

MGT602 - Entrepreneurship

Final term Current Papers updated (Spring 2023)

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1. Giant companies like Google and Amazon take their domain related technology, expertise and skills and then implement it to a different market. Which type of innovation is employed by Google and Amazon?
 - A. Incremental innovation
 - B. Disruptive innovation
 - C. Architectural innovation Correct (Theme 7 – Page no 1)**
 - D. Radical innovation

2. Which of the following best describes the approach to entrepreneurship in which entrepreneurs focus on the means at hand, which they aim to materialize into one or more goals that were not necessarily predefined?
 - A. Causation approach
 - B. Effectuation approach Correct (Theme 7 – Page no 6)**
 - C. Bricolage approach
 - D. None of the given option are correct

3. Choosing a high return market is an example of:
 - A. Effectuation approach to entrepreneurship
 - B. Causation approach to entrepreneurship Correct (Theme 7 – Page no 6)**
 - C. Bricolage approach to entrepreneurship
 - D. None of the given option are correct

4. Strategy formulation, implementation and _____ are three main phases of strategic management.
- A. Execution
 - B. Evaluation** Correct (Theme 8 – Page no 1)
 - C. Estimation
 - D. Appraisal
5. _____ is a method by which entrepreneurs assess their idea's viability and implement an appropriate strategy that can ensure to a sustainable competitive advantage of venture.
- A. Entrepreneurship
 - B. Strategic management
 - C. Strategic management process** Correct (Theme 8 – Page no 1)
 - D. Strategic formulation
6. _____ is defined as unique advantage over the competitors that an entrepreneur gained by offering consumers greater value either in terms of cost or differentiation of product or services.
- A. Competitive advantage** Correct (Theme 8 – Page no 4)
 - B. Economical advantage
 - C. Political advantage
 - D. Superior advantage
7. A strategy should be all of the following except:
- A. Consistent
 - B. Feasible
 - C. Consonant
 - D. Compact** Correct (Theme 8 – Page no 5)
8. Which one of the following crises occurs at the fourth phase of "growth through coordination" in the Greiner Growth model of business?
- A. Autonomy Crisis
 - B. Leadership Crisis
 - C. Red tape Crisis
 - D. Control Crisis** Correct (Theme 12 – Page no 3)

9. At the _____ phase of BCG matrix, a company is often in a monopolistic kind of situation in the market and generates a lot of revenue.

A. Star Correct (Theme 12 – Page no 7)

B. Cash Cow

C. Question mark

D. Dog

10. Which of the following best describes the innovation type related with implementing existing technology in existing market?

A. Incremental innovation Correct (Theme 7 – Page no 1)

B. Disruptive innovation

C. Architectural innovation

D. Radical innovation

11. _____ stage of BCG matrix means that the product has a low market share but a high market growth rate.

A. Star

B. Cash Cow

C. Question mark Correct (Theme 12 – Page no 7)

D. Dog

12. _____ phase of BCG matrix means the product has a high relative market share but low market growth.

A. Star

B. Cash Cow Correct (Theme 12 – Page no 7)

C. Question mark

D. Dog

13. A scientific business plan covering all the strategic components of a startup unit is termed as a(n):

A. Marginal business plan

B. Major business plan

C. Informal business plan

D. Formal business plan Correct (ChatGPT)

14. Human resource policy mainly discuss about:

- A. Training and development of employees** Correct (Theme 12 – Page no 4)
- B. Job Description
- C. Job Specifications
- D. Job programs

15. Market segmentation information is ideally written in:

- A. Production plan
- B. Marketing plan** Correct (ChatGPT)
- C. Management plan
- D. Product plan

16. Which of the following information is a core part of market segmentation process?

- A. Customer's name** Correct (ChatGPT)
- B. Pricing mix
- C. Customer's age
- D. Promotional mix

17. Which of the following cannot be considered as historical financial statement?

- A. Income Statement
- B. Statement of cash flows
- C. Proforma financial statement** Correct (Theme 11(B) – Page no 1)
- D. Balance sheet

18. Common stocks are part of:

- A. Current liabilities
- B. Long term liabilities
- C. Total liabilities
- D. Shareholder's equity** Correct (ChatGPT)

19. Which of the following measures the overall financial stability of the firm?

- A. Profitability ratios
- B. Liquidity ratios
- C. Financial stability ratios** Correct (Theme 11(B) – Page no 2)
- D. Net profit margin

20. Which of the following remains roughly the same regardless of sales / output levels?

- A. Fixed costs** **Correct (Theme 11 (B) – Page no 2)**
- B. Variable costs
- C. Total costs
- D. Expenses

21. Rent and insurance are type of:

- A. Fixed costs** **Correct (Theme 11(B) – Page no 2)**
- B. Variable costs
- C. Total costs
- D. Initial costs

22. Which of the following best describes a visual presentation of a company's arrangement showing what employees do, decision making style, span of control, and chain of command?

- A. Organizational structure** **Correct (Theme 11(A) – Page no 2)**
- B. Departmentalization
- C. Clusters
- D. None of the given option is correct

23. Which of the following structures departmentalizes an organization based on the common job tasks e.g, marketing, finance, human resource, management, operations and IT?

- A. Functional Organizational Structure** **Correct (Theme 11(A) – Page no 2)**
- B. Product-Based Structure
- C. Market-Based Structure
- D. Geographical Structure

24. Which of the following deals with an organizational structure where employees are only a few steps away from senior leadership and decision making is centralized?

- A. Functional Organization Structure
- B. Product-Based Structure
- C. Market-Based Structure
- D. Flat Structure** **Correct (Theme 11(A) – Page no 3)**

25. All of the following are characteristics of sole proprietorship EXCEPT:

- A. Single ownership
- B. No documentation required
- C. No separate legal entity from the proprietor
- D. Double taxation** **Correct (Theme 11(A) – Page no 3)**

26. Which of the following types of partnership is formed to carry out a general business without specifying the time of termination of partnership business?

- A. Partnership at will** **Correct (Theme 11(A) – Page no 4)**
- B. Particular partnership
- C. Limited liability partnership
- D. Open partnership

27. Which one of the following crises occurs at the third phase of "growth through delegation" in the Greiner Growth model of business?

- A. Autonomy Crisis** **Correct (Theme 12 – Page no 3)**
- B. Leadership Crisis
- C. Red tape Crisis
- D. Control Crisis

28. Which of the following is related to selling through digital media and not through physical markets?

- A. Business Markets
- B. Customer Markets
- C. Online Markets** **Correct (Theme 10 – Page no 2)**
- D. Tech Market

29. Vlogs is part of which of the following?

- A. Integrated marketing Communication** **Correct (Theme 10 – Page no 15)**
- B. Direct Marketing
- C. Product extension Strategy
- D. Personal Selling

30. Which of the following is legal protection given to a brand name?

- A. Trademark** Correct (Theme 10 – Page no 16)
- B. Brand Identity
- C. Copyrights
- D. Promotion

31. Which of the following is the visible element of a brand, such as color, design, and logo that identify and distinguish the brand in consumers' minds?

- A. Trademark
- B. Promotion
- C. Copyrights
- D. Brand Identity** Correct (Theme 10 – Page no 16)

32. Which of the following is related to the need section of NABC framework?

- A. Entrepreneur's market insights** Correct (Theme 9 – Page no 1 + ChatGPT)
- B. Entrepreneur's vision
- C. Entrepreneur's income
- D. Entrepreneur's profile

33. Which of the following is included in the approach section of NABC framework?

- A. Description of tools to do business** Correct (Theme 9 – Page no 1 + ChatGPT)
- B. Business need description
- C. The business expected outcome
- D. The process of ideas refining

34. Which of the following is included in the value proposition statement?

- A. Business opportunity and market need** Correct (Theme 9 – Page no 4 + ChatGPT)
- B. Expected business profit
- C. Benefits of potential investment
- D. Business profit

35. Which of the following is not an institutional market?

- A. School
- B. A University
- C. A group of students** Correct (Theme 13 – Page no 6 + ChatGPT)
- D. A College

36. Which of the following is an institutional market?

- A. Heart Patients
- B. Government Hospitals Correct (Theme 13 – Page no 6 + ChatGPT)
- C. Patients at large
- D. Patient of a particular disease

37. Which of the following is an example of a consumer market?

- A. Household consumers Correct (Theme 13 – Page no 6 + ChatGPT)
- B. Corporations
- C. Government hospitals
- D. Prisons

38. Which of the following is not a consumer market?

- A. Household consumers
- B. Business offices Correct (ChatGPT)
- C. Consumers above 50 years of age
- D. Consumers below 20 years of age

39. Which of the following statement is not true?

- A. B2B stands for Business-to-Business markets
- B. B2C stands for Business to Consumer markets
- C. B2C and B2B are same markets Correct (Theme 15 – Page no 7 + ChatGPT)
- D. B2C and B2B are different to each other

40. Which of the following piece of information is included in the Need Section of NABC?

- A. Manufacturing plant specifications
- B. Post purchase services and 24 hours backup support Correct (Theme 10 – Page no 2 + ChatGPT)
- C. List of leading brands in the market
- D. 60% households are tenants and 40% are landlords

3 Marks questions

Question no 1:

Briefly discuss the categories of means or resources which all entrepreneurs begin with.

Answer:

Entrepreneurs typically start with a range of means or resources essential for their ventures. These include financial resources, which encompass personal savings, loans, or investments. Human resources involve the entrepreneur's skills, knowledge, and network. Physical resources encompass tools, equipment, and infrastructure. Intellectual resources refer to ideas, innovations, and intellectual property. Finally, social resources involve connections, partnerships, and support from mentors or advisors. These initial resources form the foundation for entrepreneurs to successfully launch and grow their businesses.

Question no 2:

Differentiate between cost leadership strategy and differentiation strategy.

Answer:

Cost Leadership Strategy:

- This strategy aims to provide products/services at lower prices by keeping costs low.
- It focuses on efficient operations, reducing expenses, and taking advantage of economies of scale.
- Price-sensitive customers are targeted, and the goal is to capture a larger market share.

Differentiation Strategy:

- The differentiation strategy focuses on making products/services unique and valuable.
- Quality, features, branding, and customer experience are emphasized to stand out.
- This approach aims to attract customers who value distinctiveness, and it often leads to brand loyalty.

Question no 3:

Third phase of business growth as per Greiner Growth model is "growth through delegation". Why an entrepreneur has to delegate his work and which crisis emerges at this stage?

Answer:

In the "growth through delegation" phase of the Greiner Growth model, entrepreneurs delegate tasks due to the increasing workload and complexity. Delegation allows them to focus on strategic aspects. However, this stage introduces the crisis of autonomy, as entrepreneurs may struggle to relinquish control and grant employee's more decision-making power.

Question no 4:

"Business orientation of an entrepreneur decides the extent (length and depth) of a business plan" Please explain.

Answer:

An entrepreneur's business approach impacts the size and complexity of the business plan. Those aiming for significant growth tend to have more detailed plans, while those with smaller goals have simpler ones. The plan aligns with the entrepreneur's strategy and goals.

Question no 5:

Liabilities are debts that a company owes. Differentiate between current and long term liabilities.

Answer:

Current Liabilities:

- Debts to pay within a year.
- Short-term and for daily operations.
- Examples: Bills, short loans.
- Paid with current assets.

Long-Term Liabilities:

- Debts paid over many years.
- Usually for bigger investments.
- Examples: Long loans, bonds.
- Paid with future income.

Question no 6:

What are the different types of guerrilla marketing? Mention any three.

Answer:

- Outdoor guerrilla marketing
- Indoor guerrilla marketing
- Event ambush guerrilla marketing
- Experiential guerrilla marketing

5 Marks Questions

Question no 1:

Differentiate between individual and venture assessment that is required before starting a new business. State five points for each.

Answer:

Individual Assessment:

1. **Skills and Expertise:** Individual assessment involves evaluating one's skills, expertise, and experience relevant to the chosen business field.
2. **Personal Goals:** It includes identifying personal goals, motivations, and the level of commitment to the business venture.
3. **Risk Tolerance:** Assessing one's risk tolerance is important, as entrepreneurship involves uncertainty and potential financial risk.
4. **Financial Capacity:** Evaluating personal financial capacity, including savings and potential sources of funding, helps determine if the venture is financially viable.
5. **Network and Resources:** Considering existing networks and resources can determine the level of support and connections available to the entrepreneur.

Venture Assessment:

1. **Market Demand:** Evaluating the market demand for the product or service helps determine if there is a potential customer base.
2. **Competitive Landscape:** Analyzing competitors and their offerings helps understand the market competition and potential challenges.
3. **Unique Value Proposition:** Defining the unique value proposition the business offers customers sets it apart from competitors.

4. **Financial Viability:** Financial feasibility assessment includes estimating startup costs, potential revenues, and profitability.
5. **Resource Availability:** Identifying the necessary resources, such as technology, infrastructure, and human capital, ensures they are available for the venture's success.

Question no 2:

According to Greiner Growth model, a business has to go through six phases during the business growth process. Mentioned five of those phases.

Answer:

The Greiner Growth Model outlines six phases that businesses typically go through during their growth journey:

Write only 5 according to question.

1. **Growth Through Creativity:** Entrepreneurs establish their businesses with innovative ideas, facing challenges like informal structure and rising demand.
2. **Growth Through Direction:** Businesses adopt formal management practices to manage complexity, with more directive leadership.
3. **Growth Through Delegation:** As the business expands, tasks are delegated to employees, addressing the crisis of autonomy and empowerment.
4. **Growth Through Coordination:** Departments coordinate to work cohesively; challenges arise with increased organizational size and the crisis of control.
5. **Growth Through Collaboration:** Businesses collaborate with partners, suppliers, and distributors to sustain growth, managing collaborations effectively.
6. **Growth Through Alliances:** The focus shifts to strategic alliances and partnerships, addressing external cooperation and competition challenges.

Question no 3:

What is meant by "magnitude of competition" while writing a business plan? Does it affect the health of a business plan document?

Answer:

The "**magnitude of competition**" in a business plan refers to the rivalry and challenges a company faces in its market. It assesses the number of competitors, their strengths, and the intensity of competition. This factor is crucial as it helps the entrepreneur understand the market dynamics and develop strategies to stand out. This assessment's accuracy affects the business plan's credibility, impacting how investors perceive the entrepreneur's understanding of the market landscape. Inaccurate

or overlooked competition analysis can weaken the plan's effectiveness in attracting support and investments.

Question no 4:

Differentiate between market based organizational structure and geographical structure.

Answer:

Market-Based Organizational Structure:

1. **Focus:** This structure organizes departments based on market segments or customer groups.
2. **Functional Units:** Each unit serves a specific market segment, allowing tailored strategies.
3. **Coordination:** Efficient in addressing unique customer needs, but coordination across units can be complex.
4. **Adaptability:** Well-suited for diverse customer demands, but may lead to duplication of resources.
5. **Example:** A technology company may have separate consumer and enterprise market units.

Geographical Organizational Structure:

1. **Focus:** Departments are organized based on geographical regions or locations.
2. **Regional Autonomy:** Each region operates independently, responding to local market conditions.
3. **Coordination:** This can need more central coordination, leading to consistent strategies or redundant efforts.
4. **Local Adaptation:** Ideal for catering to regional preferences but can hinder standardized processes.
5. **Example:** A multinational retailer may have North America, Europe, and Asia divisions.