

**MGT602 8 Midterm Papers Solved With Reference**  
**Solved By Honey G**

**Paper No. 01**

Mid Term Paper 2010  
MGT602 Entrepreneurship  
Solved By Honey G <abdulhaiee2004@gmail.com>

**Question No: 1 ( Marks: 1 ) - Please choose one**

Individuals who help the entrepreneur in business activities are called:

- ▶ Role models
- ▶ Moral support networks
- ▶ **Professional support networks**
- ▶ Business support networks

Ref: **Professional-support network**

Individuals who help the entrepreneur in business activities (**Handouts Page No. 25**)

**Question No: 2 ( Marks: 1 ) - Please choose one**

Following are the problems in developing the economies EXCEPT: [www.vuaskari.com](http://www.vuaskari.com)

- ▶ Gap of knowledge
- ▶ Variable rate of return
- ▶ **Same communication style**
- ▶ Different accounting system

Ref: There are still many Difficulties in doing business in developing and transition economies due to:

- a. Gaps in the knowledge of the Western system regarding business plans, marketing and profits
- b. Widely variable rates of return.
- c. Non-convertibility of the ruble.
- d. Differences in the accounting system.
- e. Nightmarish communications. (**Handouts Page No. 29**)

**Question No: 3 ( Marks: 1 ) - Please choose one**

Which one the following is the best protection against product liability?

- ▶ Avoid negligence
- ▶ **Warn consumers of any potential hazards**
- ▶ Give warranty
- ▶ Avoid misrepresentation

Ref: The best protection against product liability is to produce safe products and to warn consumers of any potential hazards. (**Handouts Page No. 52**)

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

**Question No: 4 (Marks: 1) - Please choose one**

Which one of the following reviews the trends and competitive strategies?

- ▶ **Environmental analysis**
- ▶ Product forecast
- ▶ Contingency plan
- ▶ Industry analysis

**Ref:** The entrepreneur should first conduct an environmental analysis to identify trends and changes occurring on a national and international level that may impact the new venture (**Handouts Page No. 57**)

**Question No: 5 (Marks: 1) - Please choose one**

A utility patent has a term of:

- ▶ 10 years
- ▶ 40 years
- ▶ **20 years**
- ▶ 80 years

**Ref:** NAFTA (North American Free Trade Agreement) establishes a minimum period of 20 years from the date of filing or 17 years from the date of the grant (**Handouts Page No. 46**)

**Question No: 6 (Marks: 1) - Please choose one**

Which of the following body issues patents?

- ▶ GATT
- ▶ NAFTA
- ▶ FTA
- ▶ **PTO**

**Ref:** Patents are issued by the Patent and Trademark Office (PTO.) (**Handouts Page No. 47**)

**Question No: 7 (Marks: 1) - Please choose one**

Which of the following is a more structured method of problem solving, including principles and rules for concept formation, making observations and experiments, and finally validating the hypothesis?

- ▶ **Scientific method**
- ▶ Heuristics

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Attribute listing
- ▶ Value analysis

**Ref: Scientific method**

This is a more structured method of problem solving, including principles and rules for concept formation, making observations and experiments, and finally validating the hypothesis. (Handouts page No. 41)

**Question No: 8 (Marks: 1) - Please choose one**

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

- ▶ Existing products and services
- ▶ **Distribution channels**
- ▶ Federal government
- ▶ Consumers

**Ref:** Because they are familiar with the needs of the market, channel members often have suggestions for new products. (Handouts Page No. 38)

**Question No: 9 (Marks: 1) - Please choose one**

GATT is established in 1947, under:

- ▶ German leadership
- ▶ French leadership
- ▶ **U.S. leadership**
- ▶ U.K. leadership

**Ref:**

[http://books.google.com.pk/books?id=6f0bHkh\\_ECgC&pg=PA4&lpg=PA4&dq=General+Agreement+on+Tariffs+and+Trade+\(GATT\)+was+established+in+1947+under+which+leadership&source=bl&ots=7LNJTQWoca&sig=FDevIuxy1BUcsV0NudSCI9u\\_uHY&hl=en&ei=ksvqTMHOEMPKswbmqmQCQ&sa=X&oi=book\\_result&ct=result&resnum=3&ved=0CCMQ6AEwAg#v=onepage&q=General%20Agreement%20on%20Tariffs%20and%20Trade%20\(GATT\)%20was%20established%20in%201947%20under%20which%20leadership&f=false](http://books.google.com.pk/books?id=6f0bHkh_ECgC&pg=PA4&lpg=PA4&dq=General+Agreement+on+Tariffs+and+Trade+(GATT)+was+established+in+1947+under+which+leadership&source=bl&ots=7LNJTQWoca&sig=FDevIuxy1BUcsV0NudSCI9u_uHY&hl=en&ei=ksvqTMHOEMPKswbmqmQCQ&sa=X&oi=book_result&ct=result&resnum=3&ved=0CCMQ6AEwAg#v=onepage&q=General%20Agreement%20on%20Tariffs%20and%20Trade%20(GATT)%20was%20established%20in%201947%20under%20which%20leadership&f=false)

**Question No: 10 (Marks: 1) - Please choose one**

Factors contribute to the creation of new venture EXCEPT:

- ▶ Government
- ▶ Finance
- ▶ **High interest rates**
- ▶ Role models

**Question No: 11 (Marks: 1) - Please choose one**

A foundation company is formed through which of the following?

- ▶ Fashion
- ▶ Most popular business

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

- ▶ A winding up company
- ▶ **Research and development**

**Ref:** A type of company formed from research and development that usually does not go public. (**Handouts Page No. 7**)

**Question No: 12 ( Marks: 1 ) - Please choose one**

Which one of the following is the primary cause of failure in small businesses?

- ▶ Poor financial control
- ▶ Poor location
- ▶ **Management mistakes**
- ▶ Improper inventory control

**Ref: Management Incompetence**

In most small businesses, poor management is the primary cause of business failure. Sometimes the manager of a small business does not have the capacity to operate it successfully. <http://210.46.97.180/zonghe/book/116-%E5%B0%8F%E4%BC%81%E4%B8%9A%E7%AE%A1%E7%90%86%E4%B8%8E%E4%BC%81%E4%B8%9A%E5%AE%B6%E7%B2%BE%E7%A5%9E%E7%B2%BE%E8%A6%81%EF%BC%88Essentials%20of%20Entrepreneurship%20and%20Small%20Business%20Management%EF%BC%89-%E5%8C%97%E4%BA%AC%E5%A4%A7%E5%AD%A6%E5%87%BA%E7%89%88%E7%A4%BE%EF%BC%92%EF%BC%90%EF%BC%90%EF%BC%92%E5%B9%B4%E5%87%BA%E7%89%88-Thomas%20W.%20Zimmerer%E8%91%97/chapter1.htm>

**Question No: 13 ( Marks: 1 ) - Please choose one**

Which of the following is a fourth step in the entrepreneurial process?

- ▶ Developing successful business ideas
- ▶ Deciding to become an entrepreneur
- ▶ **Growing the entrepreneurial firm**
- ▶ Moving from an idea to an entrepreneurial firm

**Ref:**

[http://wps.prenhall.com/bp\\_barringer\\_entrep\\_1/29/7476/1913875.cw/content/index.html](http://wps.prenhall.com/bp_barringer_entrep_1/29/7476/1913875.cw/content/index.html)  
(**See the Question No. 10**)

**Question No: 14 ( Marks: 1 ) - Please choose one**

Which one of the following is **NOT** a phase of entrepreneurial process?

- ▶ Identification and evaluation of opportunity
- ▶ Development of business plan
- ▶ **Deciding to become an entrepreneur**
- ▶ Determination of required resources

**Ref: Handouts Page No. 14**

[www.vuaskari.com](http://www.vuaskari.com)

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 15 (Marks: 1) - Please choose one**

Which one of the following is not the intrapreneurial leadership characteristic?

- ▶ Understands environment
- ▶ Encourage the team work
- ▶ **Not flexible**
- ▶ Persistent

**Ref:** There are certain individual characteristics needed for a person to be successful Entrepreneurs including:

1. Understanding the environment
2. Being visionary and flexible
3. Creating management options
4. Encourage teamwork while employing a multi-disciplined approach
5. Encouraging open discussion
6. Building a coalition of supporters, and persisting (**Handouts page 20**)

**Question No: 16 (Marks: 1) - Please choose one**

Which of the following system is necessary for expansion or elimination of intrapreneurial units?

- ▶ Management
- ▶ **Evaluation**
- ▶ Reward
- ▶ Training

**Ref:** The organization needs to implement an evaluation system that allows successful units to expand and unsuccessful ones to be eliminated. (**Handouts Page No. 21**)

**Question No: 17 (Marks: 1) - Please choose one**

Which of the following factor does not affect a person for being an entrepreneur?

- ▶ **Nationality**
- ▶ Education
- ▶ Personal values
- ▶ Work history

**Ref: (Handouts Page No. 24)**

[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 18 (Marks: 1) - Please choose one**

Professional support network includes all of the following **EXCEPT**:

- ▶ Personal affiliations
- ▶ Mentor
- ▶ Trade associations
- ▶ **Friends**

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

**Ref: (Handouts Page No. 26)**

**Question No: 19 (Marks: 1) - Please choose one**

Following are the types of foreign direct investment **EXCEPT**:

- ▶ Joint venture
- ▶ **Management contracts**
- ▶ Minority interest
- ▶ Merger

**Ref: There are two types of FDI:**

**Greenfield investment:** It is the direct investment in new facilities or the expansion of existing facilities. It is the principal mode of investing in developing countries. **Mergers and Acquisition:** It occurs when a transfer of existing assets from local firms takes place. <http://www.indianindustry.com/indian-economy/foreign-direct-investment.html> (Also See the Handouts Page No. 31)

**Question No: 20 (Marks: 1) - Please choose one**

Following are the types of non-equity arrangements **EXCEPT**:

- ▶ Licensing
- ▶ Management contracts
- ▶ **Direct export**
- ▶ Turnkey projects

**Ref: Handouts Page No. 31)**

**Question No: 21 (Marks: 1) - Please choose one**

According to which of the following, an entrepreneur is the person who brings resources, labor, materials and other assets into combinations that increase their value?

- ▶ **Economist**
- ▶ Psychologist
- ▶ Businessman
- ▶ Sociologist

**Ref:** To an economist, an entrepreneur is one who brings resources, labor, materials, and other assets into combinations that make their value greater than before, and one who introduces changes, innovations, and a new order. (See Handouts Page No. 04)

[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 22 (Marks: 1) - Please choose one**

Which of the following abilities must be possessed by an entrepreneur?

- ▶ Creative
- ▶ Conceptualization
- ▶ Understanding environment
- ▶ **All of the given options**

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 23 (Marks: 1) - Please choose one**

Which of the following options can be very helpful to start-up new ventures?

▶ **Seed Capital**

- ▶ Infrastructure
- ▶ Technology
- ▶ Experience

**Question No: 24 (Marks: 1) - Please choose one**

According to Henning and Jardim, female executives tend to be the firstborn. Which of the following supports this research?

- ▶ Because firstborn has to be more responsible
- ▶ Because firstborn needs special care
- ▶ Because firstborn tends to be more flexible

▶ **Because firstborn receives special attention**

Ref: <http://www.slideshare.net/najamussaqib85/developing-an-entrepreneur> (See the slide No. 03)

**Question No: 25 (Marks: 1) - Please choose one**

In terms of personality, there are strong similarities between men and women entrepreneurs. Which of the following **does not** refer to this statement?

- ▶ Both are energetic
- ▶ Both are goal oriented
- ▶ They want to be independent

▶ **Males are more confident than women**

Ref:

[http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA70&lpg=PA70&dq=%22there+are+strong+similarities+between+men+and+women+entrepreneurs%22&source=bl&ots=rCPvCs11x4&sig=qWjNnVzDLRz1AWSaVOTifsMbb8&hl=en&ei=WDXsTJDRKI3CvQPE1enqAQ&sa=X&oi=book\\_result&ct=result&resnum=1&ved=0CBQQ6AEwAA#v=onepage&q=%22there%20are%20strong%20similarities%20between%20men%20and%20women%20entrepreneurs%22&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA70&lpg=PA70&dq=%22there+are+strong+similarities+between+men+and+women+entrepreneurs%22&source=bl&ots=rCPvCs11x4&sig=qWjNnVzDLRz1AWSaVOTifsMbb8&hl=en&ei=WDXsTJDRKI3CvQPE1enqAQ&sa=X&oi=book_result&ct=result&resnum=1&ved=0CBQQ6AEwAA#v=onepage&q=%22there%20are%20strong%20similarities%20between%20men%20and%20women%20entrepreneurs%22&f=false)

**Question No: 26 (Marks: 1) - Please choose one**

Which of the following businesses women entrepreneurs prefer to start?

- ▶ Manufacturing
- ▶ Construction
- ▶ **Educational services**
- ▶ High-technology fields

**Question No: 27 (Marks: 1) - Please choose one**

“Paying for goods indirectly through another source” refers to:

- ▶ Barter
- ▶ Trading

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

▶ **Third-party arrangement**

▶ Balance of payment

Ref: Third-party arrangements

Paying for goods indirectly through another source (Handouts page No. 36)

**Question No: 28 (Marks: 1) - Please choose one**

Which of the following best defines “diversified activity merger”?

- ▶ It refers to combining two firms with noncompeting products
- ▶ It refers to forming a third company by combining two companies
- ▶ **It refers to combining at least two totally unrelated firms**
- ▶ It refers to combining at least two firms at different market levels

Ref: Diversified activity merger

Combination of at least two totally unrelated firms (Handouts Page No. 32)

[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 29 (Marks: 1) - Please choose one**

Which of the following statements best defines “brainstorming”?

- ▶ It refers to groups of individuals providing in a structured format
- ▶ **It refers to a group method for obtaining new ideas and solutions**
- ▶ It refers to a method for obtaining new ideas and solutions by focusing on problems
- ▶ It refers to a method for obtaining new ideas focusing on the parameters

Ref: A group method of obtaining new ideas and solutions is called brainstorming.  
(Handouts page No.40)

**Question No: 30 (Marks: 1) - Please choose one**

Identify the statement which refers to “licensing”.

- ▶ It grants holder protection from others making, using or selling similar idea
- ▶ It may be a word, symbol, design or some combination that identifies the source of certain goods
- ▶ It protects original works of authorship
- ▶ **It is a contractual agreement giving rights to others to use intellectual property in return for a royalty or fee**

Ref: **Licensing:** Contractual agreement giving rights to others to use intellectual property in return for a royalty or fee (Handouts Page No. 53)

**Question No: 31 (Marks: 1) - Please choose one**

Which of the following denote no relationship between the mark and the goods or services?

- ▶ **Coined marks**
- ▶ Arbitrary marks
- ▶ Suggestive marks

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**  
**Honey G**  
**VuAskari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Descriptive marks

Ref: Coined marks denote no relationship between the mark and the goods and afford the possibility of expansion. (Handouts page No. 49)

**Question No: 32 (Marks: 1) - Please choose one**

Which of the following trademarks is used to suggest certain features, qualities, ingredients or characteristics of a product or service?

- ▶ Coined mark
- ▶ Arbitrary mark
- ▶ **Suggestive mark**
- ▶ Descriptive mark

Ref: A suggestive mark is used to suggest certain features or characteristics of a product or service (Handouts Page No. 49)

[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 33 (Marks: 1) - Please choose one**

Data that support the opportunity for the venture should be briefly stated in the executive summary. If this venture is an internet business, all of the following facts should be stated by an entrepreneur EXCEPT:

- ▶ Growth in the number of internet users
- ▶ Growth in the average amount of time spent on the internet
- ▶ Growth in sales dollars generated on the internet
- ▶ **Growth rate of population**

**Question No: 34 (Marks: 1) - Please choose one**

Which of the following make the business plan difficult to control and implement?

- ▶ **Too general goals and objectives**
- ▶ Too specific goals and objectives
- ▶ Realistic goals and objectives
- ▶ None of the given options

Ref: Goals and objectives that are too general or that are not feasible make the business plan difficult to control and implement.

[http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA192&lpg=PA192&dq=Goals+that+are+too+general+or+that+are+not+feasible+make+the+business+plan+difficult+to+control+and+implemen&source=bl&ots=rCPvCs0-s2&sig=6ZW0qWSpRnbnqS-KJEIDAmbfooQ&hl=en&ei=dDDsTPbzKoa6vQOI\\_MjLAQ&sa=X&oi=book\\_result&ct=result&resnum=1&ved=0CBQQ6AEwAA#v=onepage&q&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA192&lpg=PA192&dq=Goals+that+are+too+general+or+that+are+not+feasible+make+the+business+plan+difficult+to+control+and+implemen&source=bl&ots=rCPvCs0-s2&sig=6ZW0qWSpRnbnqS-KJEIDAmbfooQ&hl=en&ei=dDDsTPbzKoa6vQOI_MjLAQ&sa=X&oi=book_result&ct=result&resnum=1&ved=0CBQQ6AEwAA#v=onepage&q&f=false) See the Paragraph No.02

**Question No: 35 (Marks: 3)**

Describe any three issues that should be addressed in executive summary.

This is prepared after the total plan is written. It should be three to four pages in length and should highlight the key points in the business plan. The summary should highlight

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**

**Honey G**

**VuAskari Team**

**[www.vuaskari.com](http://www.vuaskari.com)**

in a concise manner the key points in the business plan. Issues that should be addressed include:

1. Brief description of the business concept
2. Any data that support the opportunity for the venture.
3. Statement of you this opportunity will be pursued.
4. Highlight some key financial results that can be achieved Because of the limited scope of the summary, the entrepreneur should ascertain what is important to the audience to whom the plan is directed

**[www.vuaskari.com](http://www.vuaskari.com)**

**Question No: 36 ( Marks: 5 )**

Briefly discuss the status of entrepreneurship in Europe.

1. Europe has only recently become interested in entrepreneurship.
2. Risk taking has been discouraged and business failure considered a social disgrace.
3. Several changes in the social and political climate have changed this traditional, security conscious culture.
4. Exemplifying this new thinking are academics, especially scientists and engineers.
5. Today more individuals are emerging in both academic circles and large companies who are look for a challenge.
6. New government policies are making it easier to raise money for starting up businesses.
7. The U.K. created the Business Expansion Scheme in 1983 to provide capital to new business ventures.
8. In France several economic and social factors cause difficulties.
9. Venture capital is managed by bankers, who are risk averse.
10. Another hurdle is the French contempt for both failure and success.
11. Research in Ireland and Sweden has explored the nature of European entrepreneurship.

**Question No: 37 ( Marks: 5 )**

Discuss what kind of information should be mentioned in “description of venture” section of a business plan.

The description of the venture should be detailed in this section. This should begin with the mission statement or company mission, which describes the nature of the business and what the entrepreneur hopes to accomplish. The new venture should be described in detail, including the product, location, personnel, background of entrepreneur, and history of the venture. The emphasis placed on location is a function of the type of business. Maps that locate customers, competitors, and alternative locations can be helpful. If the building or site decision involves legal issues, the entrepreneur should hire a lawyer.

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

**[www.vuaskari.com](http://www.vuaskari.com)**

## Paper No. 02

MIDTERM EXAMINATION  
Spring 2010  
MGT602- Entrepreneurship (Session - 3)  
Solved By Honey G <abdulhaiee2004@gmail.com>

Time: 60 min  
Marks:

Question No: 1 (Marks: 1) - Please choose one

A typical inventor is usually \_\_\_\_\_.

▶ **Highly creative & in love with the invention**

- ▶ Does not encourage change
- ▶ Willing to modify the invention in order to augment commercial benefit
- ▶ None of the given options

**Ref:** while the inventor falls in love with the invention. (Handouts Page No. 28)

Question No: 2 (Marks: 1) - Please choose one

Being one's own boss is a need of:

▶ **Independence**

- ▶ Achievement
- ▶ Affiliation
- ▶ Authority

**Ref: Need for independence:** Being one's own boss-one of the strongest needs of an entrepreneur (Handouts Page No. 28)

Question No: 3 (Marks: 1) - Please choose one

The difference between the value of a country's imports and exports over time is called:

- ▶ Deficit exports

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

▶ Deficit imports

▶ **Balance of payment**

▶ Balance of debt

**Ref:** The difference between the value of a country's imports and **exports** during a specific period of time is called the balance of trade. If a country **exports** more than it imports, it has a surplus, or favorable balance. Balance of trade and balance of payment are two commonly used terms in international economics. These terms are different but related to each other as Balance of trade is a component of Balance of Payment.  
<http://en.mimi.hu/business/exports.html>

[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 4 (Marks: 1) - Please choose one**

A/an \_\_\_\_\_ is an online connection between the company and its customers.

▶ Internet advertising

▶ **Website**

▶ E-Commerce

▶ World Wide Web

**Ref:** A website is an online connection between the company and its customers and can be developed in-house or outsourced. (**Handouts Page No. 44**)

**Question No: 5 (Marks: 1) - Please choose one**

Which of the following grants protection to owner from anyone else making, using and selling the identified innovation?

▶ **Utility patent**

▶ Design patent

▶ Plant patent

▶ International patent

**Ref:** The patent grants the owner protection from anyone making, using, and/or selling the invention (**handouts Page No. 46 – 47**)

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 6 (Marks: 1) - Please choose one**

All of the following are essentials to maintain secrecy, EXCEPT:

- ▶ Train employees to refer sensitive questions to one person
- ▶ **Discuss business in public places**
- ▶ Provide escorts for all office visitors
- ▶ Use simple security such as locked file cabinets

**Ref: To maintain secrecy**

1. Train employees to refer sensitive questions to one person.
2. Provide escorts for all office visitors.
3. Avoid discussing business in public places.
4. Control information that might be presented by employees at conferences or in journals.
5. Use simple security such as locked file cabinets and shredders.

**(Handouts Page No. 50)**

**Question No: 7 (Marks: 1) - Please choose one**

Who should prepare the business plan?

- ▶ **Entrepreneurs**
- ▶ Consultants
- ▶ Engineers
- ▶ Small business administration services

**Ref:** A business plan is a written document prepared by the entrepreneur that describes all the relevant external and internal elements involved in starting a new venture.

**(Handouts Page No. 54)**

[www.vuaskari.com](http://www.vuaskari.com)

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

**[www.vuaskari.com](http://www.vuaskari.com)**

**Question No: 8 (Marks: 1) - Please choose one**

Which of the following body issues patents?

- ▶ GATT
- ▶ NAFTA
- ▶ FTA
- ▶ **PTO**

**Ref:** Patents are issued by the Patent and Trademark Office (PTO.) (Handouts Page No. 47)

**Question No: 9 (Marks: 1) - Please choose one**

The product life cycle starts with which stage of product planning and development process?

- ▶ Test marketing stage
- ▶ **Product development stage**
- ▶ Commercialization stage
- ▶ Product planning and development process is a part of product life cycle

**Question No: 10 (Marks: 1) - Please choose one**

Developing a new idea through inquiry and testing is called:

- ▶ **Heuristics**
- ▶ Forced relationship
- ▶ Scientific method
- ▶ Value analysis

**Ref: Heuristics:** It is method of developing a new idea through a thought process progression (Handouts Page No. 41)

**Question No: 11 (Marks: 1) - Please choose one**

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

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

▶ Existing products and services

▶ **Distribution channels**

▶ Federal government

▶ Consumers

**Ref: Distribution Channels:** Because they are familiar with the needs of the market, channel members often have suggestions for new products. These channel members can also help in marketing the new product. (Handouts Page No. 38)

**Question No: 12 (Marks: 1) - Please choose one**

Trade barriers cause:

▶ **Increase in cost**

▶ Decrease in cost

▶ Increase in profit

▶ None of the given options

**Ref: Trade barriers increase the costs of exporting projects to a country. (Handouts Page No. 36)**

**Question No: 13 (Marks: 1) - Please choose one**

A person who managed large project was termed as the entrepreneur in the \_\_\_\_\_.

▶ Earliest period

▶ **Middle ages**

▶ 17<sup>th</sup> century

▶ 19<sup>th</sup> and 20<sup>th</sup> century

[www.vuaskari.com](http://www.vuaskari.com)

**Ref: In this age the term entrepreneur was used to describe both an actor and a person who managed large production projects. (Handouts Page No. 3)**

**Question No: 14 (Marks: 1) - Please choose one**

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

Which of the following is **NOT** a potential cost of becoming an entrepreneur?

▶ Financial reward

▶ Long hours

▶ **Financial insecurity**

▶ Loneliness

■ Costs

■ Business Failure

■ Obstacles

■ Loneliness

■ Financial Security

■ Long Hours/Hard Work

**Question No: 15 (Marks: 1) - Please choose one**

Factors contribute to the creation of new venture **EXCEPT**:

▶ Government

▶ Finance

▶ **High interest rates**

▶ Roll Model

**Question No: 16 (Marks: 1) - Please choose one**

Most of the finance for the new firm comes from following resources **EXCEPT**:

▶ Friends

▶ **Foreign aid**

▶ Relatives

▶ Personal savings

**Ref:** After the entrepreneur, family and friends are the next most common source of capital. (Handouts Page No. 82)

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 17 (Marks: 1) - Please choose one**

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

▶ Startup management

▶ **Entrepreneurship**

▶ Financial analysis

▶ Feasibility planning

**Ref:** Those such as Stevenson, Roberts, and Groesbeck (1989) and Stewart (1989, 1991) have conceptualized entrepreneurship as a process by which individuals - either on their own or inside organizations - pursue opportunities without regard to the resources which they currently

control.[http://www.questia.com/googleScholar.qst;jsessionid=FB2563EB3E2032AE9C4B43F80F6B0F87.inst2\\_2b?docId=5002256192](http://www.questia.com/googleScholar.qst;jsessionid=FB2563EB3E2032AE9C4B43F80F6B0F87.inst2_2b?docId=5002256192)

**Question No: 18 (Marks: 1) - Please choose one**

Which of the following is **NOT** included in the opportunity evaluation process?

▶ Length of the opportunity

▶ Real and perceived value of opportunity

▶ **Goals and objectives of customers**

▶ Risks and rewards of opportunity

**Ref:** a. The evaluation process involves looking at; b. The creation and length of the opportunity; c. Its real and perceived value; d. Its risks and return; e. It's fit with the skills and goals of the entrepreneur; f. Its differential advantage in its competitive environment  
**(Handouts Page No. 13)**

**Question No: 19 (Marks: 1) - Please choose one**

The difference of the entrepreneurial and managerial domains has contributed towards an increase interest in which of the following?

▶ Forming New Firm

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

▶ Partnership

▶ **Intrapreneurship**

▶ Private firms

Ref: Handouts Page No. 15

**Question No: 20 (Marks: 1) - Please choose one**

Which is the most common cause of business failure?

▶ Insufficient capital

▶ Unstable market

▶ **Insufficient experience**

▶ Poor Entrepreneurship

[www.vuaskari.com](http://www.vuaskari.com)

Ref: [http://highered.mcgraw-hill.com/sites/0073210560/student\\_view0/chapters2/mixed\\_quiz.html](http://highered.mcgraw-hill.com/sites/0073210560/student_view0/chapters2/mixed_quiz.html) (See the Question No. 08)

**Question No: 21 (Marks: 1) - Please choose one**

In which one of the following countries the entrepreneurial success has been significant because of the culture, the political and economic systems?

▶ European countries

▶ **Asian countries**

▶ Far East countries

▶ Middle East countries

Ref: Entrepreneurial success in some Asian countries has been significant because of the culture and the political and economic system (Handouts page No. 37)

**Question No: 22 (Marks: 1) - Please choose one**

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

Moral support network includes all of the following **EXCEPT**:

▶ Spouses

▶ Friends

▶ **Business associates**

▶ Relatives

**Ref:** Moral-Support Network it is important for the entrepreneur to establish a moral support network of family and friends. Most entrepreneurs indicate that their spouses are their biggest supporters. **Handouts Page No. 26**

**Question No: 23 (Marks: 1) - Please choose one**

Professional support network includes all of the following **EXCEPT**:

▶ Personal affiliations

▶ Mentor

▶ Trade associations

▶ **Friends**

**Ref:** Handouts Page No. 26

**Question No: 24 (Marks: 1) - Please choose one**

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:

▶ Economic development

▶ **Barter system**

▶ Balance of payment

▶ International trade

**Ref:** Type of System Barter or third-party arrangements have been used to increase business activity with the Commonwealth of Independent States, the former U.S.S.R (Handouts Page No. 29)

**Question No: 25 (Marks: 1) - Please choose one**

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

\_\_\_\_\_ is prepared on the bases of levels of the internal structure of the business.

► **Organizational Plan**

- Production Plan
- Marketing Plan
- Financial Plan

**Ref:** The organizational plan section should describe the venture's form of ownership. If the venture is a corporation, this should include the number of shares authorized, share options, and names and addresses of the directors and officers. It is helpful to provide an organization chart indicating the line of authority. (Handouts Page No. 58)

**Question No: 26 (Marks: 1) - Please choose one**

Which of the following abilities must be possessed by an entrepreneur?

- Creative
- Conceptualization
- Understanding environment

► **All of the given options**

**Question No: 27 (Marks: 1) - Please choose one**

Which of the following is NOT a guiding principle in a traditional corporate culture?

- Follow given instructions

► **Take responsibility and ownership**

- Do not take initiative
- Do not make mistakes

**Ref: The guiding principles in a traditional corporate culture are:**

1. Follow instructions given
2. Do not make mistakes

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

3. Do not fail

4. Do not take initiative

5. Stay within your turf and protect your backside

6. This restrictive environment is not conducive to creativity, flexibility, and risk taking  
(Handouts Page No. 18)

**Question No: 28 (Marks: 1) - Please choose one**

In order to minimize the negative effect of any disruption in an organization, which of the following characteristics an Intrapreneur must possess? [www.vuaskari.com](http://www.vuaskari.com)

▶ He should be diplomatic

▶ He should be conservative

▶ He should be autocratic

▶ He should be authoritative

Ref: To minimize the negative effect of any disruption caused, the Intrapreneur must be a good diplomat

[http://books.google.com.pk/books?id=3uS4f0OK3fAC&pg=PA41&lpg=PA41&dq=In+order+to+minimize+the+negative+effect+of+any+disruption+in+an+organization,+which+of+the+following+characteristics+an+Intrapreneur+must+possess%3F&source=bl&ots=1hGCwsRm2p&sig=1zzTCffltcxgxQHo\\_i7\\_0uszRx0&hl=en&ei=N0\\_pTNzaPMmLswbz6MW9Cw&sa=X&oi=book\\_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q&f=false](http://books.google.com.pk/books?id=3uS4f0OK3fAC&pg=PA41&lpg=PA41&dq=In+order+to+minimize+the+negative+effect+of+any+disruption+in+an+organization,+which+of+the+following+characteristics+an+Intrapreneur+must+possess%3F&source=bl&ots=1hGCwsRm2p&sig=1zzTCffltcxgxQHo_i7_0uszRx0&hl=en&ei=N0_pTNzaPMmLswbz6MW9Cw&sa=X&oi=book_result&ct=result&resnum=2&ved=0CBsQ6AEwAQ#v=onepage&q&f=false)

**Question No: 29 ( Marks: 1 ) - Please choose one**

According to research, when do the female entrepreneurs tend to start their first significant venture?

▶ In their mid 20s

▶ In their mid 30s

▶ In their mid 40s

▶ In their mid 50s

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

**Ref:** Generally, male entrepreneurs start their first venture in their early 30s, while women tend to do so in their middle 30s. (Handouts Page No. 24)

**Question No: 30 ( Marks: 1 ) - Please choose one**

Which of the following best defines “horizontal merger”?

▶ It refers to combining at least two firms doing similar businesses at the same market level

▶ It refers to forming a third company by combining two companies

▶ It refers to having more than 50 percent ownership position

▶ It refers to combining at least two firms at different market levels

**Ref: Horizontal merger:** Combination of at least two firms doing similar businesses at the same market level (Handouts Page No. 32)

**Question No: 31 ( Marks: 1 ) - Please choose one**

Which of the following is an example of rising number of women entrepreneurs in China?

▶ Guau Guarymei

▶ Wataru Ohashi

▶ Kazuhiko Nishi

▶ Li Ka-Shing

**Ref:**

[http://books.google.com.pk/books?id=PzxEAAAAYAAJ&q=is+an+example+of+rising+number+of+women+entrepreneurs+in+China?&dq=is+an+example+of+rising+number+of+women+entrepreneurs+in+China?&hl=en&ei=-GXwTlTDMmXcfXgqasK&sa=X&oi=book\\_result&ct=result&resnum=2&ved=0CCcQ6AEwAQ](http://books.google.com.pk/books?id=PzxEAAAAYAAJ&q=is+an+example+of+rising+number+of+women+entrepreneurs+in+China?&dq=is+an+example+of+rising+number+of+women+entrepreneurs+in+China?&hl=en&ei=-GXwTlTDMmXcfXgqasK&sa=X&oi=book_result&ct=result&resnum=2&ved=0CCcQ6AEwAQ)

**Question No: 32 ( Marks: 1 ) - Please choose one**

Identify the statement which best defines “checklist method”

▶ It refers to developing a new idea through a list of related issues

▶ It refers to a group method for obtaining new ideas focusing on the negative

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

- ▶ It refers to a method for individuals to solve problems through one of four mechanisms
- ▶ It refers to a method for developing new ideas when the individuals are unaware of the problem

**Ref: Checklist method:** Developing a new idea through a list of related issues is checklist method of problem solving. (Handouts Page No. 41)

**Question No: 33 ( Marks: 1 ) - Please choose one**

Which of the following best describes “contract”?

- ▶ **It refers to a legally binding agreement between two parties**
- ▶ It grants holder protection from others making, using or selling similar idea
- ▶ It may be a word, symbol, design or some combination that identifies the source of certain goods
- ▶ It refers to a legal document giving official permission to do something

**Ref:** In law, a **contract** is a legally binding agreement between two or more parties which, if it contains the elements of a valid legal agreement, is enforceable by law or by binding arbitration <http://en.wikipedia.org/wiki/Contract>

**Question No: 34 ( Marks: 1 ) - Please choose one**

Which of the following is the title or cover page that provides a brief summary of the business plan’s content?

- ▶ **Introductory page**
- ▶ Executive summary
- ▶ Environmental and industry analysis
- ▶ Description of venture

**Ref: Introductory Page:** The title page provides a brief summary of the business plan’s contents, and should include: (Handouts Page No. 57)

**Question No: 35 ( Marks: 3 )**

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

How the business plan is presented to potential investors?

The description of the venture should be comprehensive. This should begin with the mission statement or company mission, which describes the nature of the business and what the entrepreneur hopes to accomplish. The new venture should be described in detail, including the product, location, personnel, background of entrepreneur, and history of the venture. The emphasis placed on location is a function of the type of business. Maps that locate customers, competitors, and alternative locations can be helpful. Then the marketing plan describes how the products will be distributed, priced, and promoted. Potential investors regard the marketing plan as critical to the venture's success.

**Question No: 36 (Marks: 5)**

Which factors should be studied by entrepreneur to conduct environmental analysis while preparing a business plan? Explain the factors. [www.vuaskari.com](http://www.vuaskari.com)

The entrepreneur should first conduct an **environmental analysis** to identify trends and changes occurring on a national and international level that may impact the new venture. Examples of environmental factors are:

- Economy
- Culture
- Technology
- Legal concerns

**Economy:** The entrepreneur first wants to know the economic situation of country where he wants to start the business because this has great impact on its success. If economical situation is not stabilizes then investors will not willing to invest with us, which is the first step for every beginning of business.

**Culture:** It has too much influence on our products which we made. If we produce such thing which is not familiar to people where the business operate there should be loss for. For example; if Bonanza will start to produce Shalwar & Kameez suits in Arab countries who will buy, because in Arab countries there culture is different from us. So, entrepreneur must first look about the culture trends.

**Technology:** Now a day's technology changes day to day. Every day or week new inventions is there in market, which help us to make business easy for us. We should keep update ourselves in technology perspective to save more money and produce more.

**Legal Concerns:** These are important issue for every entrepreneur. As every country have its own and different laws there. Therefore, he/she must be having knowledge about

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**

**Honey G**

**VuAskari Team**

**[www.vuaskari.com](http://www.vuaskari.com)**

the limitations and permissions from government of that country where he/she want to do business.

**Question No: 37 ( Marks: 5 )**

While entering into the international market the companies usually have strategic planning process. What should be considered in the strategic planning?

Strategic Planning offers ideas on how to match the organization's design to its products and capabilities, goals and resources. This process is much easier to execute once you have obtained a basic knowledge of exporting value-added food products, understand the marketing research process, and analyzed the elements of the marketing mix. Proper organization, both internally and externally, allow the firm to become more efficient in its operations and expansion.

After the information the first step in building a successful export strategy is determining the firm's readiness to export. The following are guidelines on preparing an export business plan, developing export marketing skills, designing a template for an export marketing plan and considering marketing tools prior to engaging directly in promotional activities.

**Paper No. 03**

**MIDTERM EXAMINATION**

**Spring 2010**

**MGT602- Entrepreneurship**

**Solved By Honey G <abdulhaiee2004@gmail.com>**

**Time: 60 min**

**Marks: 47**

<http://groups.google.com/group/vu-askari?hl=en>

**Question No: 1 (Marks: 1) - Please choose one**

Which of the following has not yet been empirically established as a distinguishing characteristic of entrepreneurs?

- ▶ Locus of control
- ▶ Feeling about independence
- ▶ Need for achievement
- ▶ **Risk taking**

**Ref:** However, it has not yet been empirically established whether risk-taking is a distinguishing characteristics of entrepreneurs. (See Handouts Page No. 22)

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

**[www.vuaskari.com](http://www.vuaskari.com)**

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 2 (Marks: 1) - Please choose one**

A typical inventor is usually \_\_\_\_\_.

▶ **Highly creative & in love with the invention**

- ▶ Does not encourage change
- ▶ Willing to modify the invention in order to augment commercial benefit
- ▶ None of the given options

**Ref: while the inventor falls in love with the invention. (Handouts Page No. 28)**

**Question No: 3 (Marks: 1) - Please choose one**

The level at which an individual is viewed by society is called:

- ▶ Financial status
- ▶ Qualification
- ▶ **Social status**
- ▶ Achievement

**Ref: Social status: The level at which an individual is viewed by society (Handouts Page No. 25)**

**Question No: 4 (Marks: 1) - Please choose one**

An individual's need to be recognized is called:

- ▶ Need for independence
- ▶ Need for affiliation
- ▶ Need of fame
- ▶ **Need for achievement**

**Ref: Need for achievement: An individual's need to be recognized (Handouts Page No.25)**

**Question No: 5 (Marks: 1) - Please choose one**

Which one of the following is an important source of idea generation due to their familiarity with the needs of market?

- ▶ Existing products and services
- ▶ **Distribution channels**
- ▶ Federal government
- ▶ Consumers

**Ref: Distribution Channels: Members of distribution channels are also excellent sources for new ideas because they are familiar with the needs of the market. (See the Handouts Page No. 39)**

**Question No: 6 (Marks: 1) - Please choose one**

The concept of World Wide Web pages was developed in:

- ▶ 1960s
- ▶ 1970s
- ▶ 1980s
- ▶ **1990s**

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

Ref: In the early 1990s the concept of World Wide Web pages was developed.

(Handouts Page No. 44)

**Question No: 7 (Marks: 1) - Please choose one**

Which one of the following can serve entrepreneur as a consultant of the business plan?

- ▶ Lawyers
- ▶ Accountants
- ▶ Marketers
- ▶ All of the given options

Ref: The business plan should be prepared by the entrepreneur; however, he or she may consult many sources. Lawyers, accountants, marketing consultants, and engineers are useful supplemental sources. (Handouts Page No. 54)

**Question No: 8 (Marks: 1) - Please choose one**

How many perspectives should be considered while preparing business plan?

- ▶ One
- ▶ Three
- ▶ Four
- ▶ Not specific

Ref: Three perspectives need to be considered (Handouts Page No. 54)

**Question No: 9 (Marks: 1) - Please choose one**

Which of the following is a powerful marketing tool for expansion of business in new market?

- ▶ Licensing
- ▶ Product safety
- ▶ Insurance
- ▶ Copy rights

Ref: Licensing has significant value as a marketing strategy to holders of patents Page 50

**Question No: 10 (Marks: 1) - Please choose one**

Which one of the following can be registered under design patent?

- ▶ New product
- ▶ Original product
- ▶ Ornamental
- ▶ All of the given options

Ref: Covering new, original, ornamental, and unobvious designs for articles, a design patent reflects the appearance of an object. (Handouts Page No. 47)

<http://groups.google.com/group/vu-askari?hl=en>

**Question No: 11 (Marks: 1) - Please choose one**

Which of the following is a characteristic of a good partner?

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Help to achieve goals
- ▶ Share entrepreneur's vision
- ▶ Do not exploit the partnership
- ▶ **All of the given options**

**Question No: 12 (Marks: 1) - Please choose one**

Which of the following is a method of selling goods to another country by taking care of transactions?

- ▶ Indirect exporting
- ▶ **Direct exporting**
- ▶ Importing
- ▶ Management contract

**Ref: Direct exporting:** Selling goods to another country by taking care of the transaction. (Handouts page No. 32)

**Question No: 13 (Marks: 1) - Please choose one**

Which one of the following is the way by which an entrepreneur can enter into international business?

- ▶ Export
- ▶ Non equity arrangements
- ▶ Direct foreign investment
- ▶ **All of the given options**

(Handouts Page No. 30 n 31)

**Question No: 14 (Marks: 1) - Please choose one**

Most of the finance for the new firm comes from following resources **EXCEPT:**

- ▶ Friends
- ▶ **Foreign aid**
- ▶ Relatives
- ▶ Personal savings

**Ref:** After the entrepreneur, family and friends are the next most common source of capital. (Handouts Page No. 82)

**Question No: 15 (Marks: 1) - Please choose one**

Which one of the following receives highest investment?

- ▶ Public company
- ▶ Life style
- ▶ **High potential venture**
- ▶ Foundation firm

**Ref: High-potential ventures:** A venture that has high growth potential and therefore receives great investor interest (Handouts Page No. 07)

**Question No: 16 (Marks: 1) - Please choose one**

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

Which of the following is a second step in the entrepreneurial process?

► **Developing successful business ideas**

- Deciding to become an entrepreneur
- Growing the entrepreneurial firm
- Moving from an idea to an entrepreneurial firm

**(Handouts page No. 13)**

<http://groups.google.com/group/vu-askari?hl=en>

**Question No: 17 (Marks: 1) - Please choose one**

Which of the following is **NOT** included in the opportunity evaluation process?

- Length of the opportunity
- Real and perceived value of opportunity
- **Goals and objectives of customers**
- Risks and rewards of opportunity

**Ref:** a. the evaluation process involves looking at

b. The creation and length of the opportunity

c. Its real and perceived value

d. Its risks and return.

e. It's fit with the skills and goals of the entrepreneur

f. Its differential advantage in its competitive environment **(Handouts Page No. 13)**

**Question No: 18 (Marks: 1) - Please choose one**

Which one of the following is true regarding female entrepreneurs?

- currently the number of companies owned by female entrepreneurs exceeds those owned by their male counterparts
- Women-owned businesses grow thrice that national rate for all private companies
- 53 percent of all private companies are women-owned businesses

► **One-third of women-owned businesses are connected with health care and social services**

**Ref:** The latest figures from the Small Business Administration put the number of women business owners at 9.1 million. They have grown twice the national rate for all private companies from 1997 to 2002, with nearly one-third of them concentrated in health care and social services.

<http://www.jobbankusa.com/CareerArticles/Resume/ca81306a.html>

**Question No: 19 (Marks: 1) - Please choose one**

All of the following are true regarding male entrepreneurs **EXCEPT:**

- Typically most male entrepreneurs are first-borns
- Dissatisfaction with present job is a departure point for a male entrepreneur
- **Male entrepreneurs mostly have a occupational background of middle-management or administrative-experience in the field**
- Male entrepreneurs tend to be opinionated and persuasive in their approach

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

**Ref:**

[http://highered.mcgrawhill.com/sites/0073210560/student\\_view0/chapters3/mixed\\_quiz.html](http://highered.mcgrawhill.com/sites/0073210560/student_view0/chapters3/mixed_quiz.html) (See the Question No. 08)

**Question No: 20 (Marks: 1) - Please choose one**

In terms of chronological age, most entrepreneurs initiate their entrepreneurial carrier between ages of:

- ▶ 15 and 22
- ▶ **22 and 45**
- ▶ 45 and 57
- ▶ 57 and 63

**Ref:** In chronological age, most entrepreneurs start their careers between ages 22 and 55 (Handouts page No. 24)

**Question No: 21 (Marks: 1) - Please choose one**

It has been observed that usually the entire country is organized under single:

- ▶ **Economic system**
- ▶ Culture
- ▶ Living standard
- ▶ Legal environment

**Ref:** A domestic business strategy is designed under a single economic system (Handouts Page No. 29)

**Question No: 22 (Marks: 1) - Please choose one**

Following are the types of non-equity arrangements EXCEPT:

- ▶ Licensing
- ▶ Management contracts
- ▶ **Direct export**
- ▶ Turnkey projects

**Ref: Handouts Page No. 31**

**Question No: 23 (Marks: 1) - Please choose one**

Which of the following abilities must be possessed by an entrepreneur?

- ▶ Creative
- ▶ Conceptualization
- ▶ Understanding environment
- ▶ **All of the given options**

<http://groups.google.com/group/vu-askari?hl=en>

**Question No: 24 (Marks: 1) - Please choose one**

An individual's desirability to form a new venture depends upon all of the following except:

- ▶ Culture

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**  
**Honey G**  
**VuAskari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Family
- ▶ Teachers
- ▶ **Personal savings**

**Ref:** The perception that starting a new company is desirable results from an individual's culture, subculture, family, teachers and peers. **(Handouts Page No. 06)**

**Question No: 25 (Marks: 1) - Please choose one**

Identify the type of innovation which refers to new products with significant technological advancement.

- ▶ Ordinary innovation
- ▶ **Technological innovation**
- ▶ Breakthrough innovation
- ▶ Technical innovation

**Ref:** Technological innovations refer to new products with significant technological advancements. **(Handouts Page No. 08)**

**Question No: 26 (Marks: 1) - Please choose one**

“Management of enterprise” is an important aspect of entrepreneurial process. Which involves all of the following EXCEPT:

- ▶ Implementation of management style
- ▶ Determination of key variables for success
- ▶ Implementation of control system
- ▶ **Creation of opportunity**

**Ref:** After resources are acquired, the entrepreneur must use them to implement the business plan. The operational problems of the growing enterprise must also be examined. This involves implementing a management style and structure, as well as determining the key variables for success.

[http://docs.google.com/viewer?a=v&q=cache:e32YL9ke7ucJ:www.sbaer.uca.edu/publications/entrepreneurship/pdf/01.pdf+Management+of+enterprise%E2%80%9D+is+an+important+aspect+of+entrepreneurial+process.+Which+involves+all+of+the+following+EXCEPT:+%E2%96%BA+Implementation+of+a+management+style+%E2%96%BA+Determination+of+key+variables+for+success+%E2%96%BA+Implementation+of+control+system+%E2%96%BA+Creation+of+opportunity&hl=en&gl=pk&pid=bl&srcid=ADGEE Shtkn8s4p\\_NU6k4WZRZ-CnZ6lZAwskaeCPg8fhWy9gJQvfXEFQQOHq4fELKW4pOKx\\_SQpw3CwTbmY0Oyrp1aI3G9W9KRtnhRdLIIsXPht7bjeo359H4zKwGaRhFO5nZwethHI23&sig=AHIEtbTqFMas7H7G4OTzSzCUNDZhxylqMQ](http://docs.google.com/viewer?a=v&q=cache:e32YL9ke7ucJ:www.sbaer.uca.edu/publications/entrepreneurship/pdf/01.pdf+Management+of+enterprise%E2%80%9D+is+an+important+aspect+of+entrepreneurial+process.+Which+involves+all+of+the+following+EXCEPT:+%E2%96%BA+Implementation+of+a+management+style+%E2%96%BA+Determination+of+key+variables+for+success+%E2%96%BA+Implementation+of+control+system+%E2%96%BA+Creation+of+opportunity&hl=en&gl=pk&pid=bl&srcid=ADGEE Shtkn8s4p_NU6k4WZRZ-CnZ6lZAwskaeCPg8fhWy9gJQvfXEFQQOHq4fELKW4pOKx_SQpw3CwTbmY0Oyrp1aI3G9W9KRtnhRdLIIsXPht7bjeo359H4zKwGaRhFO5nZwethHI23&sig=AHIEtbTqFMas7H7G4OTzSzCUNDZhxylqMQ)

**Question No: 27 (Marks: 1) - Please choose one**

Which of the following is NOT a goal of an intrapreneurial culture?

- ▶ To take responsibility and ownership
- ▶ To be rewarded for actions taken
- ▶ To develop visions, goals, and action plans

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

► **To follow given instructions**

**Ref: The guiding principles of intrapreneurs:**

**Aspects of an Entrepreneurial culture are quite different:**

1. Develop visions, goals, and action plans
2. Be rewarded for actions taken
3. Suggest, try, and experiment
4. Create and develop
5. Take responsibility and ownership

However To follow given instructions is the corporate culture principle (**Handouts Page No. 18**)

**Question No: 28 (Marks: 1) - Please choose one**

Which of the following best defines “minority interest”?

► **It refers to having less than 50 percent ownership position**

- It refers to forming a third company by combining two companies
- It refers to having more than 50 percent ownership position
- It refers to selling goods made in one country to another country

**Ref: Minority interest: Having less than 50 percent ownership position (Handouts Page No. 36)**

**Question No: 29 (Marks: 1) - Please choose one**

Which of the following techniques is an excellent method for initial screening of ideas and concepts?

► **Focus group**

- Problem inventory analysis
- Brain Storming
- Reverse brainstorming

**Ref: 4. the focus group is also an excellent method for initial screening of ideas and concepts. <http://academics.blogspot.com/2010/08/reverse-brainstorming.html>**

**Question No: 30 (Marks: 1) - Please choose one**

Which of the following is an idea generation method that focuses on parameters?

- Brainstorming
- Reverse brainstorming
- **Creative problem solving**
- Synectics

**Ref: Creative problem solving is a method for obtaining new ideas focusing on the parameters. (Handouts Page No. 40)**

**Question No: 31 (Marks: 1) - Please choose one**

Which of the following best describes “contract”?

► **It refers to a legally binding agreement between two parties**

- It grants holder protection from others making, using or selling similar idea

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

▶ It may be a word, symbol, design or some combination that identifies the source of certain goods

▶ It refers to a legal document giving official permission to do something

**Ref: CONTRACT** A legal agreement between two or more parties to do or not to do certain things. It may be oral or in writing.

<http://www.stringhamschools.com/content/?page=42>

**Question No: 32 (Marks: 1) - Please choose one**

There are three perspectives that should be considered when preparing the plan. Which of the following does NOT refer to the plan?

▶ Entrepreneurial perspective

▶ Marketing perspective

▶ Investor's perspective

▶ **Religious perspective**

**Ref: Three perspectives need to be considered:**

The **entrepreneur** understands the new venture better than anyone. The **marketing** perspective considers the venture through the eyes of the customer. The **investor** looks for sound financial projections. The depth of the business plan depends on the size and scope of the proposed venture. **(Handouts page No. 54)**

<http://groups.google.com/group/vu-askari?hl=en>

**Question No: 33 (Marks: 1) - Please choose one**

Business plan should be prepared by an entrepreneur. All of the following should be consulted while preparing this plan EXCEPT:

▶ Lawyers

▶ Accountants

▶ Marketing consultants

▶ **General public**

**Ref:** The business plan should be prepared by the entrepreneur; however, he or she may consult many sources. Lawyers, accountants, marketing consultants, and engineers are useful supplemental sources. **(Handouts page No. 54)**

**Question No: 34 (Marks: 1) - Please choose one**

Data that support the opportunity for the venture should be briefly stated in the executive summary. If this venture is an internet business, all of the following facts should be stated by an entrepreneur EXCEPT:

▶ Growth in the number of internet users

▶ Growth in the average amount of time spent on the internet

▶ Growth in sales dollars generated on the internet

▶ **Growth rate of population**

<http://groups.google.com/group/vu-askari?hl=en>

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 35 (Marks: 3)**

What is copyright? What are its limitations?

A copyright protects original works of authorship. The protection does not protect the idea itself. It is a set of exclusive rights granted by the law of a jurisdiction to the author or creator of an original work, including the right to copy, distribute and adapt the work. It allows someone else to use the idea in a different manner.

**It's Limitation:**

Exceptions and limitations to these rights strive to balance the public interest in the wide distribution of the material produced and to encourage creativity. Exceptions include fair dealing and fair use, and such use does not require the permission of the copyright owner. All other uses require permission and copyright owners can license or permanently transfer or assign their exclusive rights to others. Copyright does not protect ideas, only their expression or fixation. In most jurisdictions, copyright arises upon fixation and does not need to be registered. Copyright protection applies for a specific period of time, after which the work is said to enter the public domain.

**Question No: 36 (Marks: 5)**

While using brain storming for new idea creation what measures should be taken to acquire a good idea?

You can often get the best results by combining individual and group brainstorming, and by managing the process carefully and according to the "rules" below. That way, you get people to focus on the issue without interruption (this comes from having everyone in a dedicated group meeting), you maximize the number of ideas you can generate, and you get that great feeling of team bonding that comes with a well-run brainstorming session!

To run a group brainstorming session effectively, do the following:

- Find a comfortable meeting environment, and set it up ready for the session.
- Appoint one person to record the ideas that come from the session. These should be noted in a format than everyone can see and refer to. Depending on the approach you want to use, you may want to record ideas on flip charts, whiteboards, or computers with data projectors.
- If people aren't already used to working together, consider using an appropriate warm-up exercise or ice-breaker.
- Define the problem you want solved clearly, and lay out any criteria to be met. Make it clear that that the objective of the meeting is to generate as many ideas as possible.
- Give people plenty of time *on their own* at the start of the session to generate as many ideas as possible.

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

## ***Composed & Solved***

***Honey G***

***VuAskari Team***

**[www.vuaskari.com](http://www.vuaskari.com)**

- Ask people to give their ideas, making sure that you give everyone a fair opportunity to contribute.
- Encourage people to develop other people's ideas, or to use other ideas to create new ones.
- Encourage an enthusiastic, uncritical attitude among members of the group. Try to get everyone to contribute and develop ideas, including the quietest members of the group.
- Ensure that no one criticizes or evaluates ideas during the session. Criticism introduces an element of risk for group members when putting forward an idea. This stifles creativity and cripples the free running nature of a good brainstorming session.
- Let people have fun brainstorming. Encourage them to come up with as many ideas as possible, from solidly practical ones to wildly impractical ones. Welcome creativity!
- Ensure that no train of thought is followed for too long. Make sure that you generate a sufficient number of different ideas, as well as exploring individual ideas in detail.
- In a long session, take plenty of breaks so that people can continue to concentrate.

### **Question No: 37 (Marks: 5)**

While developing the web site what characteristics should be kept in mind?

1. The pleasant outlook of a website is the first important thing to keep in mind. Too much use of pattern or colors can drive the viewers away.
2. DO NOT use unnecessary audio or video. I once opened a site where a woman started speaking something as soon as the site opened. It startled me and I closed it immediately. So don't let that happen. Correct use of flash will make the website attractive but too much of it might distract the visitors from the main goal. We do not want to do that.
3. Don't put a welcome page where you have to click and enter your main page. Wasting time there might drive the visitors away.
4. The website shouldn't take a lot of time to load. Visitors might not have so much of patience and that means they'll leave your site immediately
5. Unnecessary banners ads or links. Unless you are an advertiser, banner ads or link ads can drive potential customers away. Even if you have to do so use a pop-up to open a certain link, making sure the visitors still have your window open.
6. Avoid using colorful fonts, use of many fonts or use of unreadable fonts. As I said pleasant outlooks keeps the visitors hooked on your site
7. Keep the color of links constant. The formal color for links is blue, underlined. If the color of the normal text and that of the link is same the visitors wouldn't know the difference.
8. Avoid using lot of graphics or images that are hard to load. Unless you are selling different products, do not use many graphics, images making you page hard to load.
9. Headline plays a significant role in attracting customers. Hence use catchy phrases for the headline, it'll work well.

***Note: Solve these papers by yourself***

***This VU Group is not responsible for any solved content***

**[www.vuaskari.com](http://www.vuaskari.com)**

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

10. The 10th and the most important is the content. Relevant content is the best way to keep the visitors hooked up and more over buy what you are selling. Correct use of words and sentences not only attracts the prospects but also helps the search engines to crawl it easily. Proper content, with relevant use of keywords is a MUST.

## Paper No. 04

MIDTERM EXAMINATION

Spring 2010

MGT602- Entrepreneurship (Session - 2)

Solved By Honey G <abdulhaiee2004@gmail.com>

Time: 60 min

Marks: 47

**Question No: 1 (Marks: 1) - Please choose one**

The level at which an individual is viewed by society is called:

- ▶ Financial status
- ▶ Qualification
- ▶ **Social status**
- ▶ Achievement

**Ref: Social status:** The level at which an individual is viewed by society (**Handouts Page No. 25**)

**Question No: 2 (Marks: 1) - Please choose one**

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

- ▶ Idea Stage
- ▶ Product Planning Stage
- ▶ **Product Development Stage**
- ▶ Test Marketing Stage

**Ref:** This refining process- the product planning and development process – is divided in to five major stages. Idea stage, concept stage, product development stage, test marketing stage and commercializing; it result in the product life cycle. (**Handouts Page No. 43**)

**Question No: 3 (Marks: 1) - Please choose one**

Which one of the following is NOT included in four C's evaluation by lender?

- ▶ Character
- ▶ Cost
- ▶ **Continuity**

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

▶ Contribution

- Ref: 1. The entrepreneur's credit history or character.  
2. Their ability to meet debt and interest payments (cash flow.)  
3. The collateral or tangible assets being secured.  
4. Equity contribution or the amount of personal equity that has been invested by the entrepreneur. (Handouts Page No. 55)

**Question No: 4 (Marks: 1) - Please choose one**

Which of the following is NOT essential part of the contract? [www.vuaskari.com](http://www.vuaskari.com)

- ▶ All the parties involved should be named
- ▶ Transaction should be described in detail
- ▶ Obtain signatures of the persons involved
- ▶ Place where contract takes place

- Ref: 1. All parties involved should be named and their roles specified.  
2. The transaction should be described in detail.  
3. The exact value of the transaction should be specified.  
4. Obtain signatures of the persons involved in the deal (Handouts page 53)

**Question No: 5 (Marks: 1) - Please choose one**

Which one of the following is the way by which an entrepreneur can enter into international business?

- ▶ Export
- ▶ Non equity arrangements
- ▶ Direct foreign investment
- ▶ All of the given options

(Handouts Page No. 30 n 31)

**Question No: 6 (Marks: 1) - Please choose one**

The entrepreneur was distinguished from capital provider in:

- ▶ Middle ages
- ▶ 18<sup>th</sup> century
- ▶ 17<sup>th</sup> century
- ▶ 19<sup>th</sup> and 20<sup>th</sup> century

Ref: In the 18th century the person with capital was differentiated from the one who needed capital (Handouts page No. 03)

**Question No: 7 (Marks: 1) - Please choose one**

Andrew Carnegie is an example of entrepreneur of which century:

- ▶ Earliest period
- ▶ 19<sup>th</sup> and 20<sup>th</sup> century
- ▶ Middle ages
- ▶ 17<sup>th</sup> century

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

Ref: Andrew Carnegie is one of the best examples of this definition, (Handouts page No. 03)

**Question No: 8 (Marks: 1) - Please choose one**

Which of the following two work environments should be good for spawning the new enterprises?  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Finance and marketing
- ▶ Finance and R&D
- ▶ **Marketing and R&D**
- ▶ Marketing and IT

Ref: [http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA10&lpg=PA10&dq=Which+of+the+following+two+work+environments+should+be+good+for+spawning+the+new+enterprises?&source=bl&ots=rCPvFoW\\_AZ&sig=LBbir\\_GokALAFLODCKLWUq51W5o&hl=en&ei=ixDwTOysLJHKvQOZir3XDQ&sa=X&oi=book\\_result&ct=result&resnum=9&ved=0CEwQ6AEwCA#v=onepage&q&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA10&lpg=PA10&dq=Which+of+the+following+two+work+environments+should+be+good+for+spawning+the+new+enterprises?&source=bl&ots=rCPvFoW_AZ&sig=LBbir_GokALAFLODCKLWUq51W5o&hl=en&ei=ixDwTOysLJHKvQOZir3XDQ&sa=X&oi=book_result&ct=result&resnum=9&ved=0CEwQ6AEwCA#v=onepage&q&f=false)

**Question No: 9 (Marks: 1) - Please choose one**

Most of the finance for the new firm comes from following resources **EXCEPT**:

- ▶ Friends
- ▶ **Foreign aid**
- ▶ Relatives
- ▶ Personal savings

Ref: After the entrepreneur, family and friends are the next most common source of capital. (Handouts Page No. 82)

**Question No: 10 (Marks: 1) - Please choose one**

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

- ▶ Startup management
- ▶ **Entrepreneurship**
- ▶ Financial analysis
- ▶ Feasibility planning

Ref: [http://books.google.com.pk/books?id=ul5FsIIWa3EC&pg=PA369&lpg=PA369&dq=What+is+the+process+by+which+individuals+pursue+opportunities+without+regard+to+resources+they+currently+control?&source=bl&ots=2U79KwzTNC&sig=yCyfEFRuVraGpIKdQYvo3vuAWzc&hl=en&ei=4xPwTPWqO4esvgOEntTjDQ&sa=X&oi=book\\_result&ct=result&resnum=1&ved=0CBQQ6AEwAA#v=onepage&q&f=false](http://books.google.com.pk/books?id=ul5FsIIWa3EC&pg=PA369&lpg=PA369&dq=What+is+the+process+by+which+individuals+pursue+opportunities+without+regard+to+resources+they+currently+control?&source=bl&ots=2U79KwzTNC&sig=yCyfEFRuVraGpIKdQYvo3vuAWzc&hl=en&ei=4xPwTPWqO4esvgOEntTjDQ&sa=X&oi=book_result&ct=result&resnum=1&ved=0CBQQ6AEwAA#v=onepage&q&f=false)

**Question No: 11 (Marks: 1) - Please choose one**

Which one of the following is a firm that achieves modest growth?

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

- ▶ High potential growth firm
- ▶ Foundation firm
- ▶ **Life style**
- ▶ Public company

Ref: A life-style firm exists primarily to support the owners and usually has little growth opportunity (**Handouts Page No. 08**)

**Question No: 12 (Marks: 1) - Please choose one**

Which of the following factors is the most important in forcing U.S companies to focus on new product development and increased productivity?

- ▶ Entrepreneurship
- ▶ **Hyper competition**
- ▶ Governmental laws
- ▶ Organizational culture

Ref: Hyper competition has forced U.S. companies to focus on new product development and increased productivity. (**Handouts Page No. 16**)

**Question No: 13 (Marks: 1) - Please choose one**

Which of the following typical culture has a climate and reward system that favors conservative decision making?

- ▶ Entrepreneurial
- ▶ Intrapreneurial
- ▶ **Corporate**
- ▶ None of the given options

Ref: The typical corporate culture has a climate and reward system that favors conservative decision making. (**Handouts Page No. 18**)

**Question No: 14 (Marks: 1) - Please choose one**

What takes place during the product-evolution process?

- ▶ **Innovation is developed and commercialized through entrepreneurial activity**
- ▶ The product/service is evaluated and any scope of further development is charted
- ▶ The business branches into separate units of development and marketing
- ▶ The product/service is evaluated to identify its global marketability

Ref: The product-evolution process is the process through which innovation develops and commercializes through entrepreneurial activity, which in turn stimulates economic growth. (**Handouts Page No. 08**)

**Question No: 15 (Marks: 1) - Please choose one**

All the following qualities are requisites for an entrepreneur **Except:**

- ▶ **Driven by perception of opportunity**
- ▶ Learning from business failure

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Cognitive adaptability
- ▶ Effectuation

Ref: [http://higherred.mcgraw-hill.com/sites/0073210560/student\\_view0/chapters2/mixed\\_quiz.html](http://higherred.mcgraw-hill.com/sites/0073210560/student_view0/chapters2/mixed_quiz.html) (See the question No.06)

**Question No: 16 (Marks: 1) - Please choose one**

Which one of the following factor does not differ in motivating male and female entrepreneurs?

- ▶ **Independence**
- ▶ Money
- ▶ Job satisfaction
- ▶ Opportunity

Ref: While motivations may vary, the reason cited most often for becoming an entrepreneur independence-not wants to work for anyone else. Other motivating factors differ between male and female entrepreneurs. Money is the second reason for men's starting a venture. Job satisfaction, achievement, opportunity, and money are the second order reasons for women. (Handouts Page No. 24)

**Question No: 17 (Marks: 1) - Please choose one**

Female entrepreneurs differ from male entrepreneurs in terms of all of the following EXCEPT:

- ▶ Motivation
- ▶ Business skills
- ▶ **Departure point**
- ▶ Goal orientation

Ref: Departure points and reasons for starting the business are similar for both men and women (Handouts Page No. 27)

**Question No: 18 (Marks: 1) - Please choose one**

Which one of the following may need the business plan?

[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Employees
- ▶ Investors
- ▶ Advisors
- ▶ **All of the given options**

Ref: Business plan may be read by employees, investors, bankers, venture capitalists, suppliers, customers, advisors, and consultants so a Business plan must try to satisfy the needs of everyone. <http://surendramourya.blogspot.com/>

**Question No: 19 (Marks: 1) - Please choose one**

Which of the following refers to new products with some technological change?

- ▶ Ordinary innovation

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Technological innovation
- ▶ **Breakthrough innovation**
- ▶ Technical innovation

**Ref: Breakthrough innovations:** new product with some technological change  
(Handouts Page No. 05)

**Question No: 20 (Marks: 1) - Please choose one**

Which of the following is/are known as barriers to new product creation and development?

- ▶ Trial and error
- ▶ **Opportunity parameters**
- ▶ Opportunity cost
- ▶ Intrapreneurial culture

**Ref: Opportunity parameters**  
Barriers to new product creation and development (Handouts Page No. 14)

**Question No: 21 (Marks: 1) - Please choose one**

According to research, when do the female entrepreneurs tend to start their first significant venture?

- ▶ In their mid 20s
- ▶ **In their mid 30s**
- ▶ In their mid 40s
- ▶ In their mid 50s

**Ref:** Generally, male entrepreneurs start their first venture in their early 30s, while women tend to do so in their middle 30s (Handouts Page No. 24)

**Question No: 22 (Marks: 1) - Please choose one**

Which of the following statements describes “International entrepreneurship”?

- ▶ **It is the process of an entrepreneur conducting business activities across national boundaries**
- ▶ It is the process of an entrepreneur conducting business activities within the national boundaries
- ▶ It is an innovative corporate management style that encourages employees within an organization to create new product ideas
- ▶ It is a business structure in which an individual and his company are considered a single entity for tax and liability purposes

**Ref:** International entrepreneurship is the process of an entrepreneur conducting business activities across national boundaries (Handouts Page No. 29)

**Question No: 23 (Marks: 1) - Please choose one**

Which of the following best describes the term “indirect exporting”?

- ▶ It refers to selling goods made in one country to another country
- ▶ It refers to buying and selling of commodities

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

▶ It refers to a commercial activity of buying and bringing in goods from a foreign country

▶ It refers to selling goods to another country through a person in the entrepreneur's home country

**Ref: Indirect exporting:** Selling goods to another country through a system in the entrepreneur's home country (**Handouts Page No. 34**)

**Question No: 24 (Marks: 1) - Please choose one**

Identify the term which best describes the term "management contracts"?

▶ It refers to selling goods made in one country to another country

▶ It refers to buying and selling of commodities

▶ It is a commercial activity of buying and bringing in goods from a foreign country

▶ **It is method of doing specific international task**

**Ref: Management contracts:** A method for doing a specific international task (**Handouts Page No. 36**)

**Question No: 25 (Marks: 1) - Please choose one**

Which of the following best defines "minority interest"?

▶ **It refers to having less than 50 percent ownership position**

▶ It refers to forming a third company by combining two companies

▶ It refers to having more than 50 percent ownership position

▶ It refers to selling goods made in one country to another country

**Ref: Minority interest:** Having less than 50 percent ownership position (**Handouts Page No. 36**)

**Question No: 26 (Marks: 1) - Please choose one**

In which of the following centuries the people of Malaysia peninsula were converted from Islam?

▶ 14<sup>th</sup> century

▶ **15<sup>th</sup> century**

▶ 16<sup>th</sup> century

▶ 17<sup>th</sup> century

[www.vuaskari.com](http://www.vuaskari.com)

**Ref:** 15th centuries that Islam first established itself on the Malayan Peninsular. The adoption of Islam by the fifteenth century saw the rise of number sultanates  
[http://en.wikipedia.org/wiki/History\\_of\\_Malaysia](http://en.wikipedia.org/wiki/History_of_Malaysia)

**Question No: 27 (Marks: 1) - Please choose one**

Identify the statement which best defines "reverse brainstorming".

▶ It refers to groups of individuals providing in a structured format

▶ **It refers to a group method for obtaining new ideas focusing on the negative**

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**

**Honey G**

**VuAskari Team**

[www.vuaskari.com](http://www.vuaskari.com)

- ▶ It refers to a method for individuals to solve problems through one of four mechanisms
- ▶ It refers to a method for developing new ideas when the individuals are unaware of the problem

**Ref: reverse brainstorming** A group method for obtaining new ideas focusing on the negative

[http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA140&lpg=PA140&dq=reverse+brainstorming+refers+to+a+group+method+for+obtaining+new+ideas+focusing+on+the+negative&source=bl&ots=rCPvFu25y2&sig=Roc94-PHDsmmAuIPTaXR14ihQwQ&hl=en&ei=2BzxTImmEYqSuwP8-qTfDQ&sa=X&oi=book\\_result&ct=result&resnum=1&ved=0CBQQ6AEwAA#v=onepage&q&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA140&lpg=PA140&dq=reverse+brainstorming+refers+to+a+group+method+for+obtaining+new+ideas+focusing+on+the+negative&source=bl&ots=rCPvFu25y2&sig=Roc94-PHDsmmAuIPTaXR14ihQwQ&hl=en&ei=2BzxTImmEYqSuwP8-qTfDQ&sa=X&oi=book_result&ct=result&resnum=1&ved=0CBQQ6AEwAA#v=onepage&q&f=false)

**Question No: 28 (Marks: 1) - Please choose one**

Identify the statement which best defines “checklist method”

- ▶ **It refers to developing a new idea through a list of related issues**
- ▶ It refers to a group method for obtaining new ideas focusing on the negative
- ▶ It refers to a method for individuals to solve problems through one of four mechanisms
- ▶ It refers to a method for developing new ideas when the individuals are unaware of the problem

**Ref: Checklist method: Developing a new idea through a list of related issues is checklist method of problem solving (Handouts Page No. 41)**

**Question No: 29 (Marks: 1) - Please choose one**

Which one of the following is a method for obtaining new ideas and solutions by focusing on problems?

- ▶ **Problem inventory analysis**
- ▶ Gordon method
- ▶ Checklist method
- ▶ Scientific method

**Ref: 3. Problem inventory analysis**– it is a method for obtaining new ideas and solutions by focusing on problems.

[http://www.ebizstartups.com/Methods\\_of\\_Generating\\_New\\_Ideas\\_for\\_Entrepreneurs.html](http://www.ebizstartups.com/Methods_of_Generating_New_Ideas_for_Entrepreneurs.html)

**Question No: 30 (Marks: 1) - Please choose one**

Which of the following statements best defines “forced relationship”?

- ▶ It refers to developing a new idea through a chain of word associations
- ▶ **It refers to developing a new idea by looking at product combinations**
- ▶ It refers to developing a new idea through inquiry and testing
- ▶ It refers to developing a new idea by evaluating the worth of aspects of ideas

**Ref: Forced relationship**

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

Forced relationship is the process of forcing relationship among some product combination. It is technique that asks questions about objects or ideas in an effort to develop a new idea. (Handouts Page No. 41)

**Question No: 31 (Marks: 1) - Please choose one**

How many major stages of “product planning and development process” are there?

- ▶ Four
- ▶ **Five**
- ▶ Six
- ▶ Seven

**Ref:** This refining process- the product planning and development process – is divided in to five major stages (Handouts Page No. 43)

**Question No: 32 (Marks: 1) - Please choose one**

Which of the following denote no relationship between the mark and the goods or services?

- ▶ **Coined marks**
- ▶ Arbitrary marks
- ▶ Suggestive marks
- ▶ Descriptive marks

**Ref:** Coined marks denote no relationship between the mark and the goods and afford the possibility of expansion (Handouts Page No. 49)

**Question No: 33 ( Marks: 1 ) - Please choose one**

A design patent has a term of:

- ▶ 20 years
- ▶ **14 years**
- ▶ 10 years
- ▶ 40 years

**Ref:** These are for a 14-year term and provide a negative right, excluding others from making an article having the same ornamental appearance (Handouts Page No. 47)

**Question No: 34 (Marks: 1) - Please choose one**

Lenders focus on four Cs of credit. Identify which of the following is NOT included in those four Cs.

- ▶ Character
- ▶ Cash flow
- ▶ Collateral
- ▶ **Code of ethics**

**Ref:** 1. The entrepreneur’s credit history or character.  
2. Their ability to meet debt and interest payments (cash flow.)  
3. The collateral or tangible assets being secured.

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

**4. Equity contribution or the amount of personal equity that has been invested by the entrepreneur. (Handouts Page No. 55)**

[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 35 (Marks: 3)**

---

Briefly discuss licensing and its benefits.

**Licensing** is an arrangement between two parties, where one party has proprietary rights protected by a patent, trademark, or copyright. This requires the licensee to pay a royalty to the holder of the proprietary rights in return for permission to copy the patent. Licensing has significant value as a marketing strategy to holders of patents.

**Benefits:**

There are various ways in which a license agreement can give the licensee the possibility of increasing revenues and profits, and of enlarging market share:

- There is often a rush to bring new products onto the market. A license agreement that gives access to technologies which are already established or readily available can make it possible for an enterprise to reach the market faster.
- Small companies may not have the resources to conduct the research and development necessary to provide new or superior products. A license agreement can give an enterprise access to technical advances that would otherwise be difficult for it to obtain.
- A license can also be necessary for the maintenance and development of a market position that is already well established but is threatened by a new design or new production methods. The costs entailed in following events and trends can be daunting, and quick access to a new technology through a license agreement may be the best way to overcome this problem.
- There may also be licensing-in opportunities which, when paired with the company's current technology portfolio, can create new products, services and market opportunities.

**Question No: 36 (Marks: 5)**

---

What is a business plan and what purpose does it serve?

**Business Plan:**

A business plan is a written document prepared by the entrepreneur that describes all the relevant external and internal elements involved in starting a new venture. It addresses both short- and long-term decision making. The business plan is like a road map for the business' development. The Internet also provides outlines for business planning. Entrepreneurs can also hire or offer equity to another person to provide expertise in preparing the business plan. In developing the business plan the entrepreneur can determine how much money will be needed from new and existing sources.

**Purpose of Business Plan:**

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

## *Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

The business plan must be comprehensive enough to address the concerns of employees, investors, bankers, venture capitalists, suppliers, and customers. Three perspectives need to be considered:

The entrepreneur understands the new venture better than anyone. The marketing perspective considers the venture through the eyes of the customer. The investor looks for sound financial projections. The depth of the business plan depends on the size and scope of the proposed venture.

The business plan is valuable to the entrepreneur and investors because:

1. It helps determine the viability of the venture in a designated market.
2. It gives guidance in organizing planning activities.
3. It serves as an important tool in obtaining financing. Potential investors are very particular about what should be included in the plan. The process of developing a business plan also provides a self-assessment of the entrepreneur. This self-evaluation requires the entrepreneur to think through obstacles that might prevent the venture's success. It also allows the entrepreneur to plan ways to avoid such obstacles.

### **Question No: 37 (Marks: 5)**

Discuss the role of "export management firm" in indirect exporting.

**Export Management Companies:** An EMC acts as the export department for one or several producers of goods or services. It solicits and transacts business in the names of the producers it represents or in its own name for a commission, salary, or retainer plus commission. Some EMCs provide immediate payment for the producer's products by either arranging financing or directly purchasing products for resale. Typically, only larger EMCs can afford to purchase or finance exports.

EMCs usually specialize either by product or by foreign market, or sometimes even both. Because of their specialization, the best EMCs know their products and the markets they serve very well and usually have well-established networks of foreign distributors already in place. This immediate access to foreign markets is one of the principal reasons for using an EMC, since establishing a productive relationship with a foreign representative may be a costly and lengthy process.

One disadvantage of using an EMC is that a manufacturer may lose control over foreign sales. Most manufacturers are properly concerned that their product and company image be well maintained in foreign markets. An important way for a company to retain sufficient control in such an arrangement is to carefully select an EMC that can meet the company's needs and maintain close communication with it. For example, a company may ask for regular reports on efforts to market its products and may require approval of certain types of efforts, such as advertising programs or service arrangements. If a company wants to maintain this type of relationship with an EMC, it should negotiate points of concern before entering an agreement, since not all EMCs are willing to comply with the company's concerns.

## **Paper No. 05**

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

**MIDTERM EXAMINATION**

**Fall 2009 MGT602- Entrepreneurship**

[www.vuaskari.com](http://www.vuaskari.com)

**Solved By Honey G <abdulhaiee2004@gmail.com>**

Question No: 1 (Marks: 1) - Please choose one

Being one's own boss is a need of:

- ▶ **Independence**
- ▶ Achievement
- ▶ Affiliation
- ▶ Authority

**Ref: Need for independence:** Being one's own boss-one of the strongest needs of an entrepreneur (Handouts Page No. 28)

Question No: 2 (Marks: 1) - Please choose one

With a commercial history of only 300 years, which country was a new comer to the international arena?

- ▶ Japan
- ▶ **U.S**
- ▶ China
- ▶ U.K

**Ref:** With a commercial history of only 300 years, the United States is a relative newcomer to the international business arena

[http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA86&lpg=PA86&dq=With+a+commercial+history+of+only+300+years,+which+country+was+a+new+comer+to+the+international+arena?&source=bl&ots=rCPvFv\\_Yw3&sig=tEIqshsdpdUZn4BUJJvwJgZbsf8&hl=en&ei=sDDxTPHPPImUvAPM-bnKDQ&sa=X&oi=book\\_result&ct=result&resnum=3&ved=0CCIQ6AEwAg#v=onepage&q&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA86&lpg=PA86&dq=With+a+commercial+history+of+only+300+years,+which+country+was+a+new+comer+to+the+international+arena?&source=bl&ots=rCPvFv_Yw3&sig=tEIqshsdpdUZn4BUJJvwJgZbsf8&hl=en&ei=sDDxTPHPPImUvAPM-bnKDQ&sa=X&oi=book_result&ct=result&resnum=3&ved=0CCIQ6AEwAg#v=onepage&q&f=false)

Question No: 3 (Marks: 1) - Please choose one

Which of the following is an obstacle to going in international business?

- ▶ Mergers
- ▶ **Trade barriers**
- ▶ Rivalry
- ▶ Protectionist attitudes

**Ref: Trade barriers:** Hindrances to going international business (Handouts Page No. 36)

Question No: 4 (Marks: 1) - Please choose one

Which one of the following is an important source of idea generation due to their familiarity with the needs of market?

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**  
**Honey G**  
**VuAskari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Existing products and services
- ▶ **Distribution channels**
- ▶ Federal government
- ▶ Consumers

**Ref: Distribution Channels:** Members of distribution channels are also excellent sources for new ideas because they are familiar with the needs of the market. (See the Handouts Page No. 39)

Question No: 5 (Marks: 1) - Please choose one  
Which of the followings is NOT followed in brainstorming?

- ▶ **Criticism is done by the group members**
- ▶ The wilder idea is better
- ▶ Quantity of ideas is required
- ▶ The session should be fun, with no on dominating the discussion

**Ref:**

[http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA138&lpg=PA138&dq=in+brainstorming+The+session+should+be+fun,+with+no+on+dominating+the+discussion&source=bl&ots=rCPvFv-1v3&sig=mbHkJ5qxchZsUC46es9hyLTGPF0&hl=en&ei=gjbxTifEO4\\_GvQPCqqDmDQ&sa=X&oi=book\\_result&ct=result&resnum=1&ved=0CBQQ6AEwAA#v=onepage&q=in%20brainstorming%20The%20session%20should%20be%20fun%2C%20with%20no%20on%20dominating%20the%20discussion&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA138&lpg=PA138&dq=in+brainstorming+The+session+should+be+fun,+with+no+on+dominating+the+discussion&source=bl&ots=rCPvFv-1v3&sig=mbHkJ5qxchZsUC46es9hyLTGPF0&hl=en&ei=gjbxTifEO4_GvQPCqqDmDQ&sa=X&oi=book_result&ct=result&resnum=1&ved=0CBQQ6AEwAA#v=onepage&q=in%20brainstorming%20The%20session%20should%20be%20fun%2C%20with%20no%20on%20dominating%20the%20discussion&f=false)

Question No: 6 (Marks: 1) - Please choose one  
A/an \_\_\_\_\_ is an online connection between the company and its customers.

- ▶ Internet advertising
- ▶ **Website**
- ▶ E-Commerce
- ▶ World Wide Web

**Ref:** A website is an online connection between the company and its customers and can be developed in-house or outsourced (Handouts Page No. 44)

Question No: 7 (Marks: 1) - Please choose one  
Which one of the following is the next stage to the Concept Stage of Product Planning and Development Process?

- ▶ Idea Stage
- ▶ Product Planning Stage
- ▶ **Product Development Stage**
- ▶ Test Marketing Stage

**Ref:** This refining process- the product planning and development process – is divided in to five major stages. Idea stage, concept stage, product development stage, test marketing stage and commercializing; it result in the product life cycle. (Handouts Page No. 43)

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**  
**Honey G**  
**VuAskari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

Question No: 8 (Marks: 1) - Please choose one  
All of the following are essentials to maintain secrecy, EXCEPT:

- ▶ Train employees to refer sensitive questions to one person
- ▶ Discuss business in public places
- ▶ Provide escorts for all office visitors
- ▶ Use simple security such as locked file cabinets

**Ref: To maintain secrecy**

1. Train employees to refer sensitive questions to one person.
2. Provide escorts for all office visitors.
3. Avoid discussing business in public places.
4. Control information that might be presented by employees at conferences or in journals.
5. Use simple security such as locked file cabinets and shredders. (Handouts Page No. 50)

Question No: 9 (Marks: 1) - Please choose one  
Licensing is a significant marketing strategy to:

- ▶ Use intellectual property of others
- ▶ Pirate others' patents
- ▶ Grow the business in new markets
- ▶ Control the costs

**Ref:** A patent license agreement specifies how the licensee would have access to the patent. Licensing a trademark usually involves an agreement where the entrepreneur operates a business using the trademark and agrees to specific requirements. (Handouts Page No 50)

<http://groups.google.com/group/vu-askari?hl=en>

Question No: 10 (Marks: 1) - Please choose one  
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

Question No: 11 (Marks: 1) - Please choose one  
How many perspectives should be considered while preparing business plan?

- ▶ One
- ▶ Three
- ▶ Four

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**  
**Honey G**  
**VuAskari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Not specific

**Ref:** Three perspectives need to be considered: (Handouts Page No. 54)

Question No: 12 (Marks: 1) - Please choose one  
SBA stands for:

- ▶ Small business accountants
- ▶ **Small business administration**
- ▶ Small business adequacy
- ▶ Small business advisors

**Ref:** SBA stands for the Small Business Administration of the United States, which was founded in July, 1953. <http://www.wisegeek.com/what-is-the-sba.htm>

<http://groups.google.com/group/vu-askari?hl=en>

Question No: 13 (Marks: 1) - Please choose one

Which one of the following is NOT an environmental factor?

- ▶ Economy
- ▶ Culture
- ▶ Technology
- ▶ **Competition**

**Ref:** Examples of environmental factors are:  
Economy Culture Technology Legal concerns (Handouts Page No. 57)

Question No: 14 (Marks: 1) - Please choose one

Which one of the following guide the firm through the long term decision making?

- ▶ **Mission statement**
- ▶ Product forecast
- ▶ Industry analysis
- ▶ None of the given options

Question No: 15 (Marks: 1) - Please choose one

Which one of the following is NOT included in four C's evaluation by lender?

- ▶ Character
- ▶ Cost
- ▶ **Continuity**
- ▶ Contribution

**Ref:** 1. The entrepreneur's credit history or character.  
2. Their ability to meet debt and interest payments (cash flow.)  
3. The collateral or tangible assets being secured.  
4. Equity contribution or the amount of personal equity that has been invested by the entrepreneur. (Handouts Page No. 55)

Question No: 16 (Marks: 1) - Please choose one

For which of the following copy right acquisition is desirable?

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Songs
- ▶ Poems
- ▶ Models
- ▶ **All of the given options**

Question No: 17 (Marks: 1) - Please choose one

A utility patent has a term of:

- ▶ 10 years
- ▶ 40 years
- ▶ **20 years**
- ▶ 80 years

**Ref:** NAFTA (North American Free Trade Agreement) establishes a minimum period of 20 years from the date of filing or 17 years from the date of the grant (Handouts Page No. 46)

Question No: 18 (Marks: 1) - Please choose one

Which of the following body issues patents?

- ▶ GATT
- ▶ NAFTA
- ▶ FTA
- ▶ **PTO**

**Ref:** Patents are issued by the Patent and Trademark Office (PTO.) (Handouts Page No. 47)

Question No: 19 (Marks: 1) - Please choose one

Which of the following is an idea generation method that focuses on parameters?

- ▶ Brainstorming
- ▶ Reverse brainstorming
- ▶ **Creative problem solving**
- ▶ Synectics

**Ref:** Creative problem solving is a method for obtaining new ideas focusing on the parameters. (Handouts Page No. 40)

Question No: 20 (Marks: 1) - Please choose one

Developing a new idea through inquiry and testing is called:

- ▶ **Heuristics**
- ▶ Forced relationship
- ▶ Scientific method
- ▶ Value analysis

**Ref: Heuristics:** It is method of developing a new idea through a thought process progression (Handouts Page No. 41)

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

Question No: 21 (Marks: 1) - Please choose one

Trade barriers cause:

- ▶ Increase in cost
- ▶ Decrease in cost
- ▶ Increase in profit
- ▶ None of the given options

**Ref: Trade barriers increase the costs of exporting projects to a country (Handouts Page No. 36)**

Question No: 22 (Marks: 1) - Please choose one

Having less than 50 percent of equity share in an international venture is called:

- ▶ Minority interest
- ▶ Joint venture
- ▶ Majority interest
- ▶ Exporting

**Ref: Minority interest**

**Having less than 50 percent ownership position (Handouts Page No. 36)**

Question No: 23 (Marks: 1) - Please choose one

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

- ▶ Joint venture
- ▶ Majority interest
- ▶ Horizontal merger
- ▶ Diversified activity merger

**Ref: In technical sense anything over 50% of the equity of the firm is majority interest. (Handouts page No. 33)**

Question No: 24 (Marks: 1) - Please choose one

Which of the following is a method of selling goods to another country by taking care of transactions?

- ▶ Indirect exporting
- ▶ Direct exporting
- ▶ Importing
- ▶ Management contract

**Ref: Direct exporting: Selling goods to another country by taking care of the transaction. (Handouts page No. 32)**

Question No: 25 (Marks: 1) - Please choose one

Which of the following two work environments should be good for spawning the new enterprises?

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

**Composed & Solved**  
**Honey G**  
**VuAskari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Finance and marketing
- ▶ Finance and R&D
- ▶ Marketing and R&D
- ▶ Marketing and IT

**Ref:** [http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA10&lpg=PA10&dq=Which+of+the+following+two+work+environments+should+be+good+for+spawning+the+new+enterprises?&source=bl&ots=rCPvFoW\\_AZ&sig=LBbir\\_GokALAFLODCkLWUq51W5o&hl=en&ei=ixDwTOysLJHKvQOZir3XDQ&sa=X&oi=book\\_result&ct=result&resnum=9&ved=0CEwQ6AEwCA#v=onepage&q&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA10&lpg=PA10&dq=Which+of+the+following+two+work+environments+should+be+good+for+spawning+the+new+enterprises?&source=bl&ots=rCPvFoW_AZ&sig=LBbir_GokALAFLODCkLWUq51W5o&hl=en&ei=ixDwTOysLJHKvQOZir3XDQ&sa=X&oi=book_result&ct=result&resnum=9&ved=0CEwQ6AEwCA#v=onepage&q&f=false)

Question No: 26 (Marks: 1) - Please choose one  
Gazelles are the firms with:

- ▶ High growth rate
- ▶ Moderate growth rate
- ▶ Zero growth rate
- ▶ Low growth rate

**Ref: Gazelles: Very high growth ventures (Handouts Page No. 07)**

Question No: 27 (Marks: 1) - Please choose one  
Which of the following are the Fast-growth young companies?

- ▶ Gazelles
- ▶ Life style
- ▶ Foundation Company
- ▶ None of the given options

**Ref:**

[http://wps.prenhall.com/bp\\_barringer\\_entrep\\_1/29/7476/1913875.cw/content/index.html](http://wps.prenhall.com/bp_barringer_entrep_1/29/7476/1913875.cw/content/index.html)  
**(See the Question No. 06)**

<http://groups.google.com/group/vu-askari?hl=en>

Question No: 28 (Marks: 1) - Please choose one  
Which one of the following is used to identify opportunity?

- ▶ Input from customers
- ▶ Input from channel members
- ▶ Input from business associates
- ▶ All of the given options

**Ref:** Most good business opportunities result from an entrepreneur being alert to possibilities. Some sources are often fruitful, including consumers and business associates. Channel members of the distribution system-retailers, wholesalers or manufacturer's reps-are also helpful. **(Handouts Page No. 13)**

Question No: 29 (Marks: 1) - Please choose one  
In some countries, point of purchase displays is not allowed in retail stores. Such

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**

**Honey G**

**VuAskari Team**

[www.vuaskari.com](http://www.vuaskari.com)

differences are studied by international entrepreneurs under which of the following type of environment?

- ▶ Economic
- ▶ Political
- ▶ Cultural
- ▶ Technological

**Ref:** Technology varies significantly across countries. New products in a country are created based on the conditions and infrastructure of that country. (Handouts page No.30)

Question No: 30 (Marks: 1) - Please choose one

Which of the following factor has allowed small companies to act like they are big ones?

- ▶ Technology
- ▶ Customers
- ▶ Economic development
- ▶ Competition

**Ref:** Technology has allowed small companies to act like they are big ones (Handouts page no. 21)

Question No: 31 (Marks: 1) - Please choose one

Which of the following is alternatively called corporate venturing?

- ▶ Entrepreneurship
- ▶ Intrapreneurship
- ▶ Act of stating a new venture
- ▶ Offering new products by an existing company

**Ref:** Intrapreneurship, also called corporate venturing, is not without problems. (Handouts Page No. 21)

Question No: 32 (Marks: 1) - Please choose one

Which one of the following is not the intrapreneurial leadership characteristic?

- ▶ Understands environment
- ▶ Encourage the team work
- ▶ Not flexible
- ▶ Persistent

**Ref:** 1. Understanding the environment

2. being visionary and flexible

3. Creating management options

4. Encourage teamwork while employing a multi-disciplined approach

5. Encouraging open discussion

6. Building a coalition of supporters, and persisting (Handouts page no. 20)

Question No: 33 (Marks: 1) - Please choose one

Which of the following system is necessary for expansion or elimination of intrapreneurial units?

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**  
**Honey G**  
**VuAskari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Management
- ▶ **Evaluation**
- ▶ Reward
- ▶ Training

**Ref:** The organization needs to implement an evaluation system that allows successful units to expand and unsuccessful ones to be eliminated. (Handouts Page No. 21)

<http://groups.google.com/group/vu-askari?hl=en>

Question No: 34 (Marks: 1) - Please choose one  
Which of the following typical culture has a climate and reward system that favors conservative decision making?

- ▶ Entrepreneurial
- ▶ Intrapreneurial
- ▶ **Corporate**
- ▶ None of the given options

**Ref:** The typical corporate culture has a climate and reward system that favors conservative decision making. (Handouts Page No. 18)

Question No: 35 (Marks: 1) - Please choose one  
Which of the following makes the formation of new venture difficult within a corporate culture?

- ▶ Lack of intrapreneurial talent
- ▶ **Lack of freedom to make autonomous decisions**
- ▶ Lack of market opportunity
- ▶ All of the given options

**Ref:**

[http://webcache.googleusercontent.com/search?q=cache:QISia02viSEJ:www.radford.edu/~nhashemz/econ695/Quiz%25202\\_with%2520Answers.RTF+Which+of+the+following+makes+the+formation+of+new+venture+difficult+within+a+corporate+culture%3F+%E2%96%BA+Lack+of+intrapreneurial+talent+%E2%96%BA+Lack+of+freedom+to+make+autonomous+decisions+%E2%96%BA+Lack+of+market+opportunity+%E2%96%BA+All+of+the+given+options&cd=12&hl=en&ct=clnk&gl=pk](http://webcache.googleusercontent.com/search?q=cache:QISia02viSEJ:www.radford.edu/~nhashemz/econ695/Quiz%25202_with%2520Answers.RTF+Which+of+the+following+makes+the+formation+of+new+venture+difficult+within+a+corporate+culture%3F+%E2%96%BA+Lack+of+intrapreneurial+talent+%E2%96%BA+Lack+of+freedom+to+make+autonomous+decisions+%E2%96%BA+Lack+of+market+opportunity+%E2%96%BA+All+of+the+given+options&cd=12&hl=en&ct=clnk&gl=pk) (See the Question No. 46)

Question No: 36 (Marks: 1) - Please choose one  
Which of the following are known as barriers to new product creation and development?

- ▶ Trial and error
- ▶ **Opportunity parameters**
- ▶ Opportunity cost
- ▶ Intrapreneurship culture

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

**Ref: Opportunity parameters**

**Barriers to new product creation and development (Handouts Page No. 14)**

Question No: 37 (Marks: 1) - Please choose one

Which of the following factor does not affect a person for being an entrepreneur?

- ▶ Family background
- ▶ Education
- ▶ Personal values
- ▶ **Gender**

**Ref: (Handouts Page No. 24)**

Question No: 38 (Marks: 1) - Please choose one

Degree of influence and control on other people is called:

- ▶ **Locus of control**
- ▶ Locomotion of control
- ▶ Locust of control
- ▶ Loss of control

**Ref:**

[http://books.google.com.pk/books?id=wGbZ2ynQOokC&pg=PA49&dq=Degree+of+infl+uence+and+control+on+other+people+is+called&hl=en&ei=q6ryTJGxEYymvQPgvYGRDg&sa=X&oi=book\\_result&ct=result&resnum=3&ved=0CDAQ6AEwAg#v=onepage&q=Degree%20of%20influence%20and%20control%20on%20other%20people%20is%20called&f=false](http://books.google.com.pk/books?id=wGbZ2ynQOokC&pg=PA49&dq=Degree+of+infl+uence+and+control+on+other+people+is+called&hl=en&ei=q6ryTJGxEYymvQPgvYGRDg&sa=X&oi=book_result&ct=result&resnum=3&ved=0CDAQ6AEwAg#v=onepage&q=Degree%20of%20influence%20and%20control%20on%20other%20people%20is%20called&f=false)

Question No: 39 (Marks: 1) - Please choose one

Which of the following plan describes market conditions and strategy related to products?

- ▶ Production plan
- ▶ Operational plan
- ▶ Financial plan
- ▶ **Marketing plan**

**Ref:**

[http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA204&dq=plan+describes+market+conditions+and+strategy+related+to+products?&hl=en&ei=NqzyTP-\\_J4rSuwOBnNGbDg&sa=X&oi=book\\_result&ct=result&resnum=1&ved=0CCQQ6AEwAA#v=onepage&q=plan%20describes%20market%20conditions%20and%20strategy%20related%20to%20products%3F&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA204&dq=plan+describes+market+conditions+and+strategy+related+to+products?&hl=en&ei=NqzyTP-_J4rSuwOBnNGbDg&sa=X&oi=book_result&ct=result&resnum=1&ved=0CCQQ6AEwAA#v=onepage&q=plan%20describes%20market%20conditions%20and%20strategy%20related%20to%20products%3F&f=false)

Question No: 40 (Marks: 1) - Please choose one

Individuals who give psychological support to an entrepreneur are called:

- ▶ Role models
- ▶ **Moral support networks**

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Professional support networks
- ▶ Informal networks

**Ref:** Moral-support network

Individuals who give psychological support to an entrepreneur (**Handouts Page No. 23**)

<http://groups.google.com/group/vu-askari?hl=en>

Question No: 41 (Marks: 10)

In the given situations what types of merger is suitable for each situation and why?

- McDonald's with KFC
- One steel mill with another steel mill
- ABN AMRO with Royal bank of Scotland
- Steel mill with a fertilizer producing firm
- An oil cooking producing company with Desi Ghee producing company

Answer:

McDonald's with KFC: The merger in this case will be a horizontal merger because they both produce related products, which is the condition of horizontal merger.

One Steel Mill with other Steel Mill: The two steel mills will merge horizontally because both the mills are producing similar product.

ABN AMRO with Royal Bank of Scotland: Both the banks will merge horizontally because both are providing similar type of services.

Steel mill with a fertilizer producing firm: Since both the firms are non-interrelated so this merger will be a diversified merger.

An oil cooking producing company with Desi Ghee producing company: The merger in this situation will be a production merger because production of both products is related but the products themselves are not competing.

**Paper No. 06**

**MIDTERM EXAMINATION**  
**Spring 2009**

**MGT602- Entrepreneurship (Session - 2)**  
**Solved By Honey G <abdulhaiee2004@gmail.com>**

Question No: 1\_\_\_ ( Marks: 1 ) - Please choose one

An individual's need to be recognized is called:

- ▶ Need for independence
- ▶ Need for affiliation

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Need of fame
- ▶ **Need for achievement**

**Ref: Need for achievement:** An individual's need to be recognized (**Handouts Page No.25**)

Question No: 2 \_\_ (Marks: 1) - Please choose one

Which one of the following is a process of selling goods to other countries?

- ▶ Non equity arrangements
- ▶ Management contracts
- ▶ **Exporting**
- ▶ Direct foreign investment

**Ref: Direct exporting**

Selling goods to another country by taking care of the transaction (**Handouts Page No. 32**)

Question No: 3 (Marks: 1) - Please choose one

The combining of two or more independent bodies into a single body is known as:

- ▶ **Joint venture**
- ▶ Merger
- ▶ Rivalry
- ▶ Protectionist attitudes

**Ref: Joint ventures**

Two firms get together and form a third company in which they share the equity (**Handouts page No. 31**)

Question No: 4 (Marks: 1) - Please choose one

An ice cream producing company merges with a cotton spinning company this merger is an example of:

- ▶ **Diversified activity merger**
- ▶ Product extension merger
- ▶ Market extension merger
- ▶ Vertical merger

**Ref: Diversified activity merger**

Combination of at least two totally unrelated firms (**Handouts Page No. 32**)

Question No: 5 \_\_ (Marks: 1) - Please choose one

Combination of at least two firms at different market levels is called:

- ▶ Joint venture
- ▶ Synergy
- ▶ Horizontal merger
- ▶ **Vertical merger**

**Ref: Vertical merger**

Combination of at least two firms at different market levels (**Handouts page no. 36**)

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

**Composed & Solved**  
**Honey G**  
**VuAskari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

Question No: 6 \_\_ (Marks: 1) - Please choose one  
The concept of World Wide Web pages was developed in:

- ▶ 1960s
- ▶ 1970s
- ▶ 1980s
- ▶ **1990s**

Ref: In the early 1990s the concept of World Wide Web pages was developed.  
(Handouts Page No. 44)

Question No: 7 \_\_ (Marks: 1) - Please choose one  
Which of the following grants protection to owner from anyone else making, using and selling the identified innovation?

- ▶ **Utility patent**
- ▶ Design patent
- ▶ Plant patent
- ▶ International patent

Ref: The patent grants the owner protection from anyone making, using, and/or selling the invention (handouts Page No. 46 – 47)

Question No: 8 \_\_ (Marks: 1) - Please choose one  
Which one of the followings statements is NOT true about trademarks?

- ▶ **The entrepreneur can not 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

Ref:

[http://books.google.com/books?id=s01P0agnLPUC&pg=PA167&lpg=PA167&dq=The+filing+date+for+the+trademark+becomes+the+first+date+use+of+the+mark&source=bl&ots=rCOECu-1w\\_&sig=pAMy-Oy5UqZ1WuDzQUBH3d7zli4&hl=en&ei=WDndTIXBIsOecNeGnOUL&sa=X&oi=book\\_result&ct=result&resnum=8&ved=0CE4Q6AEwBw#v=onepage&q=The%20filing%20date%20for%20the%20trademark%20becomes%20the%20first%20date%20use%20of%20the%20mark&f=false](http://books.google.com/books?id=s01P0agnLPUC&pg=PA167&lpg=PA167&dq=The+filing+date+for+the+trademark+becomes+the+first+date+use+of+the+mark&source=bl&ots=rCOECu-1w_&sig=pAMy-Oy5UqZ1WuDzQUBH3d7zli4&hl=en&ei=WDndTIXBIsOecNeGnOUL&sa=X&oi=book_result&ct=result&resnum=8&ved=0CE4Q6AEwBw#v=onepage&q=The%20filing%20date%20for%20the%20trademark%20becomes%20the%20first%20date%20use%20of%20the%20mark&f=false)

Question No: 9 (Marks: 1) - Please choose one  
According to the governing bodies of common laws, the life of trade secret is:

- ▶ 12 years
- ▶ 17 years
- ▶ 20 years
- ▶ **As long as it remains confidential**

Ref:

**Note: Solve these papers by yourself**  
**This VU Group is not responsible for any solved content**  
[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

[http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA93&dq=Which+of+the+following+method+entrepreneur+can+use+to+do+international+business+with+least+risk%3F&hl=en&ei=0BusTOzGDoSavgOx3uTtBg&sa=X&oi=book\\_result&ct=book-thumbnail&resnum=1&ved=0CCoQ6wEwAA#v=onepage&q=trade%20secret%20&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA93&dq=Which+of+the+following+method+entrepreneur+can+use+to+do+international+business+with+least+risk%3F&hl=en&ei=0BusTOzGDoSavgOx3uTtBg&sa=X&oi=book_result&ct=book-thumbnail&resnum=1&ved=0CCoQ6wEwAA#v=onepage&q=trade%20secret%20&f=false)

Question No: 10 (Marks: 1) - Please choose one

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

Question No: 11 (Marks: 1) - Please choose one

Which one of the following insurance is compulsory for companies according to law?

- ▶ Life insurance
- ▶ Property insurance
- ▶ **Disability and vehicle coverage**
- ▶ Health care coverage

**Ref:** Some insurance, such as disability and vehicle coverage, is required by law and cannot be avoided. (Handouts Page No. 52)

Question No: 12 \_\_\_\_\_ (Marks: 1) - Please choose

One Health insurance premium is less expensive if there is:

- ▶ One insured participants
- ▶ Ten participants
- ▶ **Large group of participants** Very
- ▶ Small group of participants

**Ref:** Group insurance is less expensive than individual insurance due to streamlined marketing costs, employer responsibilities, and lack of medical examinations

<http://www.flatworldknowledge.com/pub/1.0/risk-management-enterprises-an/29900#web-29900>

Question No: 13 \_\_ (Marks: 1) - Please choose one

Which one of the following protects continuity of the business (specially in partnership)?

- ▶ Property insurance
- ▶ Casualty insurance
- ▶ **Life insurance**
- ▶ Bonding

**Ref: Business Continuation:** As a business owner, you spend many hours working and developing your business. But have you thought about what would happen to your business should you or your partner become disabled or dies? To preserve the future of

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

your business, it is important that you create a business continuation plan. Such plans often include a "buy-sell" agreement. A buy-sell agreement, funded by life insurance and written while the owners are alive, ensures that your heirs can sell their share of the business to surviving owners - and that the surviving owners can buy their share.

<http://www.mcganninsurance.com/services.html>

Question No: 14 \_\_ (Marks: 1) - Please choose one

Which one the following is the best protection against product liability?

- ▶ Avoid negligence
- ▶ **Warn consumers of any potential hazards**
- ▶ Give warranty
- ▶ Avoid misrepresentation

**Ref:** The best protection against product liability is to produce safe products and to warn consumers of any potential hazards. (Handouts Page No. 52)

Question No: 15 \_\_ (Marks: 1) - Please choose one

Which of the following is NOT studied in industry analysis?

- ▶ Economic conditions
- ▶ Technology advancements
- ▶ **Organizational culture**
- ▶ Legal concerns

**Ref:** Examples of environmental factors are:

Economy Culture Technology Legal concerns (Handouts Page No. 57)

Question No: 16 \_\_ (Marks: 1) - Please choose one

Which one of the following assesses the impact of external factors on business?

- ▶ **Environmental analysis**
- ▶ Product forecast
- ▶ Industry analysis
- ▶ Organizational culture

**Ref:** he entrepreneur should first conduct an environmental analysis to identify trends and changes occurring on a national and international level that may impact the new venture.

Examples of environmental factors are:

Economy Culture Technology Legal concerns all of the above external factors are generally uncontrollable (Handouts Page No. 57)

Question No: 17 \_\_ (Marks: 1) - Please choose one

Which one of the following is NOT an environmental factor?

- ▶ Economy
- ▶ Culture
- ▶ Technology
- ▶ **Competition**

**Ref:** Examples of environmental factors are:

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**  
**Honey G**  
**VuAskari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

Economy Culture Technology Legal concerns (**Handouts Page No. 57**)

Question No: 18 \_\_ (Marks: 1) - Please choose one

Which one of the following is NOT included in four C's evaluation by lender?

- ▶ Character
- ▶ Cost
- ▶ **Continuity**
- ▶ Contribution

Ref: 1. The entrepreneur's credit history or character.

2. Their ability to meet debt and interest payments (cash flow.)
3. The collateral or tangible assets being secured.
4. Equity contribution or the amount of personal equity that has been invested by the entrepreneur. (**Handouts Page No. 55**)

Question No: 19 \_\_ (Marks: 1) - Please choose one

Which of the following is NOT essential part of the contract?

- ▶ All the parties involved should be named
- ▶ Transaction should be described in detail
- ▶ Obtain signatures of the persons involved

**Place where contract takes place**

Ref: 1. All parties involved should be named and their roles specified.

2. The transaction should be described in detail.
3. The exact value of the transaction should be specified.
4. Obtain signatures of the persons involved in the deal (**Handouts page 53**)

Question No: 20 (Marks: 1) - Please choose one

Which one of the following is NOT a condition of a contract?

- ▶ An offer is made
- ▶ An acceptance of offer
- ▶ **Counter offer**
- ▶ Consideration is given

Ref: [http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA93&dq=Which+of+the+following+method+entrepreneur+can+use+to+do+international+business+with+least+risk%3F&hl=en&ei=0BusTOzGDoSavgOx3uTtBg&sa=X&oi=book\\_result&ct=book-thumbnail&resnum=1&ved=0CCoQ6wEwAA#v=snippet&q=a%20contract&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA93&dq=Which+of+the+following+method+entrepreneur+can+use+to+do+international+business+with+least+risk%3F&hl=en&ei=0BusTOzGDoSavgOx3uTtBg&sa=X&oi=book_result&ct=book-thumbnail&resnum=1&ved=0CCoQ6wEwAA#v=snippet&q=a%20contract&f=false)

Question No: 21 (Marks: 1) - Please choose one

Which one of the following is a section of patent application?

- ▶ **All of the given options**
- ▶ Introduction
- ▶ Description of business
- ▶ Claims

(**Handouts Page No. 47**)

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

Question No: 22 (Marks: 1) - Please choose one

Which of the following is a more structured method of problem solving, including principles and rules for concept formation, making observations and experiments, and finally validating the hypothesis?

- ▶ **Scientific method**
- ▶ Heuristics
- ▶ Attribute listing
- ▶ Value analysis

**Ref: Scientific method**

This is a more structured method of problem solving, including principles and rules for concept formation, making observations and experiments, and finally validating the hypothesis. (**Handouts page No. 41**)

Question No: 23 (Marks: 1) - Please choose one

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

- ▶ Existing products and services
- ▶ **Distribution channels**
- ▶ Federal government
- ▶ Consumers

**Ref:** Because they are familiar with the needs of the market, channel members often have suggestions for new products. (**Handouts Page No. 38**)

Question No: 24 (Marks: 1) - Please choose one

Which of the following is a characteristic of a good partner?

- ▶ Help to achieve goals
- ▶ Share entrepreneur's vision
- ▶ Do not exploit the partnership
- ▶ **All of the given options**

Question No: 25 (Marks: 1) - Please choose one

Which of the following is a method of selling goods to another country through a person in the entrepreneur's home country?

- ▶ Trading
- ▶ Direct export
- ▶ **Indirect export**
- ▶ Domestic sales

**Ref: Indirect exporting:** Selling goods to another country through a system in the entrepreneur's home country (**Handouts Page No. 34**)

Question No: 26 \_\_ (Marks: 1) - Please choose one

Andrew Carnegie is an example of entrepreneur of which century:

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

**Composed & Solved**  
**Honey G**  
**VuAskari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Earliest period
- ▶ **19th and 20th century**
- ▶ Middle ages
- ▶ 17th century

Ref: Andrew Carnegie is one of the best examples of this definition, (Handouts page No. 03)

Question No: 27 \_\_\_ (Marks: 1) - Please choose one  
In which of the following entrepreneur was known as an innovator?

- ▶ Earliest period
- ▶ Middle ages
- ▶ 17th century
- ▶ **20th century**

Ref: In the middle of the 20th century, the notion of an entrepreneur as an innovator was established. (Handouts Page No.03)

Question No: 28 \_\_\_ (Marks: 1) - Please choose one  
In which of the following era entrepreneur enters into a contract with government to perform a service?

- ▶ Earliest period
- ▶ Middle ages
- ▶ **17th century**
- ▶ 20th century

Ref: In the 17th century the entrepreneur was a person who entered into a contract with the government to perform a service (Handouts Page No. 03)

Question No: 29 \_\_\_ (Marks: 1) - Please choose one  
Which of the following two work environments should be good for spawning the new enterprises?

- ▶ Finance and marketing
- ▶ Finance and R&D
- ▶ **Marketing and R&D**
- ▶ Marketing and IT

Ref: [http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA10&lpg=PA10&dq=Which+of+the+following+two+work+environments+should+be+good+for+spawning+the+new+enterprises?&source=bl&ots=rCPvFoW\\_AZ&sig=LBbir\\_GokALAFLODCkLWUq51W5o&hl=en&ei=ixDwTOysLJHKvQOZir3XDQ&sa=X&oi=book\\_result&ct=result&resnum=9&ved=0CEwQ6AEwCA#v=onepage&q&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA10&lpg=PA10&dq=Which+of+the+following+two+work+environments+should+be+good+for+spawning+the+new+enterprises?&source=bl&ots=rCPvFoW_AZ&sig=LBbir_GokALAFLODCkLWUq51W5o&hl=en&ei=ixDwTOysLJHKvQOZir3XDQ&sa=X&oi=book_result&ct=result&resnum=9&ved=0CEwQ6AEwCA#v=onepage&q&f=false)

Question No: 30 \_\_\_ (Marks: 1) - Please choose one  
The intersection of knowledge and a recognized social need to start a product Development process is called which of the following?

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ **Iterative synthesis**
- ▶ Product-evolution process
- ▶ Ordinary innovation
- ▶ Situation analysis

**Ref: Iterative synthesis:** The intersection of knowledge and social need that starts the product development process (**Handouts Page No. 07**)

Question No: 31 (Marks: 1) - Please choose one

Which of the following is a second step in the entrepreneurial process?

- ▶ **Developing successful business ideas**
- ▶ Deciding to become an entrepreneur
- ▶ Growing the entrepreneurial firm
- ▶ Moving from an idea to an entrepreneurial firm

(**Handouts page No. 13**)

Question No: 32 \_\_ (Marks: 1) - Please choose one

Which of the following is NOT included in the opportunity evaluation process?

- ▶ Length of the opportunity
- ▶ Real and perceived value of opportunity
- ▶ **Goals and objectives of customers**
- ▶ Risks and rewards of opportunity

**Ref: a.** the evaluation process involves looking at; **b.** the creation and length of the opportunity; **c.** It's real and perceived value; **d.** its risks and return; **e.** It's fit with the skills and goals of the entrepreneur; **f.** its differential advantage in its competitive environment (**Handouts Page No. 13**)

Question No: 33 (Marks: 1) - Please choose one

The resistance of employees in an organization against flexibility, growth, and diversification can be overcome by developing which of the following?

- ▶ Entrepreneurship
- ▶ **Intrapreneurship**
- ▶ Managerial domain
- ▶ Administrative domain

**Ref:** The resistance against flexibility, growth, and diversification can be overcome by developing a spirit of entrepreneurship, called Intrapreneurship, within the existing organization. (**Handouts Page No. 16**)

Question No: 34 \_\_ (Marks: 1) - Please choose one

In entrepreneurial domain the commitment to opportunity has short time span but in managerial domain it is:

- ▶ For 1 month
- ▶ For 6 months

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

▶ **For long time span**

▶ For 1 year

**Ref:** The entrepreneurial domain's pressured by the need for action and has a short time span in terms of opportunity commitment. The administrative domain (the ways managers make decisions) is not only slow to act on an opportunity, but the commitment is usually for a longer time span. (**Handouts Page No. 15**)

Question No: 35 \_\_ (Marks: 1) - Please choose one

Which one of the following is not the intrapreneurial leadership characteristic?

- ▶ Understands environment
- ▶ Encourage the team work
- ▶ **Not flexible**
- ▶ Persistent

**Ref:** There are certain individual characteristics needed for a person to be successful Entrepreneurs including:

1. Understanding the environment
2. Being visionary and flexible
3. Creating management options
4. Encourage teamwork while employing a multi-disciplined approach
5. Encouraging open discussion
6. Building a coalition of supporters, and persisting (**Handouts page 20**)

Question No: 36 (Marks: 1) - Please choose one

Which of the following is very important to develop a good team for creating something new?

- ▶ Nepotism
- ▶ **Open discussion**
- ▶ Non flexible behavior
- ▶ Discouragement of team member's ideas

**Ref:** Open discussion must be encouraged to develop a good team for creating something new (**Handouts Page No. 20**)

Question No: 37 \_\_ (Marks: 1) - Please choose one

The environment of an entrepreneurial oriented organization is called:

- ▶ Corporate culture
- ▶ **Entrepreneurial culture**
- ▶ Intrapreneurial culture
- ▶ Traditional culture

**Ref:** Entrepreneurial culture

The environment of an entrepreneurial-oriented organization (**Handouts Page No.14**)

Question No: 38 \_\_ (Marks: 1) - Please choose one

Which of the following are known as barriers to new product creation and development?

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Trial and error
- ▶ **Opportunity parameters**
- ▶ Opportunity cost
- ▶ Intrapreneurship culture

**Ref:** Opportunity parameters

Barriers to new product creation and development (**Handouts Page No. 14**)

Question No: 39 (Marks: 1) - Please choose one

Individuals influencing an entrepreneur's career choice and style are known as which of the following?

- ▶ **Role model**
- ▶ Moral-support network
- ▶ Professional support network
- ▶ Support system

**Ref:** Role models

Individuals influencing an entrepreneur's career choice and style (**Handouts Page 25**)

Question No: 40 \_\_ (Marks: 1) - Please choose one

Which of the following is NOT an important aspect of International success?

- ▶ Planning
- ▶ **Diversification**
- ▶ Reporting
- ▶ Control

**Ref:** To understand what is required for effective planning, reporting, and control, the entrepreneur should consider (**Handouts Page 30**)

**Paper No. 07**

MIDTERM EXAMINATION  
Spring 2009

MGT602- Entrepreneurship (Session - 3)

Solved By Honey G <abdulhaiee2004@gmail.com>

Time: 60 min

Marks: 50

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

Question No: 1 (Marks: 1) - Please choose one

The level at which an individual is viewed by society is called:

- ▶ Financial status
- ▶ Qualification
- ▶ **Social status**
- ▶ Achievement

**Ref: Social status:** The level at which an individual is viewed by society (**Handouts Page No. 25**)

Question No: 2 (Marks: 1) - Please choose one

Individuals who help the entrepreneur in business activities are called:

- ▶ Role models
- ▶ Moral support networks
- ▶ **Professional support networks**
- ▶ Business support networks

**Ref: Professional-support network**

Individuals who help the entrepreneur in business activities (**Handouts Page No. 25**)

Question No: 3 (Marks: 1) - Please choose one

Following are the problems in developing the economies **EXCEPT:** [www.vuaskari.com](http://www.vuaskari.com)

- ▶ Gap of knowledge
- ▶ Variable rate of return
- ▶ **Same communication style**
- ▶ Different accounting system

**Ref:** There are still many Difficulties in doing business in developing and transition economies due to:

- a. Gaps in the knowledge of the Western system regarding business plans, marketing and profits
- b. Widely variable rates of return.
- c. Non-convertibility of the ruble.
- d. Differences in the accounting system.
- e. Nightmarish communications. (**Handouts Page No. 29**)

Question No: 4 (Marks: 1) - Please choose one

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**

**Ref: Licensing**

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

Allowing someone else to use something of the company's (Handouts page 34)

Question No: 5 (Marks: 1) - Please choose one

Which of the following method entrepreneur can use to do international business with least risk?

- ▶ **Turnkey projects**
- ▶ Joint venture
- ▶ Merger
- ▶ Synergy

**Ref:** turnkey project is also less risky, in a developing country such as Nigeria. The political complications can come into effect in an unstable government, due to the risk of nationalization or an economic collapse.

[http://docs.google.com/viewer?a=v&q=cache:1aQujrDFXwYJ:globalitek.homestead.com/Rachael\\_-\\_Turnkey\\_projects\\_Nigeria\\_and\\_iPod.pdf+Turnkey+projects+method+entrepreneur+can+use+to+do+international+business+with+least+risk%3F&hl=en&gl=pk&pid=bl&srcid=ADGEESiof98L4G9Th8G2sMMFJKnUPCbIOXup524UbVNDdNix8eOhEHWIZSmmjfrUD8RjLvqoysWq\\_UC4b8J67t7JarPoSkvPAjvHhZr\\_BGnBpZ9sHDIW3vzLxws1bE3gOTv6rYk6mXs&sig=AHIEtbQNMbYIB9gzAY33i2tImXN5B8UStg](http://docs.google.com/viewer?a=v&q=cache:1aQujrDFXwYJ:globalitek.homestead.com/Rachael_-_Turnkey_projects_Nigeria_and_iPod.pdf+Turnkey+projects+method+entrepreneur+can+use+to+do+international+business+with+least+risk%3F&hl=en&gl=pk&pid=bl&srcid=ADGEESiof98L4G9Th8G2sMMFJKnUPCbIOXup524UbVNDdNix8eOhEHWIZSmmjfrUD8RjLvqoysWq_UC4b8J67t7JarPoSkvPAjvHhZr_BGnBpZ9sHDIW3vzLxws1bE3gOTv6rYk6mXs&sig=AHIEtbQNMbYIB9gzAY33i2tImXN5B8UStg)

Question No: 6 (Marks: 1) - Please choose one

Combination of at least two firms at different market levels is called:

- ▶ Joint venture
- ▶ Synergy
- ▶ Horizontal merger
- ▶ **Vertical merger**

**Ref: Vertical merger**

Combination of at least two firms at different market levels (Handouts page no. 36)

Question No: 7 (Marks: 1) - Please choose one

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

**Ref:** Since a patent grants the right to exclude others from practicing the invention, it would seem to give the owner a monopoly in the economic sense

<http://www.wordiq.com/definition/Patent>

Question No: 8 (Marks: 1) - Please choose one

A/an \_\_\_\_\_ is an online connection between the company and its customers.

- ▶ Internet advertising

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

► **Website**

- E-Commerce
- World Wide Web

**Ref:** A website is an online connection between the company and its customers and can be developed in-house or outsourced. (Handouts Page No. 44)

Question No: 9 (Marks: 1) - Please choose one

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

- Idea Stage
- Product Planning Stage
- **Product Development Stage**
- Test Marketing Stage

**Ref:** This refining process- the product planning and development process – is divided in to five major stages. Idea stage, concept stage, product development stage, test marketing stage and commercializing; it result in the product life cycle. (Handouts Page No. 43)

Question No: 10 (Marks: 1) - Please choose one

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

**Ref:** The patent gives the owners a negative right, preventing anyone from making, using, or selling the invention. (Handouts page 46)

Question No: 11 (Marks: 1) - Please choose one

Which one of the following is a longest lasting trade agreement with the objective of liberalizing trade by eliminating or reducing tariffs, subsidies and quotas?

- Free trade area – FTA
- European community – EC
- **General agreement on tariffs and trade – GATT**
- The North American free trade agreement – NAFTA

**Ref:** GATT is a multilateral agreement with the objective of liberalizing trade by eliminating tariffs and import quotas. (Handouts Page No. 35)

Question No: 12 (Marks: 1) - Please choose one

Which of the following grants protection to owner from anyone else making, using and selling the identified innovation?

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

► **Utility patent**

- Design patent
- Plant patent
- International patent

**Ref:** The patent grants the owner protection from anyone making, using, and/or selling the invention (**handouts Page No. 46 – 47**)

Question No: 13 (Marks: 1) - Please choose one

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

- **The entrepreneur can not 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

**Ref:**

[http://books.google.com/books?id=s01P0agnLPUC&pg=PA167&lpg=PA167&dq=The+filing+date+for+the+trademark+becomes+the+first+date+use+of+the+mark&source=bl&ots=rCOECu-1w\\_&sig=pAMy-Oy5UqZ1WuDzQUBH3d7zli4&hl=en&ei=WDndTIXBIsOecNeGnOUL&sa=X&oi=book\\_result&ct=result&resnum=8&ved=0CE4Q6AEwBw#v=onepage&q=The%20filing%20date%20for%20the%20trademark%20becomes%20the%20first%20date%20use%20of%20the%20mark&f=false](http://books.google.com/books?id=s01P0agnLPUC&pg=PA167&lpg=PA167&dq=The+filing+date+for+the+trademark+becomes+the+first+date+use+of+the+mark&source=bl&ots=rCOECu-1w_&sig=pAMy-Oy5UqZ1WuDzQUBH3d7zli4&hl=en&ei=WDndTIXBIsOecNeGnOUL&sa=X&oi=book_result&ct=result&resnum=8&ved=0CE4Q6AEwBw#v=onepage&q=The%20filing%20date%20for%20the%20trademark%20becomes%20the%20first%20date%20use%20of%20the%20mark&f=false)

Question No: 14 (Marks: 1) - Please choose one

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

- 12 years
- 17 years
- 20 years
- **As long as it remains confidential**

**Ref:**

[http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA93&dq=Which+of+the+following+method+entrepreneur+can+use+to+do+international+business+with+least+risk%3F&hl=en&ei=0BusTOzGDoSavgOx3uTtBg&sa=X&oi=book\\_result&ct=book\\_thumbnail&resnum=1&ved=0CCoQ6wEwAA#v=onepage&q=trade%20secret%20&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA93&dq=Which+of+the+following+method+entrepreneur+can+use+to+do+international+business+with+least+risk%3F&hl=en&ei=0BusTOzGDoSavgOx3uTtBg&sa=X&oi=book_result&ct=book_thumbnail&resnum=1&ved=0CCoQ6wEwAA#v=onepage&q=trade%20secret%20&f=false)

Question No: 15 (Marks: 1) - Please choose one

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

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ None of the given options

Question No: 16 (Marks: 1) - Please choose one

Which one of the following protects continuity of the business (specially in partnership)?

- ▶ Property insurance
- ▶ Casualty insurance
- ▶ **Life insurance**
- ▶ Bonding

**Ref: Business Continuation:** As a business owner, you spend many hours working and developing your business. But have you thought about what would happen to your business should you or your partner become disabled or dies? To preserve the future of your business, it is important that you create a business continuation plan. Such plans often include a "**buy-sell**" agreement. A buy-sell agreement, funded by life insurance and written while the owners are alive, ensures that your heirs can sell their share of the business to surviving owners - and that the surviving owners can buy their share.

<http://www.mcganninsurance.com/services.html>

Question No: 17 (Marks: 1) - Please choose one

A legally binding agreement between two parties is called:

- ▶ **A contract**
- ▶ Licensing
- ▶ Insurance
- ▶ A copyright

**Ref:** In law, a **contract** is a legally binding agreement between two or more parties which, if it contains the elements of a valid legal agreement, is enforceable by law or by binding arbitration <http://en.wikipedia.org/wiki/Contract>

Question No: 18 (Marks: 1) - Please choose one

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

- ▶ Location
- ▶ **Promotion**
- ▶ Raw materials
- ▶ Labor skills

**Ref:** Operations Information Needs

The entrepreneur may need information on:

1. Location
2. Manufacturing operations
3. Raw materials
4. Equipment
5. Labor skills
6. Space

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

7. Overhead (Handouts Page No. 57)

Question No: 19 (Marks: 1) - Please choose one  
Which of the following is NOT studied in industry analysis?

- ▶ Economic conditions
- ▶ Technology advancements
- ▶ **Organizational culture**
- ▶ Legal concerns

Ref: Examples of environmental factors are:  
Economy Culture Technology Legal concerns (Handouts Page No. 57)

Question No: 20 (Marks: 1) - Please choose one  
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**

Question No: 21 (Marks: 1) - Please choose one  
Which one of the following is NOT included in four C's evaluation by lender?

- ▶ Character
- ▶ Cost
- ▶ **Continuity**
- ▶ Contribution

Ref: 1. The entrepreneur's credit history or character.  
2. Their ability to meet debt and interest payments (cash flow.)  
3. The collateral or tangible assets being secured.  
4. Equity contribution or the amount of personal equity that has been invested by the entrepreneur. (Handouts Page No. 55)

Question No: 22 (Marks: 1) - Please choose one  
Which of the following is a characteristic of a good partner?

- ▶ Help to achieve goals
- ▶ Share entrepreneur's vision
- ▶ Do not exploit the partnership
- ▶ **All of the given options**

Question No: 23 (Marks: 1) - Please choose one  
Having more than 50% ownership position that provides the entrepreneur with managerial control is called:

**Note: Solve these papers by yourself**  
**This VU Group is not responsible for any solved content**  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Joint venture
- ▶ **Majority interest**
- ▶ Horizontal merger
- ▶ Diversified activity merger

**Ref:** In technical sense anything over 50% of the equity of the firm is majority interest. (Handouts page No. 33)

Question No: 24 (Marks: 1) - Please choose one

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

- ▶ **Merger**
- ▶ Joint venture
- ▶ Minority interest
- ▶ Majority interest

**Ref:** Mergers are a sound strategic option for an entrepreneur when synergy is present (handouts Page 34)

Question No: 25 (Marks: 1) - Please choose one

Which of the following is a method of selling goods to another country by taking care of transactions?

- ▶ Indirect exporting
- ▶ **Direct exporting**
- ▶ Importing
- ▶ Management contract

**Ref: Direct exporting:** Selling goods to another country by taking care of the transaction. (Handouts page No. 32)

Question No: 26 (Marks: 1) - Please choose one

Following are the types of non-equity arrangements **EXCEPT:**

- ▶ Licensing
- ▶ Management contracts
- ▶ **Direct export**
- ▶ Turnkey projects

**Ref: Handouts Page No. 31)**

Question No: 27 (Marks: 1) - Please choose one

Andrew Carnegie is an example of entrepreneur of which century:

- ▶ Earliest period
- ▶ **19<sup>th</sup> and 20<sup>th</sup> century**
- ▶ Middle ages

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

**Composed & Solved**  
**Honey G**  
**VuAskari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ 17<sup>th</sup> century

Ref: Andrew Carnegie is one of the best examples of this definition, (Handouts page No. 03)

Question No: 28 (Marks: 1) - Please choose one

A person who managed large project was termed as the entrepreneur in the \_\_\_\_\_.

- ▶ Earliest period
- ▶ **Middle ages**
- ▶ 17<sup>th</sup> century
- ▶ 19<sup>th</sup> and 20<sup>th</sup> century

www.vuaskari.com

Ref: In this age the term entrepreneur was used to describe both an actor and a person who managed large production projects. (Handouts Page No. 3)

Question No: 29 (Marks: 1) - Please choose one

In some countries, point of purchase displays is not allowed in retail stores. Such differences are studied by international entrepreneurs under which of the following type of environment?

- ▶ Economic
- ▶ Political
- ▶ Cultural
- ▶ **Technological**

Ref: Technology varies significantly across countries. New products in a country are created based on the conditions and infrastructure of that country. (Handouts page No.30)

Question No: 30 (Marks: 1) - Please choose one

Which of the following factor is most important in forming a new business?

- ▶ **Finance**
- ▶ Marketing
- ▶ Government support
- ▶ Family support

Ref: Certainly, finance is the most important factor that needs to be focused on while starting a business. <http://www.buzzle.com/articles/most-lucrative-small-businesses.html>

Question No: 31 (Marks: 1) - Please choose one

Most of the finance for the new firm comes from following resources **EXCEPT**:

- ▶ Friends
- ▶ **Foreign aid**
- ▶ Relatives
- ▶ Personal savings

Ref: After the entrepreneur, family and friends are the next most common source of capital. (Handouts Page No. 82)

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

Question No: 32 (Marks: 1) - Please choose one

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

- ▶ New business model
- ▶ Anatomization
- ▶ **Creative destruction**
- ▶ None of the given options

Question No: 33 (Marks: 1) - Please choose one

The intersection of knowledge and a recognized social need to start a product Development process is called which of the following?

- ▶ **Iterative synthesis**
- ▶ Product-evolution process
- ▶ Ordinary innovation
- ▶ Situation analysis

**Ref: Iterative synthesis:** The intersection of knowledge and social need that starts the product development process (**Handouts Page No. 07**)

Question No: 34 (Marks: 1) - Please choose one

A foundation company is formed through which of the following?

- ▶ Fashion
- ▶ Most popular business
- ▶ A winding up company
- ▶ **Research and development**

**Ref:** A type of company formed from research and development that usually does not go public. (**Handouts Page No. 7**)

Question No: 35 ( Marks: 1) - Please choose one

Which of the following factors is the most important in forcing U.S companies to focus on new product development and increased productivity?

- ▶ Entrepreneurship
- ▶ **Hyper competition**
- ▶ Governmental laws
- ▶ Organizational culture

**Ref:** Hyper competition has forced U.S. companies to focus on new product development and increased productivity. (**Handouts Page No. 16**)

Question No: 36 (Marks: 1) - Please choose one

Which of the following is required for a company that wants to be more flexible in adopting changes?

- ▶ Management commitment

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

▶ Contact with customers

▶ **Technology**

▶ More productivity

**Ref:** A company needs to use technology to make itself faster and more flexible. Technology has allowed small companies to act like they are big ones. Large companies can use technology to make them responsive and flexible. (Handouts Page No.21)

Question No: 37 (Marks: 1) - Please choose one

Which of the following areas are preferred by women entrepreneurs?

▶ **Administration**

▶ Utilities

▶ Manufacturing

▶ None of the above

**Ref:** Most women usually have administrative experience, often in service-related fields. (Handouts page 27)

Question No: 38 (Marks: 1) - Please choose one

Individuals influencing an entrepreneur's career choice and style are known as which of the following?

▶ **Role model**

▶ Moral-support network

▶ Professional support network

▶ Support system

**Ref: Role models**

Individuals influencing an entrepreneur's career choice and style (Handouts Page 25)

Question No: 39 (Marks: 1) - Please choose one

An entrepreneur is also successful in international business as well if he understands:

▶ **Difference of domestic and international business**

▶ Domestic business

▶ International business

▶ None of the given options

**Ref:** The successful entrepreneur will be someone who understands how international business differs from domestic business and is able to act accordingly. (Handouts Page 29)

Question No: 40 (Marks: 1) - Please choose one

Which of the following is NOT an important aspect of International success?

▶ Planning

▶ **Diversification**

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Reporting
- ▶ Control

**Ref:** To understand what is required for effective planning, reporting, and control, the entrepreneur should consider (**Handouts Page 30**)

## **Paper No. 08**

### MIDTERM EXAMINATION Spring 2009

MGT602- Entrepreneurship (Session - 4)

Solved By Honey G <abdulhaiee2004@gmail.com>

**Time: 60 min**

**Marks: 50**

**Question No: 1 (Marks: 1) - Please choose one**

Which of the following has not yet been empirically established as a distinguishing characteristic of entrepreneurs?

- ▶ Locus of control
- ▶ Feeling about independence
- ▶ Need for achievement
- ▶ **Risk taking**

**Ref:** However, it has not yet been empirically established whether risk-taking is a distinguishing characteristics of entrepreneurs. (**See Handouts Page No. 22**)

**Question No: 2 (Marks: 1) - Please choose one**

The called:

- ▶ Financial status
- ▶ Qualification
- ▶ **Social status**
- ▶ Achievement

**Ref: Social status:** The level at which an individual in viewed by society (**Handouts Page No. 25**)

**Question No: 3 (Marks: 1) - Please choose one**

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**

**Ref: Licensing**

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

Allowing someone else to use something of the company's (Handouts page 34)

**Question No: 4 (Marks: 1) - Please choose one**

Which of the following method entrepreneur can use to do international business with least risk?

▶ **Turnkey projects**

- ▶ Joint venture
- ▶ Merger
- ▶ Synergy

**Ref:** turnkey project is also less risky, in a developing country such as Nigeria. The political complications can come into effect in an unstable government, due to the risk of nationalization or an economic collapse.

[http://docs.google.com/viewer?a=v&q=cache:1aQujrDFXwYJ:globalitek.homestead.com/Rachael\\_-\\_Turnkey\\_projects\\_Nigeria\\_and\\_iPod.pdf+Turnkey+projects+method+entrepreneur+can+use+to+do+international+business+with+least+risk%3F&hl=en&gl=pk&pid=bl&srcid=ADGEESiof98L4G9Th8G2sMMFJKnUPCbIOXup524UbVNDdNix8eOhEHWIZSmmjfrUD8RjLvqoysWq\\_UC4b8J67t7JarPoSkvPAjvHhZr\\_BGnBpZ9sHDIW3vzLxws1bE3gOTv6rYk6mXs&sig=AHIEtbQNMbYIB9gzAY33i2tImXN5B8UStg](http://docs.google.com/viewer?a=v&q=cache:1aQujrDFXwYJ:globalitek.homestead.com/Rachael_-_Turnkey_projects_Nigeria_and_iPod.pdf+Turnkey+projects+method+entrepreneur+can+use+to+do+international+business+with+least+risk%3F&hl=en&gl=pk&pid=bl&srcid=ADGEESiof98L4G9Th8G2sMMFJKnUPCbIOXup524UbVNDdNix8eOhEHWIZSmmjfrUD8RjLvqoysWq_UC4b8J67t7JarPoSkvPAjvHhZr_BGnBpZ9sHDIW3vzLxws1bE3gOTv6rYk6mXs&sig=AHIEtbQNMbYIB9gzAY33i2tImXN5B8UStg)

**Question No: 5 (Marks: 1) - Please choose one**

A company dealing in beer has a merger with cigarettes manufacturing firm. This merger is called:

- ▶ Horizontal merger
- ▶ **Product extension merger**
- ▶ Market extension merger
- ▶ Vertical merger

**Ref:** A product extension merger occurs when acquiring and acquired companies have related production but do not have directly competing products. (Handouts Page No. 35)

**Question No: 6 (Marks: 1) - Please choose one**

Which one of the following is an important source of idea generation due to their familiarity with the needs of market?

- ▶ Existing products and services
- ▶ **Distribution channels**
- ▶ Federal government
- ▶ Consumers

**Ref: Distribution Channels:** Members of distribution channels are also excellent sources for new ideas because they are familiar with the needs of the market. (See the Handouts Page No. 39)

**Question No: 7 (Marks: 1) - Please choose one**

Members of distribution channels are excellent sources for new ideas because:

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

▶ **They are familiar with the needs of the market**

- ▶ They earn a handsome profit from new business
- ▶ They do not bother if entrepreneur bears a loss
- ▶ They have well-developed sales force

**Ref: Distribution Channels:** Members of distribution channels are also excellent sources for new ideas because they are familiar with the needs of the market. (See the Handouts Page No. 39)

**Question No: 8 (Marks: 1) - Please choose one**

Which one of the following is the most important characteristic of a successful business website?

▶ **Speed**

- ▶ Innovation
- ▶ Graphics
- ▶ Products

**Ref:** A successful website has three characteristics: speed, speed, and speed (Handouts Page No, 44)

**Question No: 9 (Marks: 1) - Please choose one**

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

- ▶ Idea Stage
- ▶ Product Planning Stage
- ▶ **Product Development Stage**
- ▶ Test Marketing Stage

**Ref:** This refining process- the product planning and development process – is divided in to five major stages. Idea stage, concept stage, product development stage, test marketing stage and commercializing; it result in the product life cycle. (Handouts Page No. 43)

**Question No: 10 (Marks: 1) - Please choose one**

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

- ▶ 12 years
- ▶ 17 years
- ▶ 20 years
- ▶ **As long as it remains confidential**

**Ref:**

[http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA93&dq=Which+of+the+following+method+entrepreneur+can+use+to+do+international+business+with+least+risk%3F&hl=en&ei=0BusTOzGDoSavgOx3uTtBg&sa=X&oi=book\\_result&ct=book-thumbnail&resnum=1&ved=0CCoQ6wEwAA#v=onepage&q=trade%20secret%20&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA93&dq=Which+of+the+following+method+entrepreneur+can+use+to+do+international+business+with+least+risk%3F&hl=en&ei=0BusTOzGDoSavgOx3uTtBg&sa=X&oi=book_result&ct=book-thumbnail&resnum=1&ved=0CCoQ6wEwAA#v=onepage&q=trade%20secret%20&f=false)

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 11 (Marks: 1) - Please choose one**

SBA stands for:

- ▶ Small business accountants
- ▶ **Small business administration**
- ▶ Small business adequacy
- ▶ Small business advisors

**Ref:** SBA stands for the Small Business Administration of the United States, which was founded in July, 1953. <http://www.wisegeek.com/what-is-the-sba.htm>

**Question No: 12 (Marks: 1) - Please choose one**

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

**Ref:** the entrepreneur should do a quick feasibility study to see if there are possible barriers to success. (Handouts Page No. 56)

**Question No: 13 (Marks: 1) - Please choose one**

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

- ▶ Location
- ▶ **Promotion**
- ▶ Raw materials
- ▶ Labor skills

**Ref:** Operations Information Needs

The entrepreneur may need information on:

1. Location
2. Manufacturing operations
3. Raw materials
4. Equipment
5. Labor skills
6. Space
7. Overhead (Handouts Page No. 57)

**Question No: 14 (Marks: 1) - Please choose one**

Which one of the following guide the firm through the long term decision making?

- ▶ **Mission statement**
- ▶ Product forecast
- ▶ Industry analysis
- ▶ None of the given options

**Question No: 15 (Marks: 1) - Please choose one**

Which of the following is included in the description of the business?

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
**Honey G**  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Location
- ▶ Products offered
- ▶ History

▶ **All of the given options**

**Ref:** The new venture should be described in detail, including the product, location, personnel, background of entrepreneur, and history of the venture (**Handouts Page No. 58**)

**Question No: 16 (Marks: 1) - Please choose one**

For which of the following copy right acquisition is desirable?

- ▶ Songs
- ▶ Poems
- ▶ Models

▶ **All of the given options**

**Question No: 17 (Marks: 1) - Please choose one**

Which of the following is TRUE for Disclosure Document?

- ▶ It gives recognition that he was the inventor of the idea in past
- ▶ **It gives recognition that he is the first the inventor of the idea**
- ▶ It gives recognition that he will be the invent an idea in future
- ▶ It gives recognition that he wants to copy the idea

**Ref:** This office also administers the Disclosure Document Program, in which the inventor files disclosure of the invention, giving recognition that he or she was the first to develop the idea. (**Handouts Page No.47**)

**Question No: 18 (Marks: 1) - Please choose one**

Which of the following is an idea generation method that focuses on parameters?

- ▶ **Brainstorming**
- ▶ Reverse brainstorming
- ▶ **Creative problem solving**
- ▶ Synectics

**Ref:** Creative problem solving is a method for obtaining new ideas focusing on the parameters. (**Handouts Page No. 40**)

**Question No: 19 (Marks: 1) - Please choose one**

The transitional disturbance and lack of reform has led to a booming black market in:

- ▶ China
- ▶ Hungary
- ▶ Singapore
- ▶ **Poland**

**Ref:** In Poland, the transitional upheaval and lack of reform has led to a thriving black market. (**Handouts Page No.38**)

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 20 (Marks: 1) - Please choose one**

Which of the following geographical area is of least interest to U.S entrepreneurs?

- ▶ Europe
- ▶ The Far East
- ▶ **Central Asia**
- ▶ Transition economies

**Ref:** Three areas of particular interest to U.S. entrepreneurs are Europe, the Far East and transition economies. (Handouts Page No. 37)

**Question No: 21 (Marks: 1) - Please choose one**

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

- ▶ Existing products and services
- ▶ **Distribution channels**
- ▶ Federal government
- ▶ Consumers

**Ref:** Because they are familiar with the needs of the market, channel members often have suggestions for new products. (Handouts Page No. 38)

**Question No: 22 (Marks: 1) - Please choose one**

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

- ▶ Merger
- ▶ Joint venture
- ▶ **Minority interest**
- ▶ Majority interest

**Ref:**

[http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA94&lpg=PA94&dq=Which+of+the+following+is+used+by+entrepreneurs+to+acquire+experience+in+an+international+market+before+making+a+major+commitment&source=bl&ots=rCNwzr1ZA\\_&sig=jOefpOz349LldzTxKVQZ\\_kLb1fg&hl=en&ei=L47FS6i5OaXCmgP\\_r\\_XLDg&sa=X&oi=book\\_result&ct=result&resnum=4&ved=0CBMQ6AEwAw#v=onepage&q&f=false](http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA94&lpg=PA94&dq=Which+of+the+following+is+used+by+entrepreneurs+to+acquire+experience+in+an+international+market+before+making+a+major+commitment&source=bl&ots=rCNwzr1ZA_&sig=jOefpOz349LldzTxKVQZ_kLb1fg&hl=en&ei=L47FS6i5OaXCmgP_r_XLDg&sa=X&oi=book_result&ct=result&resnum=4&ved=0CBMQ6AEwAw#v=onepage&q&f=false)

**Question No: 23 (Marks: 1) - Please choose one**

GATT is established in 1947, under:

- ▶ German leadership
- ▶ French leadership
- ▶ **U.S. leadership**
- ▶ U.K. leadership

**Ref:**

[http://books.google.com.pk/books?id=6f0bHkh\\_ECgC&pg=PA4&lpg=PA4&dq=General+Agreement+on+Tariffs+and+Trade+\(GATT\)+was+established+in+1947+under+which](http://books.google.com.pk/books?id=6f0bHkh_ECgC&pg=PA4&lpg=PA4&dq=General+Agreement+on+Tariffs+and+Trade+(GATT)+was+established+in+1947+under+which)

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*

*Honey G*

*VuAskari Team*

[www.vuaskari.com](http://www.vuaskari.com)

+leadership&source=bl&ots=7LNJTQWoca&sig=FDevIuxy1BUcsV0NudSCI9u\_uHY&hl=en&ei=ksvqTMHOEMPkswbmqmQCQ&sa=X&oi=book\_result&ct=result&resnum=3&ved=0CCMQ6AEwAg#v=onepage&q=General%20Agreement%20on%20Tariffs%20and%20Trade%20(GATT)%20was%20established%20in%201947%20under%20which%20leadership&f=false

**Question No: 24 (Marks: 1) - Please choose one**

The entrepreneur was distinguished from capital provider in:

- ▶ Middle ages
- ▶ **18<sup>th</sup> century**
- ▶ 17<sup>th</sup> century
- ▶ 19<sup>th</sup> and 20<sup>th</sup> century

**Ref:** In the 18th century the person with capital was differentiated from the one who needed capital (**Handouts page No. 03**)

**Question No: 25 (Marks: 1) - Please choose one**

A person who managed large project was termed as the entrepreneur in the \_\_\_\_\_.

- ▶ Earliest period
- ▶ **Middle ages**
- ▶ 17<sup>th</sup> century
- ▶ 19<sup>th</sup> and 20<sup>th</sup> century

**Ref:** In this age the term entrepreneur was used to describe both an actor and a person who managed large production projects. (**Handouts Page No. 3**)

**Question No: 26 (Marks: 1) - Please choose one**

Which of the following factor is most important in forming a new business?

- ▶ **Finance**
- ▶ Marketing
- ▶ Government support
- ▶ Family support

**Ref:** Certainly, finance is the most important factor that needs to be focused on while starting a business. <http://www.buzzle.com/articles/most-lucrative-small-businesses.html>

**Question No: 27 (Marks: 1) - Please choose one**

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

- ▶ Startup management
- ▶ **Entrepreneurship**

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Financial analysis
- ▶ Feasibility planning

**Ref:** Those such as Stevenson, Roberts, and Groesbeck (1989) and Stewart (1989, 1991) have conceptualized entrepreneurship as a process by which individuals - either on their own or inside organizations - pursue opportunities without regard to the resources which they currently

control.[http://www.questia.com/googleScholar.qst;jsessionid=FB2563EB3E2032AE9C4B43F80F6B0F87.inst2\\_2b?docId=5002256192](http://www.questia.com/googleScholar.qst;jsessionid=FB2563EB3E2032AE9C4B43F80F6B0F87.inst2_2b?docId=5002256192)

**Question No: 28 (Marks: 1) - Please choose one**

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

- ▶ New business model
- ▶ Anatomization
- ▶ **Creative destruction**
- ▶ None of the given options

<http://wps.prenhall.com/wps/grader>

**Question No: 29 (Marks: 1) - Please choose one**

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

- ▶ Business model
- ▶ Modeling
- ▶ **Innovation**
- ▶ Creative flexibility

**Ref:** Innovation, the act of introducing something new, is one of the most difficult tasks for the entrepreneur (**Handouts Page No.4**)

**Question No: 30 (Marks: 1) - Please choose one**

Which of the following factors is the most important in forcing U.S. companies to focus on new product development and increased productivity?

- ▶ Entrepreneurship
- ▶ **Hyper competition**
- ▶ Governmental laws
- ▶ Organizational culture

**Ref:** Hyper competition has forced U.S. companies to focus on new product development and increased productivity. (**Handouts Page No. 16**)

**Question No: 31 (Marks: 1) - Please choose one**

In the administrative domain, the commitment of resources is for which of the following?

**Note:** Solve these papers by yourself

This VU Group is not responsible for any solved content

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Honey G*  
*VuAskari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Periodic intervals
- ▶ Total amount needed
- ▶ For certain tasks
- ▶ **For long time**

**Ref:** The administrative domain (the ways managers make decisions) is not only slow to act on an opportunity, but the commitment is usually for a longer time span. (Handouts Page No. 15)

**Question No: 32 (Marks: 1) - Please choose one**

Which of the following is alternatively called corporate venturing?

- ▶ Entrepreneurship
- ▶ **Intrapreneurship**
- ▶ Act of starting a new venture
- ▶ Offering new products by an existing company

**Ref:** Intrapreneurship, also called corporate venturing, is not without problems. (Handouts Page No. 21)

**Question No: 33 (Marks: 1) - Please choose one**

Which is the most common cause of business failure?

- ▶ Insufficient capital
- ▶ Unstable market
- ▶ **Insufficient experience**
- ▶ Poor entrepreneurship

**Ref:** [http://highered.mcgraw-hill.com/sites/0073210560/student\\_view0/chapters2/mixed\\_quiz.html](http://highered.mcgraw-hill.com/sites/0073210560/student_view0/chapters2/mixed_quiz.html) (See the Question No. 08)

**Question No: 34 (Marks: 1) - Please choose one**

Which of the following areas are preferred by women entrepreneurs?

- ▶ **Administration**
- ▶ Utilities
- ▶ Manufacturing
- ▶ None of the above

**Ref:** Most women usually have administrative experience, often in service-related fields. (Handouts page 27)

**Question No: 35 (Marks: 1) - Please choose one**

Degree of influence and control on other people is called:

- ▶ **Locus of control**
- ▶ Locomotion of control
- ▶ Locust of control

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

- ▶ Loss of control

**Ref:**

[http://books.google.com.pk/books?id=wGbZ2ynQOokC&pg=PA49&dq=Degree+of+influence+and+control+on+other+people+is+called&hl=en&ei=q6ryTJGxEYymvQPgvYGRDg&sa=X&oi=book\\_result&ct=result&resnum=3&ved=0CDAQ6AEwAg#v=onepage&q=Degree%20of%20influence%20and%20control%20on%20other%20people%20is%20called&f=false](http://books.google.com.pk/books?id=wGbZ2ynQOokC&pg=PA49&dq=Degree+of+influence+and+control+on+other+people+is+called&hl=en&ei=q6ryTJGxEYymvQPgvYGRDg&sa=X&oi=book_result&ct=result&resnum=3&ved=0CDAQ6AEwAg#v=onepage&q=Degree%20of%20influence%20and%20control%20on%20other%20people%20is%20called&f=false)

**Question No: 36 (Marks: 1) - Please choose one**

Individuals influencing an entrepreneur's career choice and style are known as which of the following?

▶ **Role model**

- ▶ Moral-support network
- ▶ Professional support network
- ▶ Support system

**Ref: Role models**

Individuals influencing an entrepreneur's career choice and style (**Handouts Page 25**)

**Question No: 37 (Marks: 1) - Please choose one**

The activity which occurs when the new venture is started is called:

- ▶ Motivation
- ▶ Business skills
- ▶ **Departure point**
- ▶ Goal orientation

**Ref: Departure points**

The activities occurring when the venture is started (**Handouts Page 23**)

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**