

FINALTERM EXAMINATION

Fall 2008

MGT602- Entrepreneurship (Session - 1)

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

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

Marketing and R&D

Marketing and IT

Finance and marketing

Finance and R&D

<http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA10&lpg=PA10&dq=#v=onepage&q&f=false>

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

Most important factor in forming a new business is:

Finance

Marketing

Government support

Family support

Question No: 3 (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?

None of the given options

Anatomization

Creative destruction

New business model

<http://wps.prenhall.com/wps/grader>

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

The resources acquired from outsiders(creditors, banks etc) are usually:

Easily available

Difficult to obtain

Very useful

Very cheap

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

A set of reasons for engaging in a particular behavior, especially human behavior is known as _____.

Values

Vision

Entrepreneurship

Motivation

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

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

Financial status

Qualification

Social status

Achievement

Reference lesson 11

Social status: The level at which an individual is viewed by society

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

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

Lawyer

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

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: 9 (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: 10 (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

Reference: page 37 Lesson 14

Three areas of particular interest to U.S. entrepreneurs are Europe, the Far East and transition economies.

Question No: 11 (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

Reference: Page 33 Lesson 12

Majority interest Another equity method is to purchase a majority interest in a foreign business. The majority interest allows the entrepreneur to obtain managerial control while maintaining the company's local identity. In technical sense anything over 50% of the equity of the firm is majority interest.

Question No: 12 (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

Lesson 10

Men usually list outside advisors as most important supporters, with spouse being second.

Women list their spouse first, close friends second, and business associates third. Women usually rely more heavily on a variety of sources for support and information than men.

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

On the part of entrepreneur which of the following has/ have a great concern to the Investors?

Commitment

Experience

Knowledge

All of the given options

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

Typically business plan projections are made on a _____.

Bi-monthly schedule

Quarterly schedule

Six-month schedule

12-month schedule

Reference: page 60 Lesson 24

Measuring Plan Progress

Plan projections will typically be made on a 12-month schedule, but the entrepreneur should check key areas more frequently. Inventory control by controlling inventory, the firm can ensure

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

For the success of business plan the goals should be:

Imaginary

Specific

Generalized

Limitless

<http://sbinfoCanada.about.com/cs/successprogram/a/week2.htm>

Setting Specific Goals

A specific goal is a goal that incorporates an action plan that outlines how you will achieve the goal, and a performance measure that tells you how you will evaluate the goal.

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

Which of the following shows the characteristics of the venture that has experience in?
related business?

Opportunity

Threat

Strength

Weakness

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

Which of the following statement best define the target market?

A group of customers a venture reaches by accident

All consumers who purchase the venture's product

A specific group of potential customers toward which a venture aims its marketing plan

A chain of discount stores

<http://books.google.com.pk/books?id=s01P0agnLPUC&pg=PA138&dq=Which+one+of+the+following+is+a+method+for+obtaining+new+ideas+and+solutions+by+focusing+on+problems?&h>

https://www.vu86.com/en/ei=uAzwTLCMA YemcIHtgasK&sa=X&oi=book_result&ct=result&resnum=1&ved=0CQQ6AEwAA#v=onepage&q=A%20specific%20group%20of%20potential%20customers%20to%20ward%20which%20a%20venture%20aims%20its%20marketing%20plan%20%20&f=false

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

Which of the following is one of the new forms of business?

Corporation

Proprietorship

Limited liability company

Partnership

Reference page 71 Lesson 27

A new form is the limited liability company, which is now possible in most states.

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

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

Partnership

Limited partnership

Corporation

Partnership

Reference: 68 Lesson 27

Ownership

- In the proprietorship, the owner has full responsibility for operations.
- In a partnership, there may be owners with general or with limited ownership.
- **In the corporation, ownership is reflected by ownership of shares**

of stock.

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

Which of the following shows the characteristic of the venture that has experience in related business?

Strength

Weakness

Opportunity

Threat

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

In which of the following majority holds the management control?

Partnership

Corporation

Limited liability company

All of the given options

Reference: page 70 Lesson 28

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

Which of the following shows the standard acceptable term of a Limited Liability Company?

Three

Ten

Twenty

Thirty

Lesson 29

The standard acceptable term of an LLC is 30 years.

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

In entrepreneurship the starting capital is also called:

Equity Capital

Seed Capital

Financial Capital

Short term Capital

What Does *Seed Capital* Mean?

The initial capital used to start a business. Seed capital often comes from the company founders' personal assets or from friends and family. The amount of money is usually relatively small because the business is still in the idea or conceptual stage. Such a venture is generally at a pre-revenue stage and seed capital is needed for research & development, to cover initial operating expenses until a product or service can start generating revenue, and to attract the attention of venture capitalists.

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

Which of the following is a written statement that defines the duties, relationships and results expected of anyone in the job?

Job Description

Job Specification

Job identification

All of the above options

Reference: http://humanresources.about.com/od/jobdescriptions/g/job_description.htm

http://humanresources.about.com/od/jobdescriptions/Job_Descriptions_Free_Samples_Examples.htm

Job Description

Job descriptions are written statements that describe the duties, responsibilities, most important contributions and outcomes needed from a position, required qualifications of candidates, and the reporting relationship of a particular job.

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

Which of the following is the base of Job Advertisement?

Job description

Job Specification

Job identification

All of the above options

<http://www.waikatochamber.co.nz/imagelibrary/794.pdf>

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

In business usually the account receivables have which of the following nature?

Single

Dual

Triple

Inert

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

In inventory loans, finished goods inventory can be financed up to what percent of inventory value?

50%

70%

80%

100%

Reference: page 83 Lesson 33

2. Inventory loans.

a. Inventory is often a basis for a loan, particularly when inventory is liquid and can be sold easily.

b. Finished goods inventory can be financed up to 50% of value.

c. Trust receipts are a type of inventory loan used to finance floor plans of retailers such as auto dealers.

d. The bank advances a large percentage of the invoice price of the goods and is paid a pro rate basis as the inventory is sold.

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

Which of the following is NOT a form of cash flow financing?

Installment loan

Character loan

Inventory loan

Line of credit

Reference: page 82 Lesson 33

Cash Flow Financing Cash flow financing -- or conventional bank loans -- include lines of credit, installment loans, straight commercial loans, long-term loans, and character loans.

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

What should be the borrowed amount by the entrepreneur for the start up and running for his business?

As much as possible

As much as needed

As much that can be repaid

As minimum as possible

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

In the U.S. joint ventures were first formed for large-scale projects in which of the following options?

1600s

1700s

1800s

1900s

Reference: page103 Lesson 43

Historical Perspective Joint ventures are not new. In the U.S. joint ventures were first used for large-scale projects in mining and railroads in the 1800s. The largest joint venture in the 1900s was the formation of ARAMCO by four oil companies to develop crude oil reserves in the Middle East. Domestic joint ventures are often vertical arrangements made between competitors allowing economies of scale. The increase in the number of joint ventures has been significantly throughout the 1990s.

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

A source of cash resulting from an entrepreneur selling the business is called:

Earnings valuation

Positive cash flow

Negative cash flow

Terminal value

Reference: page 105 Lesson 44

Final cash flow value, the terminal value, is a source of cash when the entrepreneur sells the business.

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

Ayub Khan's model of economic development was characterized by all of the following,

EXCEPT:

Promotion of large-scale units

Expansion of large-scale enterprises

Banking sector turned to cater to large loans

Lesser pressure on the banking system

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

Which of the following is independently owned, operated and not dominant in its field of operation?

Entrepreneurship

Small Business

International Business

Diversified Organization

As defined by the Small Business Act, a small business is independently owned and operated and not dominant in its field of operation. (page 86)

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

SBA provides:

Finance without interest

Finance with interest

Guarantees for getting loans

Financing up to 90 % of principal amount

Since there is no difference in interest rates charged between conventional bank loans and SBA-guaranteed loans, a commercial bank loan is usually better (page 85)

Question No: 35 (Marks: 1) - Please choose one

First small industrial state was built in which of the following city of Pakistan?

Lahore

Gujranwala

Sialkot

Faisal Abad

http://psic.gop.pk/about_us.htm

Question No: 36 (Marks: 1) - Please choose one

Major contribution of export for Pakistan comes from:

Leather goods

Surgical instruments

Sports goods

All of the given options

http://www.paksearch.com/Government/STATISTICS/Survey00/CH_9.html

Question No: 37 (Marks: 1) - Please choose one

Which of the following institute started the LMM financing scheme?

PSIC

SSIC

SIDB

IDBP

(b) Financing Schemes (page 91)

The SSIC also launched a credit scheme in 88,/89. The rate of markup was 7% for industrial estates and 11% for factories outside the industrial estates. The scheme was discontinued in 1993 due to shortage of funds although SSIC has created already 526 jobs and disbursed 20.6 million rupees. In October 1992, a

self-employment scheme was started for locally manufactured machinery (LMM). The loan ceiling is 1 million with the markup rate of 14%. The total amount disbursed to 171 units is rupees 98 million. The recovery rate is 47%.

Question No: 38 (Marks: 1) - Please choose one

Which of the following statement is TRUE with reference to entrepreneurship thought?

Knowledge is a valuable entrepreneurial resource that is typically learned in a classroom

Experience is idiosyncratic, unique to the life of the individual.

Knowledge based on experience is likely to be learned in a classroom

Financial potential is the basis for a new entry

Question No: 39 (Marks: 1) - Please choose one

Conflicts in Management thoughts and Entrepreneur thoughts are resolved by which of the following company?

Xerox

Unilever

Walls

Volta

Lesson 5

Intrapreneurship is one method for stimulating and capitalizing on those who think that something can be done differently and better, such as Xerox Corporation's commitment to Xerox Technology Ventures. It is important to instill the intrapreneurial spirit in an organization in order to innovate and grow. In a large organization problems occur that thwart creativity and innovation. This growth and diversity that can result are critical, since large corporations are more efficient in a competitive market than are smaller firms.

Question No: 40 (Marks: 1) - Please choose one

Early signs of bankruptcy are most often:

Unavoidable

Apparent to the entrepreneur

Occur in isolated instances

Interrelated

http://highered.mcgraw-hill.com/sites/0073210560/student_view0/chapters17/mixed_quiz.html

WWW.VU786.COM