTURE MANAGEMENT (303)

### MUTIPLE CHOICE QUESTION

1. 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

2. In some countries, points of purchase displays are not allowed in retail stores. Such differences are studied by international entrepreneurs under \_\_\_\_\_ environment. a. Economic

b. Political

**c. Cultural**

d. Technological

3. 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 merge

4. 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

5. A business where an individual is both the owner and conductor of the business affairs is called\_\_\_\_\_.

a. **Sole Proprietorship**

b. Partnership

c. Corporation

d. None of the above

6. In \_\_\_\_\_, the entrepreneur has the right to sell any assets.

a. **Proprietorship**

b. Partnership

c. Limited Liability Company

d. None of the given options

7. The idea and actions that explain how a firm will make its profits refers to a.

Mission

- b. Goal
- c. **Strategy**
- d. Objective

8. Entrepreneurs are best as \_\_\_\_\_

- a. Managers
- b. Venture capitalists
- c. Planners
- d. **Doers**

9. Entrepreneurs and ventures capitalists:

- a. Get along well
- b. Are the best friends
- c. Are cordial friends
- d. **Are in conflict**

10. \_\_\_\_\_ is one method of stimulating, and then capitalizing on, individuals in an organization who think that something can be done differently and better.

- a) Strategic Orientation
- b) Capitalization
- c) **Intrapreneurship**
- d) Management

11. The \_\_\_\_\_ plan shows whether the business is economically feasible or not. a.

Financial

- b. **Business**
- c. Economic
- d. Marketing

12. In which of the following, the ownership of venture is reflected by ownership of shares of stock?

- a. Partnership
- b. Limited partnership
- c. **Corporation**
- d. Proprietorship

13. 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**

14. The small business 'owner-manager' is always the founder of the business:

- a. True
- b. **False** (A management buyout is an example of a business where the owner-manager would probably not have been the founder)

15. Which of these statements best describes the context for entrepreneurship:

- a. Entrepreneurship takes place in small businesses
- b. Entrepreneurship does not take place in social enterprises
- c. **Entrepreneurship takes place in a wide variety of contexts**
- d. Entrepreneurship takes place in large businesses

16. Which of the following are described as one of the 'Big Five' personality traits?

- a. propensity to leadership
- b. **need for achievement**
- c. extravert personality
- d. tolerance of others

17. The period of business when an entrepreneur must position the venture in a market and make necessary adjustments to assure survival is called the:

- a. pre-startup stage.
- b. startup stage.**
- c. early growth stage.
- d. later growth stage.

18. Which of the following is a reason why a person might prefer to purchase a franchise rather than open a completely new business?

- a. higher failure rate.
- b. increased independence.
- c. ability to benefit from previous experience.**
- d. reduced royalty fees.

19. MSMED stands to \_\_\_\_\_

- a. Micro, Small & Medium Enterprises Development**
- b. Mini, Small & Medium Enterprises Development
- c. Micro, Small & Medium Entrepreneurship Development
- d. Micro, Small & Medium Enterprises Department

20. Which of the following is an internal factor that influences entrepreneurs?

- a. Technological Capacity**
- b. Social environment
- c. Political environment
- d. Economic condition

21. \_\_\_\_\_ requires proper review and reconsideration of the selected alternative before implementing it.

- a. Developing possible alternatives
- b. Selecting the best alternative
- c. Checking the decision**

d. Exploring the developed alternatives

22. Which one of the following is an economic barrier to an entrepreneur?

- a. Emotional blocks
- b. **Labour**
- c. Lack of sustained motivation
- d. lack of vision

23. Which of the following enterprises was found by Akio Morita?

- a. Samsung
- b. Apple
- c. Panasonic
- d. **Sony**

24. \_\_\_\_\_ can be defined as psychological features that enable an individual to take action toward a desired goal?

- a. **Motive**
- b. Trait
- c. Attitude
- d. Ego

25. \_\_\_\_\_ implies that women entrepreneurs are now economically independent and take decisions independently.

- a. Better utilization of resources
- b. **Improved quality life**
- c. Economic development
- d. Employment generation

26. Financial feasibility analysis can be done by comparing \_\_\_\_\_ with the estimated sales figure.

- a. cash flow statement
- b. balance sheet
- c. **break-even point**

d. profit and loss statement

27. Which of the following is not considered while selecting the region?

- a. Law and order
- b. **Price of land**
- c. Availability of raw materials
- d. Proximity to the product market

28. Which one of the following is the step involved in setting up a new enterprises?

- a. Creating a business plan
- b. Making a product choice
- c. Selecting the location
- d. **Setting up infrastructure**

29. The parties involved in franchise business are \_\_\_\_\_.

- a. 1
- b. **2**
- c. 3
- d. 5

30. If someone starts a new business that is a service station, this is an example of a(n):

- a. new concept/new business.
- b. new concept/existing business
- c. **existing concept/new business.**
- d. existing concept/existing business.

31. If an entrepreneur has an internal locus of control, this means that he/she:

- a. has a high need for achievement
- b. **believes that success or failure depends on his/her own actions.**
- c. feels comfortable in an unstructured situation
- d. believes fate is a powerful force

32. The process of gathering information about trends is called:

- a. need for achievement.
- b. tenacity.
- c. **Trend**
- d. neuroticism

33. The opposite of "opportunity thinking" is:

- a. **obstacle thinking**
- b. thought self-leadership.
- c. self-efficacy.
- d. adaptive response behavior.

34. The startups which rarely go public are called:

- a. Life style
- b. **Foundation company**
- c. Small company
- d. High potential venture

35. Which of the following factor can create the managerial difficulties in the joint ventures between foreign companies?

- a. **Cultural differences**
- b. Economic policies
- c. Public ignorance
- d. Government taxes

36. \_\_\_\_\_ process of creating incremental wealth is called Entrepreneurship. a.

Static

- b. Continuous
- c. Systematic
- d. **Dynamic**

37. Barriers to new product creation and development are known as:

- a. Trial and error
- b. Opportunity cost
- c. **Opportunity parameters**

d. Intrapreneurship culture

38. Information regarding all of the following is related to operations, EXCEPT:

- a. **Promotion**
- b. Location
- c. Raw materials
- d. Labor skills

39. Which of the following cannot be used as basis of loan?

- a. Worth of the business
- b. Fixed asset
- c. **Perishable asset**
- d. All of the given options

40. Which of the following is the key factor for choosing the type of financing?

- a. Availability of funds
- b. Assets of the venture
- c. Prevailing interest rates
- d. **All of the given options**

41. Entrepreneur actually starts setting up of an enterprise by

- a. Planning
- b. Organizing
- c. Staffing
- d. **Directing**

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

- a. Government policies
- b. **Profitability**
- c. Interest rates
- d. Consumer expenditure

43. Which of the following is usually not a barrier to market entry for a small firm?

- a. economy of scale
- b. **good ideas**

- c. switching costs
  - d. access to distribution
44. 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. offers a relatively inexpensive means of advertising and conducting market and competitor research
  - c. can lead to small businesses having reduced contact with its customers
  - d. **is rarely used in small businesses**
45. Generally speaking the risk involved in launching as a franchise is greater than that as a start up.
- a. **True**
  - b. False
46. Venture capital firms are usually organized as
- a. closed-end mutual funds
  - b. **limited partnerships**
  - c. corporations
  - d. nonprofit businesses
47. The entrepreneur who is committed to the entrepreneurial effort because it makes good business sense is classed as a/an \_\_\_\_\_
- a. inventor
  - b. **opportunist**
  - c. hacker
  - d. craftsman
48. To the \_\_\_\_\_, physical location does not matter because the Internet allows anyone to link to any Web site no matter where in the world that site might be.
- a. bricks-and-clicks retailer
  - b. **e-tailer**
  - c. bricks-and-mortar retailer
  - d. B-to-G business

49. Being interested in computers, Jim Johnson came up with an idea of personalizing the screen saver programs with family pictures. After trying a couple of programs, Jim started marketing this service to neighbors and area businesses. Jim's activities can be described as a(n)
- entrepreneurship.**
  - intrapreneurship.
  - useless idea.
  - large business.
50. Today, inspired by the growth of companies such as Amazon.com, entrepreneurs are flocking to the \_ to start new businesses.
- Small Business Administration
  - Internet**
  - bookstore
  - mall
51. Which of these refers to the belief by individuals that their future is within their control and that external forces will have little influence?
- Awareness of passing time
  - Tolerance for ambiguity
  - Internal locus of control**
  - External locus of control
52. \_\_\_\_\_ means that people are motivated to excel and pick situations in which success is likely.
- External locus of control
  - Tolerance for Ambiguity
  - Awareness of passing time

- d. **Need to achieve**
53. Marleesha likes to set her own goals, which have an intermediate level of difficulty. Which of the entrepreneurial characteristics does she probably possess?
- a. **A high need for achievement**
  - b. A high need for power
  - c. An external locus of control
  - d. An inability to deal with uncertainty
54. The most cited source of new business ideas is
- a. brainstorming.
  - b. **in-depth understanding of industry/profession.**
  - c. a hobby.
  - d. copying someone else.
  - e. none of the above.
55. Before opening his own business, Tanay was writing a report that details the specifics of his ideas and future business operations. This document is known as
- a. a SWOT analysis.
  - b. a business portfolio.
  - c. **a business plan.**
  - d. a competitive analysis.
56. \_\_\_\_\_ refers to an unincorporated business owned by an individual for profit.
- a. Partnership
  - b. **Proprietorship**
  - c. Corporation
  - d. Association

57. Sangeeta , Kabir, and Ravi started selling computer software on college campuses under the name Student Software Company. Each person contributed Rs.15000/- toward start-up costs and agreed on dividing costs and profits equally. The legal structure for the company can best be described as a
- proprietorship.
  - partnership.**
  - trade alliance.
  - corporation.
58. A group of companies or individuals that invests money in new or expanding businesses for ownership and potential profits is known as
- an equity financing firm.
  - franchising.
  - a venture capital firm.**
  - a corporation.
59. An advantage of which of these tactics is that there is a shorter start-up time and an existing track record?
- Participate in a business incubator
  - Start a new business
  - Buy a franchise
  - Buy an existing business**
60. Which of these refer to an arrangement by which the owner of a product or service allows others to purchase the right to distribute the product or service with help from the owner?
- Franchising**
  - Business incubation
  - Spinning-off
  - Globalization

61. Which of these offers the advantage that the entrepreneur has the ability to develop and design the business in the entrepreneur's own way?
- Participate in a business incubator
  - Start a new business**
  - Buy a franchise
  - Buy an existing business
62. For Internet start-ups, one typical source of first funds is through
- stock financing.
  - government funds.
  - angel financing.**
  - community development financing.
63. The final step in the start-up process is often the
- development of partnerships.
  - launching the company.
  - obtaining venture capital.
  - securing government funding.
  - IPO.**
64. Felix is an entrepreneur. At this stage of his company, his main concerns are do we have enough customers and money. What stage of growth is Felix's company in?
- Start-up**
  - Survival
  - Takeoff
  - Resource maturity
  - Success
65. Entrepreneurs take the risk of starting a business for all of the following reasons except:

- a. they want independence.
  - b. they like the challenge and the risk.
  - c. they want to make money for themselves.
  - d. **they want to work less.**
66. Steve Jacobi is an entrepreneur to the max. Steve has started three businesses, two of which he sold for a great deal of money. He is now involved in running his third business, with plans to sell it shortly and start yet another one. When commenting on his success as an entrepreneur, he says that once an idea comes to him, he just can't wait to start working on it and bring it to reality, and that is what he focuses on. Which of the traits of successful entrepreneurs does this suggest is characteristic of Steve?
- a. **Action-oriented**
  - b. Self nurturing
  - c. Self-directed
  - d. Tolerant of uncertainty
67. An entrepreneurial team is:
- a. a group of people who work within a corporation to launch new products.
  - b. **a group of experienced people who join together to develop and market a new product.**
  - c. a group from the Small Business Administration which consults with small business owners.
  - d. a group of managers who get together to find creative solutions to problems.
68. Robert Vadera is a business owner who works from home as a freelance video producer. He really enjoys his work, but isn't looking to "set the world on fire" with his company. He just wants to make a good living and spend time with his family when he can. Vadera would be classified as a(n)
- a. entrepreneur.
  - b. intrapreneur.

- c. **micropreneur.**
  - d. venture capitalist.
69. An incubator is:
- a. A government agency that advises and assists small businesses.
  - b. A program through which private investment companies licensed by the S.B.A. lend money to small businesses.
  - c. **A center that offers new businesses low-cost offices with basic business services.**
  - d. A specific geographic area to which governments try to attract private businesses by a variety of means.
70. Indrayani Jungle wants to start a small business importing some products from her native Kenya. Before she starts, some good advice to Indrayani would be:
- a. **talk to others who have been or are in the import business.**
  - b. get a loan right away.
  - c. find a business to buy as soon as possible.
  - d. incorporate immediately.
71. A business plan for a new business does not need to include:
- a. a marketing plan.
  - b. a discussion of the purpose of the business.
  - c. a description of the company background.
  - d. **the name of the lending bank.**
72. The primary concerns when first starting your business are:
- a. marketing and accounting.
  - b. planning and human resources.
  - c. **financing and planning.**
  - d. financing and marketing.

73. What are the primary sources of funding for entrepreneurs?
- personal savings and individual investors**
  - finance companies and banks
  - the Small Business Administration and banks
  - former employers and the Economic Development Authority
74. Kylie is employed by Street Wheels, a large corporation that produces accessories for scooters, bicycles, and other children's vehicles. She is a creative force within the company and has helped launch several new successful products. Kylie is a/an \_\_\_\_\_.
- Intrapreneur.**
  - Partner
  - Entrepreneur
  - Owner
75. Babba, a licensed real estate broker, received notification that his application for a business loan was denied. The bank refused his request because he failed to provide a blueprint identifying the intended target market and competitive strategy. In order to secure a bank loan Babba evidently needs a:
- bankruptcy lawyer.
  - business plan.**
  - venture capitalist.
  - loan advocate.
76. As a \_\_\_\_\_ Ronnie searches for firms in need of additional funding to achieve their goals. In return for his investment, Ronnie becomes a part owner in the business. Ronnie operates as a(n):
- investment analyst.
  - venture capitalist.**
  - corporate raider.
  - securities trader.

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

Entrepreneurship

**Intrapreneurship**

Managerial domain

Administrative domain

78. Which one of the following is a barrier to new product creation and development?

Trial and error

Opportunity parameter

**Opportunity cost**

Intrapreneurship culture

79. Factors contribute to the creation of new venture EXCEPT:

Government

Finance

**High interest rates**

Role models

80. Which one of the following is the process of entrepreneurs developing new products that over time make current products obsolete?

**Creative destruction**

New business model

Anatomization

None of the given options

81. An entrepreneur doing business within the national border is called:

International entrepreneurship

Intrapreneurship

**Domestic entrepreneurship**

Imports

82 Which of the following is alternatively called corporate venturing?

Entrepreneurship

**Intrapreneurship**

Act of stating a new venture

Offering new products by an existing company

83. In which of the following situation the company is considered to be on breakeven point?

**No Profit no loss**

Profits are higher then expenses

Expenses are higher then profits

None of the given options

84. Licensing is a significant marketing strategy to:

Use intellectual property of others

**Pirate others' patents**

Grow the business in new markets

Control the costs

85. Which one of the following best represents the environment of an entrepreneurial oriented organization?

Corporate culture

**Entrepreneurial culture**

Intrapreneurial culture

Traditional culture

86. Individuals who help the entrepreneur in business activities are called:

Role models

Moral support networks

**Professional support networks**

Business support networks

87. Which one of the following is a business arrangement in which someone else is allowed to use something of the company?

Patent

Trade mark

Copy right

**Licensing**

88. A patent is granted for a specified amount of time because of the assumption:

That during this time firm will cover its development costs

**That firm will earn a sufficient profit during this period**

To limit the monopoly of the firm

That it will stimulate idea and development of a better product

89. Which of the followings give the owners a negative right, preventing anyone from making, using, or selling the invention?

**Patent**

Copyright

Trade mark

Trade secret

90. Which one of the followings statements is NOT true about trademarks?

The entrepreneur cannot file after the mark already been in use

A trademark could be a slogan or a particular sound

Some trademarks have no relationship with the product

**The filing date for the trademark becomes the first date use of the mark**

91. Which one of the following is the main problem for the entrepreneur in the beginning stages of creating a new venture?

**Lack of experience**

Limited resources

Lack of education

None of the given options

92. Which one of the factors should be considered while assessing the location for business?

Parking

Access from roadways to facility

Delivery rates

**All of the given options**

93. Which one of the following is a sound strategic option for an entrepreneur when synergy is present?

**Merger**

Joint venture

Minority interest

Majority interest

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

**To see if there are possible barriers to success**

To identify possible sources of funds

To estimate the expected sales

To explore potential customers

95. Kent is going to start his own business. He is concerned that the merchandise he wants to carry will go out of style soon after opening his business. Which type of risk must he prepare for?

Human

Incompetence

Natural

**Economic**

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