



## Dr.G.R.Damodaran College of Science

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CRISL rated 'A' (TN) for MBA and MIB Programmes

II BCOM ECOMMERCE [2016-2019]

Semester III

Core:ENTREPRENEURSHIP AND OPPORTUNITY ANALYSIS - 304C

Multiple Choice Questions.

1. An individual who initiates, creates and manages a new business can be called \_\_\_\_\_.
- A. A leader
  - B. A manager
  - C. A professional
  - D. An entrepreneur

ANSWER: D

2. Someone who improves an existing business can be called \_\_\_\_\_.
- A. A changeling.
  - B. A professional.
  - C. A co-worker.
  - D. An intrapreneur.

ANSWER: D

3. Which could provide an individual with the motivation to start a new business venture?
- A. The financial rewards.
  - B. A desire to be independent.
  - C. Risk taking
  - D. All the above.

ANSWER: D

4. Which of the following factors would not be included in a PESTLE analysis?
- A. Government re-cycling policy.
  - B. Proposed reduction in interest rates.
  - C. Demographic changes.
  - D. Competitor activity.

ANSWER: D

5. Which industrial sector tends to naturally promote small-scale businesses and Entrepreneurship, and generally has lower barriers to market entry?
- A. Agriculture
  - B. Manufacturing.
  - C. Distribution.
  - D. Service.

ANSWER: D

6. The UK government has implemented a number of policies to encourage Entrepreneurship in schools.

One such initiative is \_\_\_\_\_.

- A. Young Enterprise.
- B. Youth venture.
- C. Young Business.
- D. Young Initiative.

ANSWER: A

7. Why are small businesses important to a country's economy?

- A. They give an outlet for entrepreneurs.
- B. They can provide specialist support to larger companies.
- C. They can be innovators of new products.
- D. All the above.

ANSWER: D

8. Intellectual Property laws can protect \_\_\_\_\_.

- A. Trademarks.
- B. Copyright.
- C. Patents.
- D. All the above.

ANSWER: D

9. A business arrangement where one party allows another party to use a business name and sell its products or services is known as \_\_\_\_\_.

- A. A franchise.
- B. A cooperative.
- C. An owner-manager business.
- D. A limited company.

ANSWER: A

10. Which of the following is the reason for business failure \_\_\_\_\_.

- A. Lack of market research.
- B. Poor financial control.
- C. Poor management.
- D. All the above.

ANSWER: D

11. The use of informal networks by entrepreneurs to gather information is known as \_\_\_\_\_.

- A. Entrepreneurial networking.
- B. Secondary research.
- C. Informal parameters.
- D. Marketing

ANSWER: A

12. Good sources of information for an entrepreneur about competitors can be Obtained from \_\_\_\_\_.

- A. Websites.
- B. Product information leaflets.
- C. Company reports and published accounts.
- D. All the above.

ANSWER: D

13. A new venture's business plan is important because \_\_\_\_\_.

- A. It helps to persuade others to commit funding to the venture.
- B. Can help demonstrate the viability of the venture.
- C. Provides a guide for business activities by defining objectives.
- D. All the above.

ANSWER: D

14. Primary data is\_\_\_\_\_.

- A. new data specifically collected for a project.
- B. the data that is collected first.
- C. the most important data.
- D. data that is collected second.

ANSWER: A

15. Innovation can best be defined as\_\_\_\_\_.

- A. the successful exploitation of new ideas.
- B. the evolution of new ideas.
- C. the opposite of creativity.
- D. the generation of new ideas.

ANSWER: A

16. Which of these statements best describes the context for entrepreneurship?

- A. Entrepreneurship takes place in small businesses.
- B. Entrepreneurship takes place in large businesses.
- C. Entrepreneurship takes place in a wide variety of contexts.
- D. Entrepreneurship does not take place in social enterprises.

ANSWER: C

17. Entrepreneurs are motivated by \_\_\_\_\_.

- A. money.
- B. personal values.
- C. pull influences.
- D. All the above.

ANSWER: D

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

- A. tolerance of others.
- B. need for achievement.
- C. propensity to leadership.
- D. locus of control.

ANSWER: B

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

- A. Government policies.
- B. Profitability.
- C. Consumer expenditure.
- D. Weather conditions.

ANSWER: D

20. Which of the following statements is false?

- A. Market segmentation is a useful process for small businesses to undertake.
- B. Selling is essentially a matching process.

- C. A benefit is the value of a product feature to a customer.
- D. It is a good idea for small businesses to compete solely on price.

ANSWER: D

21. The purpose of all good small business strategy is\_\_\_\_\_.

- A. to increase turnover.
- B. to increase profitability.
- C. to achieve competitive advantage.
- D. to achieve stated objectives.

ANSWER: D

22. Which of the following is a recognized disadvantage of setting up as a start-up as compared with other routes to market entry?

- A. less satisfaction of the owners.
- B. less help from various agencies.
- C. there are more funds required.
- D. there is a high failure rate.

ANSWER: D

23. Someone legally appointed to resolve the financial difficulties of an insolvent firm is called\_\_\_\_\_.

- A. an administrator.
- B. a predator.
- C. an auditor.
- D. a turnaround consultant.

ANSWER: A

24. Goods or services reach the market place through \_\_\_\_\_.

- A. marketing channels.
- B. multilevel pyramids.
- C. monopolies.
- D. multiplication.

ANSWER: A

25. To provide financial assistance to entrepreneurs the government has set up a number of\_\_\_\_\_.

- A. financial advisors.
- B. financial intermediaries.
- C. Industrial estates.
- D. financial institutions.

ANSWER: D

26. State Industrial corporations engage in the development of\_\_\_\_\_.

- A. industrial estates.
- B. institutional estates.
- C. individual investors.
- D. agricultural entrepreneurs.

ANSWER: A

27. \_\_\_\_\_ is the first development bank of the country.

- A. ICICI.
- B. IDBI.

C. SFC.

D. IFCI.

ANSWER: D

28. IFCI stands for\_\_\_\_\_.

A. Industrial finance corporation of India.

B. Institutional finance corporation of India.

C. Industrial funding corporation of India.

D. Indian finance corporation and institution.

ANSWER: A

29. IFCI has been converted into a\_\_\_\_\_.

A. joint stock company.

B. co-operative society.

C. partnership firm.

D. sole proprietorship.

ANSWER: A

30. SIDBI was set up as a subsidiary of\_\_\_\_\_.

A. IDBI.

B. IFCI.

C. ICICI.

D. SFC.

ANSWER: A

31. Which of the following is a function of SIDBI?

A. Extension of seed capital.

B. Discounting of bills.

C. Providing factoring services.

D. All of the above.

ANSWER: D

32. SFC is prohibited from granting financial assistance to any company whose aggregate paid up capital exceed\_\_\_\_\_.

A. 1 crore.

B. 1.5 crores.

C. 2 crores.

D. 2.5 crores.

ANSWER: A

33. SIPCOT's financial assistance is in the form of \_\_\_\_\_.

A. term loan.

B. seed capital scheme.

C. underwriting the capital issues.

D. All of the above.

ANSWER: D

34. The business development department of SIPCOT guides entrepreneurs in -----.

A. applying for licences.

B. approval on collaboration.

C. allocation of scarce raw materials.

D. All the above.

ANSWER: D

35. TIIC is sponsored by the\_\_\_\_\_.

- A. Government of Karnataka.
- B. Government of Andhra Pradesh.
- C. Government of Kerala.
- D. Government of Tamil Nadu.

ANSWER: D

36. In backward areas, term loans for expansion or setting up a new unit are available at \_\_\_\_\_ .

- A. concessional terms.
- B. differential terms.
- C. standard terms.
- D. specific terms.

ANSWER: A

37. A commercial banker would prefer a \_\_\_\_\_ debt-equity ratio over the years as it indicates financial strength of a unit.

- A. Declining.
- B. Increasing.
- C. Stable.
- D. Fluctuating.

ANSWER: A

38. EDPs course contents contains \_\_\_\_\_.

- A. General introduction to entrepreneurs.
- B. Motivation training.
- C. Managerial skills.
- D. All the above.

ANSWER: D

39. Entrepreneurial Guidance Bureau(EGB) was set up by\_\_\_\_\_.

- A. SISI.
- B. SIPCOT.
- C. IIC.
- D. SIDCO.

ANSWER: C

40. \_\_\_\_\_ can be defined as a specifically evolved work plan densed to achieve a specific objective within a specific period of time

- A. Idea generation.
- B. Opportunity Scanning.
- C. Strategy
- D. Project.

ANSWER: D

41. Large investment is made in fixed assets, the project will be termed as \_\_\_\_\_.

- A. Capital Intensive.
- B. Labour Intensive.
- C. Product Intensive.

D. Market Intensive.

ANSWER: A

42. PERT stands for \_\_\_\_\_.

- A. Programme Evaluation and Research Techniques.
- B. Project Evaluation and Review Techniques.
- C. Programme Evaluation and Review Techniques.
- D. Project Evaluation and Research Techniques.

ANSWER: C

43. \_\_\_\_\_ is used to accomplish the project economically in the minimum available time with limited resources

- A. Project Scheduling.
- B. Network Analysis.
- C. Budget Analysis.
- D. Critical Planning.

ANSWER: A

44. \_\_\_\_\_ is a form of financing especially for funding high technology, high risk and perceived high reward projects

- A. Fixed capital.
- B. Current capital.
- C. Seed capital.
- D. Venture capital.

ANSWER: D

45. In \_\_\_\_\_, machines and equipments are arranged in the order or sequence in which they are to be used for manufacturing the product

- A. Product Layout.
- B. Factory Layout.
- C. Process Layout.
- D. Combined Layout.

ANSWER: A

46. The term \_\_\_\_\_ denotes bonus or financial aid which is given by a government to an industry to help it compete with other units

- A. Incentive.
- B. Subsidy.
- C. Concession
- D. Bounty.

ANSWER: D

47. The granting of cash subsidy on the capital investment is called \_\_\_\_\_.

- A. Concessional finance.
- B. Quantum of Subsidy.
- C. Interest Subsidy.
- D. Central Investment Subsidy.

ANSWER: D

48. New Small Scale industries are exempted from the payment of income tax under section 80J is called \_\_\_\_\_

- A. Investment Allowance.
- B. Development Rebate.
- C. Rehabilitation Allowance.
- D. Tax Holiday

ANSWER: A

49. \_\_\_\_\_ is primarily concerned with the identification of the project demand potential and the selection of the optimal technology.

- A. Techno-economic analysis.
- B. Feasibility analysis.
- C. Input analysis.
- D. Financial analysis.

ANSWER: A

50. \_\_\_\_\_ refers to some action which is a time consuming effort necessary to complete a specific event.

- A. A Network.
- B. An Activity.
- C. An Event.
- D. A Node.

ANSWER: B

51. \_\_\_\_\_ is a graphical representation of the various activity and event relating to a project.

- A. Network analysis.
- B. Scheduling technique.
- C. Logical Model.
- D. Network Diagram

ANSWER: D

52. Activities which must be finished before a given event can occur are termed as \_\_\_\_\_.

- A. Preceding Activities.
- B. Succeeding Activities
- C. Concurrent Activities
- D. Dummy Activities.

ANSWER: A

53. Activities which can be accomplished simultaneously are termed as \_\_\_\_\_.

- A. Preceding Activities.
- B. Succeeding Activities.
- C. Dummy Activities
- D. Concurrent Activities

ANSWER: D

54. EST stands for \_\_\_\_\_.

- A. Earliest Start Time.
- B. Event Start Time.
- C. Effective Start Time.
- D. Essential Start Time.

ANSWER: A

55. Additional time which a non-critical activity can consume without increasing the project duration is



called \_\_\_\_\_.

- A. Total Float.
- B. Free Float
- C. Independent Float.
- D. Dependant Float

ANSWER: A

56. \_\_\_\_\_ is an event-oriented approach .

- A. CPM.
- B. GERT.
- C. WASP.
- D. PERT.

ANSWER: D

57. \_\_\_\_\_ is an activity-oriented approach.

- A. CPM
- B. PERT
- C. GERT
- D. WASP

ANSWER: A

58. \_\_\_\_\_ is the analysis of costs and benefits of a proposed project with the goal of assuming a rational allocation of limited funds.

- A. Project formulation.
- B. Project evaluation.
- C. Project appraisal.
- D. Project Design.

ANSWER: C

59. \_\_\_\_\_ may be defined as the excess of present value of project cash inflows over that of out flows.

- A. Net present value technique.
- B. Average rate of return.
- C. Benefit-Cost ratio.
- D. Internal rate of return

ANSWER: A

60. Decisions taken by an entrepreneur on behalf of his enterprise are known as \_\_\_\_\_.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions

ANSWER: A

61. Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as \_\_\_\_\_.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions.

ANSWER: D

62. \_\_\_\_\_ is a problem -solving technique designed to produce numerous ideas in a short period

- A. Synectics.
- B. Delphi technique.
- C. Brain storming.
- D. Nominal group technique.

ANSWER: C

63. \_\_\_\_\_ is the systematic development of a project idea for the eventual purpose of arriving at an investment decision.

- A. Project identification.
- B. Project formulation.
- C. Project feasibility.
- D. Project evaluation.

ANSWER: B

64. The process of preparing an inventory of skills needed for effective implementation of the project is called as \_\_\_\_\_.

- A. Economic viability.
- B. Financial feasibility.
- C. Technical feasibility.
- D. Managerial competence.

ANSWER: D

65. \_\_\_\_\_ implies the availability or otherwise of plant and machinery and technical know how to produce the product.

- A. Economic viability.
- B. Financial feasibility.
- C. Technical feasibility.
- D. Managerial competence

ANSWER: C

66. CPM stands for \_\_\_\_\_.

- A. Continuous Path Method.
- B. Clear Path Method.
- C. Critical Probabilistic Method.
- D. Critical Path Method.

ANSWER: D

67. \_\_\_\_\_ is granted to small scale units under section 33B of the Income tax act, 1961.

- A. Depreciation Allowance.
- B. Development Debate.
- C. Investment Allowance.
- D. Rehabilitation Allowance.

ANSWER: D

68. DGTD stands for \_\_\_\_\_.

- A. Directorate General of Technical Development.
- B. District General of Technical Development.
- C. District General of Taxation Deduction.

D. Directorate General of Taxation Deduction.

ANSWER: A

69. A provisional SSI registration certificate is valid for a period of \_\_\_\_\_.

- A. four Years.
- B. three Years.
- C. two Years.
- D. one year.

ANSWER: D

70. National Alliance of Young Entrepreneurs (NAYE) Sponsored an Entrepreneurial Development scheme with Bank of India in\_\_\_\_\_.

- A. January 1920.
- B. August 1920.
- C. January 1972.
- D. August 1972.

ANSWER: D

71. Which of the following is not one of the 4 Ms?

- A. motivation.
- B. management.
- C. money.
- D. materials.

ANSWER: D

72. Which of the list below does not form Intellectual Property?

- A. Trade marks.
- B. Patents.
- C. Tangible assets.
- D. Copyright.

ANSWER: C

73. The 'T' in a PESTLE analysis refers to \_\_\_\_\_.

- A. Technology.
- B. Time.
- C. Training.
- D. Talent.

ANSWER: A

74. A business arrangement where one party allows another party to use a business Name and sell its products or services is known as\_\_\_\_\_.

- A. A cooperative.
- B. A franchise.
- C. An owner-manager business.
- D. A limited company.

ANSWER: B

75. What is the role of a Business Ange?

- A. To provide small business advice.
- B. To provide capital for business development in exchange for a stake in the Business ownership.
- C. To set up a franchise business.

D. To assist an entrepreneur to open a lifestyle business.

ANSWER: B

76. A key aspect of the financial section of the business plan is \_\_\_\_\_.

- A. A statement of management skills.
- B. A realistic sales forecast.
- C. Production capacity.
- D. A description of competitors.

ANSWER: B

77. Which one of the following describes unemployment?

- A. The number of people who voluntarily choose not to work.
- B. The number of people who are jobless and are actively seeking work.
- C. The number of people who are not actively seeking work.
- D. The number of people actively seeking work who find work.

ANSWER: B

78. Idea of new product is tested in potential consumers to determine consumer acceptance at \_\_\_\_\_ stage.

- A. Concept.
- B. Product development.
- C. Test marketing.
- D. Commercialization.

ANSWER: C

79. Which one of the following is not considered as one of the Building blocks of the model entrepreneur?

- A. technical skills.
- B. management competencies.
- C. business awareness.
- D. personal attributes.

ANSWER: C

80. Which of the following factors does the macro-environment not include?

- A. political and regulatory factors.
- B. customer needs in a given market.
- C. social and demographic factors.
- D. technological changes.

ANSWER: B

81. Which of the following statements is false? Electronic commerce:

- A. can allow new ventures to compete on more or less equal terms with large firms.
- B. can lead to small businesses having reduced contact with its customers.
- C. is rarely used in small businesses.
- D. is used in many different industries and markets.

ANSWER: C

82. Strategic entrepreneurial marketing has been summarised as the 4Is, identification of target markets, interactive marketing methods, informal intelligence gathering and - what is the fourth?

- A. independence.
- B. instructiveness.
- C. innovation.

D. internet.  
ANSWER: C

83. An entrepreneur who owns more than one business at a time is called \_\_\_\_\_.
- A. an intrapreneur.
  - B. a corporate entrepreneur.
  - C. a portfolio entrepreneur.
  - D. None of the above.

ANSWER: C

84. Industries producing complete articles for direct consumption & also processing industries is called as \_\_\_\_\_.
- A. Manufacturing industries.
  - B. Feeder Industries.
  - C. Service Industries.
  - D. Mining or Quarrying.

ANSWER: A

85. \_\_\_\_\_ is primarily concerned with the identification, qualification and evaluation of the project resources.
- A. Techno-economic analysis.
  - B. Feasibility analysis.
  - C. Input analysis.
  - D. Financial analysis.

ANSWER: B

86. LOB stands for \_\_\_\_\_.
- A. Line of Business.
  - B. Line of Balance.
  - C. Loss of Business.
  - D. Loss of Balance

ANSWER: B

87. Underestimation of project cost leads to \_\_\_\_\_.
- A. Time under run.
  - B. Cost under run
  - C. Time over run.
  - D. Cost over run

ANSWER: D

88. New entrepreneurs entering the field of medium industry for the first time can have market studies with the subsidiary of \_\_\_\_\_.
- A. 75% of the cost or Rs.15000 whichever is less.
  - B. 75% of the cost or Rs.15000 whichever is high
  - C. 50% of the cost or Rs.15000 whichever is less.
  - D. 50% of the cost or Rs.15000 whichever is high

ANSWER: A

89. Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as \_\_\_\_\_.
- A. Organizational decisions.

- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions.

ANSWER: D

90. Section 80 HHB provides for a deduction of \_\_\_\_\_ of profits and gains earned by a resident Indian company.

- A. 65%.
- B. 60%.
- C. 55%.
- D. 50%

ANSWER: D

91. Decisions which are non-repetitive and novel nature and required to solve unstructured problem is called as \_\_\_\_\_.

- A. Programmed decisions.
- B. Non - programmed decisions.
- C. Routine decisions.
- D. Strategic decisions.

ANSWER: B

92. The application for registration of a small scale unit should be submitted to the \_\_\_\_\_ .

- A. General manager, DIC.
- B. Director, DIC.
- C. General manager. NSIC.
- D. Director, NSIC.

ANSWER: A

93. The type of diversification in which the company adds complementary to the existing product or service line is \_\_\_\_\_.

- A. conglomerate diversification.
- B. horizontal integration.
- C. vertical integration.
- D. concentric integration.

ANSWER: C

94. Which of the following is not an aspect of appraisal of term loans by commercial banks?

- A. Financial feasibility.
- B. Technical feasibility.
- C. Economic feasibility.
- D. Societal feasibility.

ANSWER: D

95. The type of diversification in which the company adds up same type of products at the same level of production is \_\_\_\_\_.

- A. conglomerate diversification.
- B. horizontal integration.
- C. vertical integration.
- D. concentric integration.

ANSWER: B

96. When a firm enters into some business which is related with its present business in terms of technology, marketing or both it is called as \_\_\_\_\_.

- A. conglomerate diversification.
- B. horizontal integration.
- C. vertical integration.
- D. concentric integration.

ANSWER: D

97. When a firm enters into business which is unrelated to its existing business both in terms of technology and marketing \_\_\_\_\_.

- A. conglomerate diversification.
- B. horizontal integration.
- C. vertical integration.
- D. concentric integration

ANSWER: A

98. District Industries Centres are located \_\_\_\_\_.

- A. in each district.
- B. in each state.
- C. only in selected districts.
- D. only in selected states.

ANSWER: A

99. The purpose of soft loan scheme is to encourage units to undertake \_\_\_\_\_.

- A. modernization of plant and machinery.
- B. replacement of plant and machinery.
- C. renovation of plant and machinery.
- D. all the above

ANSWER: D

100. Seed capital assistance \_\_\_\_\_.

- A. a long-term assistance.
- B. initial assistance
- C. a help for the purchase of seeds.
- D. a short-term assistance.

ANSWER: B

101. EXIM bank is a \_\_\_\_\_.

- A. State-level institution.
- B. Regional - level institution.
- C. All India institution.
- D. International institution.

ANSWER: C

102. DIC is headed by General Manager in the rank of \_\_\_\_\_.

- A. Joint Director of industries.
- B. Assistant Director of industries.
- C. Non-departmental officer.
- D. Departmental officer.

ANSWER: A

103. Institutional agencies grant financial assistance to small scale industries for \_\_\_\_\_.

- A. participation in equity capital only.
- B. acquisition of fixed assets.
- C. working capital assistance.
- D. all of the above.

ANSWER: D

104. Under section 80J of the income tax act, 1961, small-scale industries are exempted from the payment of income tax on their profits at \_\_\_\_\_.

- A. 6% p.a.
- B. 6% p.m.
- C. 5% p.a.
- D. 5% p.a.

ANSWER: A

105. The policy which stressed the role of cottage and small-scale industries for balanced industrial development of the country is \_\_\_\_\_.

- A. IPR 1940.
- B. IPR 1948.
- C. IPR 1956.
- D. IPR 1977.

ANSWER: B

106. The policy which emphasized the need of promoting small-scale industries through integrated industrial development is \_\_\_\_\_.

- A. IPR 1948.
- B. IPR 1956.
- C. IPR 1977.
- D. IPR 1980.

ANSWER: C

107. The small scale unit wishing to export has to obtain exporters code number from \_\_\_\_\_.

- A. The Reserve Bank of India.
- B. The Central Bank of India.
- C. Any Regional Bank.
- D. Any International Bank.

ANSWER: A

108. The expenses incurred on the setting up of the enterprise are called as \_\_\_\_\_.

- A. Cost of financing.
- B. Cost of promotion..
- C. Cost of fixed assets.
- D. Cost of current assets.

ANSWER: B

109. Over -capitalization arises due to \_\_\_\_\_.

- A. excess of assets over the liabilities.
- B. excess of liabilities over the assets.
- C. actual earnings are lower than the expected earnings.
- D. actual earnings are higher than the expected earnings.

ANSWER: C



110. Under-capitalization arises due to \_\_\_\_\_.
- A. excess of assets over the liabilities.
  - B. excess of liabilities over the assets.
  - C. actual capitalization is higher than the proper capitalization.
  - D. actual capitalization is lower than the proper capitalization.

ANSWER: D

111. Which of the following leads to over-capitalization?
- A. acquiring fixed assets on excessive amounts.
  - B. under-estimation of initial rate of earnings.
  - C. using lower-rate of capitalization.
  - D. under estimation of required funds.

ANSWER: A

112. Which of the following leads to under-capitalization?
- A. raising of more money by issue of shares.
  - B. acquiring fixed assets on excessive amounts.
  - C. over-estimation of earnings for enterprise.
  - D. under-estimation of initial rate of earnings.

ANSWER: D

113. Business means \_\_\_\_\_.
- A. Commerce.
  - B. industry and commerce.
  - C. trade and commerce.
  - D. selling and buying of goods.

ANSWER: B

114. A valid definition of a business purpose is to \_\_\_\_\_.
- A. create a customer.
  - B. maximize profits.
  - C. serve the society.
  - D. increase the wealth of the firm.

ANSWER: B

115. Reserve bank of India is a/an \_\_\_\_\_.
- A. statutory corporation.
  - B. company limited by guarantee.
  - C. company limited by shares.
  - D. unlimited company.

ANSWER: A

116. A public corporation means \_\_\_\_\_.
- A. public company.
  - B. government company.
  - C. statutory corporation.
  - D. department of union government

ANSWER: C

117. Promoter is a person who \_\_\_\_\_.

- A. takes part in the incorporation of a company .
- B. is a director.
- C. is a relative of the managing director.
- D. works to publicity to the company.

ANSWER: A

118. The term Capitalization is used in relation to \_\_\_\_\_.

- A. sole-proprietorship.
- B. Partnership.
- C. joint stock companies.
- D. co-operative societies

ANSWER: C

119. Which of the following sources is not use for medium term financing?

- A. Issue of equity shares.
- B. Issue of debentures.
- C. Term loans from banks.
- D. Sale of current asset.

ANSWER: A

120. Which of the following securities proves a burden on finances of the company, when company is not earning profits?

- A. Equity shares.
- B. Preference shares.
- C. Redeemable preference shares.
- D. Debentures.

ANSWER: D

121. Investment in which of the following is most risky?

- A. Equity shares.
- B. Preference shares.
- C. Debentures.
- D. Land.

ANSWER: C

122. A project, which may not add to the existing profits, should be financed by \_\_\_\_\_

- A. debentures.
- B. preference share capital.
- C. equity capital.
- D. public deposits.

ANSWER: A

123. Business risks can be \_\_\_\_\_.

- A. avoided.
- B. reduced.
- C. ignored.
- D. erased.

ANSWER: B

124. O & M refers to \_\_\_\_\_

- A. overall efficiency of business.

- B. efficiency of office and administrative work.
- C. office work measurement.
- D. office and management study.

ANSWER: D

125. The oldest form of business organization is \_\_\_\_\_.

- A. Partnership.
- B. sole proprietorship.
- C. joint stock company.
- D. co-operative undertaking.

ANSWER: B

126. Memorandum of association of a firm contains \_\_\_\_\_.

- A. rules regarding the internal management of the company.
- B. rules regarding the constitution and activities of the company.
- C. rules regarding the external management.
- D. rules regarding the constitution.

ANSWER: B

127. A Company is called an artificial person because \_\_\_\_.

- A. it does not have the shape of a natural person.
- B. it cannot be used in the court of law.
- C. it is invisible and intangible.
- D. it exists only in contemplation of law.

ANSWER: C

128. The charter of a company is its \_\_\_\_\_.

- A. prospectus.
- B. statement lieu of prospectus.
- C. memorandum of association.
- D. articles of association.

ANSWER: A

129. A person owning and running a small firm, is known as \_\_\_\_\_.

- A. A manager-owner.
- B. An owner-manager.
- C. A professional adapter.
- D. An enterprise worker.

ANSWER: B

130. Which of the following is a characteristic typical of \_\_\_\_\_? Most entrepreneurs

- A. Choose high risk ventures.
- B. Choose low risk ventures.
- C. Choose moderate (or calculated) risk ventures.
- D. Choose no risk ventures.

ANSWER: C

131. The UK government has implemented a number of policies to encourage Entrepreneurship in schools. One such initiative is \_\_\_\_\_.

- A. Young Enterprise.
- B. Youth venture.

- C. Young Business.
- D. Young Initiative.

ANSWER: A

132. One of the disadvantages of a franchise business for a franchisee is \_\_\_\_\_.

- A. Lack of independence.
- B. Franchise businesses typically have a high failure rate.
- C. Lack of brand identity.
- D. Training is not normally provided by the franchisor.

ANSWER: A

133. The Markets and Competitors section of a business plan should contain \_\_\_\_\_.

- A. A statement of the target market.
- B. The size of each market segment.
- C. The key characteristics of buyers in each business segment.
- D. All the above.

ANSWER: D

134. As a new company grows, the entrepreneur will need to \_\_\_\_\_.

- A. be responsive to changes in the market.
- B. ensure financial controls are maintained.
- C. build a management team.
- D. all the above.

ANSWER: D

135. An entrepreneur into the hosiery business found out the reason his hosiery was not selling was due to its color. What could be the best source of this information?

- A. Supplier.
- B. Retailer.
- C. Competition.
- D. Government bureau.

ANSWER: B

136. Entrepreneurship can best be described as \_\_\_\_\_.

- A. a process that requires setting up a business.
- B. taking a significant risk in a business context.
- C. having a strong vision.
- D. a process involving innovation, new products or services, and value creation.

ANSWER: D

137. -----, which is included in the project cost, is estimated on the basis of the year when the enterprise breaks even.

- A. working capital
- B. cost of capital
- C. cost of production
- D. cost of equity

ANSWER: A

138. The minimum amount of-----,irrespective of such private participation,could be specified at a minimum 17.5 per cent of project costs by lending institutions.

- A. bank loans

- B. promoters contribution
- C. fixed capital
- D. working capital

ANSWER: B

139. -----set up for the purpose of financing, facilitating, and promoting foreign trade of India.

- A. Repco bank
- B. SBI
- C. EXIM bank
- D. HDFC

ANSWER: C

140. Which of the following is not considered to be a characteristic of a project?

- A. An established objective
- B. Complex tasks
- C. A clear beginning and end
- D. Only for internal use

ANSWER: D

141. Project management is ideally suited for a business environment requiring all of the following except-----.

- A. Flexibility
- B. Innovation
- C. speed
- D. Repetability

ANSWER: D

142. Integration of project management with the organization takes place with the-----.

- A. master budget
- B. strategic plan
- C. Process of managing actual projects
- D. both b and c

ANSWER: D

143. The content of the final report typically includes the following topics----.

- A. Executive summary
- B. review and analysis
- C. recommendations
- D. If all the above are correct.

ANSWER: D

144. Project mission and objectives, procedures and systems used, and organization resources used typically appear in the \_\_\_\_\_ section of the final project report.

- A. Analysis
- B. Recommendation
- C. lessons learned
- D. financial feasibility

ANSWER: A

145. market potential of the project report includes-----

- A. demand and supply conditions

- B. market strategy
- C. after sales service
- D. all the above

ANSWER: D

146. what are the components of then project report-----

- A. requirement of funds
- B. location
- C. manpower
- D. all the above

ANSWER: D

147. Every entrepreneur should draw an ----- for his project to ensure the timely completion of all activities involved in setting up an enterprise.

- A. cost structure
- B. implementation plan
- C. market structure
- D. production structure

ANSWER: B

148. -----describes the direction, the enterprise is going in, what its goals are, where it wants to be, and how it is going to get there.

- A. project report
- B. technical anlysis
- C. market analysis
- D. financial analysis

ANSWER: A

149. Today, many companies are using managerial techniques that are designed to encourage \_\_\_\_\_.

- A. Ethical behaviour
- B. legal compliances
- C. increasing profits
- D. shareholders value

ANSWER: A

150. Entrepreneurial development is the key to achieve all-round ----- through acceleration of industrial and entrepreneurial activities.

- A. economic development
- B. increase in profits
- C. shareholders value
- D. business development

ANSWER: A

Staff Name  
Venkatesh R.