



Dr.G.R.Damodaran College of Science

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II MIB [2016-2018]

SEMESTER III

CORE : ENTREPRENEURSHIP AND NEW VENTURE PLANNING - 353E

Multiple Choice Questions.

1. Which of the following is considered to be a myth associated with entrepreneurship?

- A. Successful entrepreneurs are born not made
- B. First ventures are always successful
- C. All entrepreneurs must willingly invest significant sums of money
- D. An entrepreneur faces extraordinary business risks

ANSWER: B

2. A/An _____ is best described by stating it is any business that is independently owned and operated and is not dominate in its market.

- A. strategic alliance
- B. corporation
- C. Proprietorship
- D. Small Business

ANSWER: D

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

- A. Entrepreneurship
- B. Intrapreneurship
- C. Managerial domain
- D. Administrative domain

ANSWER: B

4. For the success of business plan the goals should be -----

- A. Generalized
- B. Limitless
- C. Specific
- D. Imaginary

ANSWER: C

5. Which one of the factors should be considered while assessing the space for business?

- A. Parking
- B. Access from roadways to facility
- C. Delivery rates

D. All of the given options

ANSWER: D

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

A. Finance and marketing

B. Finance and R&D

C. Marketing and R&D

D. Marketing and IT

ANSWER: B

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

A. Creative destruction

B. New business model

C. Anatomization

D. None of the given options

ANSWER: A

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

A. Government

B. Finance

C. High interest rates

D. Role models

ANSWER: C

9. Which one of the following gives suggestions for new product but also helps to market New product in the market?

A. Existing products and services

B. Distribution channels

C. Federal government

D. D. Consumers

ANSWER: B

10. The chief motivational factor for _____ entrepreneurs to leave jobs is the frustration of not being allowed to perform at the level of which they are capable.

A. Male

B. Female

C. Young

D. All of the given options

ANSWER: D

11. Which of the following is the most important for the entrepreneur, while starting a new venture, to make an assessment of?

A. Risk

B. Profit

C. Market

D. Competitors

ANSWER: A

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

- A. International entrepreneurship
- B. Intrapreneurship
- C. Domestic entrepreneurship
- D. Imports

ANSWER: C

13. . A typical inventor is usually _____.

- A. Highly creative & in love with the invention
- B. Does not encourage change
- C. Willing to modify the invention in order to augment commercial benefit
- D. None of the given options

ANSWER: A

14. A contract must be signed by:

- A. At least one party
- B. Both the parties
- C. Not necessary to sign
- D. By third party

ANSWER: B

15. Selling goods to another country by taking care of transactions is called:

- A. Indirect exporting
- B. Direct exporting
- C. Importing
- D. Management contract

ANSWER: B

16. Which of the following is alternatively called corporate venturing?

- A. Entrepreneurship
- B. Intrapreneurship
- C. Act of stating a new venture
- D. Offering new products by an existing company

ANSWER: B

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

- A. No Profit no loss
- B. Profits are higher than expenses
- C. Expenses are higher than profits
- D. None of the given options

ANSWER: A

18. The difference in the entrepreneurial and managerial domains has contributed towards an increase interest in:

- A. Forming new firms
- B. Partnership
- C. Intrapreneurship

D. Private firms

ANSWER: A

19. Degree of influence and control on other people is called:

- A. Locus of control
- B. Locomotion of control
- C. Locust of control
- D. Loss of control

ANSWER: A

20. Which one of the following is NOT an internal factor?

- A. New technology
- B. Manufacturing
- C. Marketing
- D. Personnel

ANSWER: C

21. The entrepreneurs _____ depends on his perception of the opportunity.

- A. Commitment to opportunity
- B. Commitment of resources
- C. Control of resources
- D. Strategic orientation

ANSWER: D

22. Which of the following are the key factors for choosing the type of financing?

- A. Availability of funds
- B. Assets of the venture
- C. Prevailing interest rates
- D. All of the above options

ANSWER: D

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

- A. Deficit exports
- B. Deficit imports
- C. Balance of payment
- D. Balance of debt

ANSWER: C

24. Which is one of the most important leadership qualities among managers and employees in the organization?

- A. Entrepreneurship
- B. Communication
- C. Motivation
- D. Staffing

ANSWER: B

25. Which of the following firm achieves modest growth:

- A. High potential growth firm

- B. Foundation firm
- C. Life style
- D. Public company

ANSWER: A

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

- A. Trial and error
- B. Opportunity parameter
- C. Opportunity cost
- D. Intrapreneurship culture

ANSWER: B

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

- A. 15 and 22
- B. 22 and 45
- C. 45 and 57
- D. 57 and 63

ANSWER: B

28. Selling goods to another country through a person in the entrepreneurs home country is known as:

- A. Trading
- B. Direct export
- C. Indirect export
- D. Domestic sales

ANSWER: C

29. The business plan should be prepared by:

- A. Entrepreneurs
- B. Consultants
- C. Engineers
- D. All of above options

ANSWER: D

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

- A. Corporate culture
- B. Entrepreneurial culture
- C. Intrapreneurial culture
- D. Traditional culture

ANSWER: B

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

- A. Role models
- B. Moral support networks
- C. Professional support networks
- D. Business support networks

ANSWER: C

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

- A. Patent
- B. Trade mark
- C. Copy right
- D. Licensing

ANSWER: D

33. Which of the following method entrepreneur can use to do international business with least risk?

- A. Turnkey projects
- B. Joint venture
- C. Merger
- D. Synergy

ANSWER: A

34. A legally binding agreement between two parties is called:

- A. A contract
- B. Licensing
- C. Insurance
- D. A copyright

ANSWER: A

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

- A. Joint venture
- B. Majority interest
- C. Horizontal merger
- D. Diversified activity merger

ANSWER: B

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

- A. Merger
- B. Joint venture
- C. Minority interest
- D. Majority interest

ANSWER: A

37. Which of the following factor is most important in forming a new business?

- A. Finance
- B. Marketing
- C. Government support
- D. Family support

ANSWER: D

38. An entrepreneur is also successful in international business as well if he understands:
- A. Difference of domestic and international business
 - B. Domestic business
 - C. International business
 - D. None of the given options

ANSWER: A

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

- A. Locus of control
- B. Feeling about independence
- C. Need for achievement
- D. Risk taking

ANSWER: D

40. Refusal to adopt and use opportunities to make changes in production_____ entrepreneurs.

- A. Fabian
- B. Imitative
- C. Innovative
- D. Drone

ANSWER: D

41. 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

42. 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

43. 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

44. 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

45. An entrepreneur is someone who assumes the major risks of a new business by committing which of the following?

A. Equity.

B. Time.

C. Career.

D. All of the above.

ANSWER: D

46. An informal group of innovative employees who are permitted to digress temporarily from their regular tasks to develop new ideas are referred to as:

A. Underground.

B. Skunk works.

C. Yahoos.

D. Intrapreneurs.

ANSWER: B

47. Which of the following is not a personal characteristic often found in an entrepreneur?

A. Self-confident.

B. Independent-minded.

C. Perceptive.

D. Follower.

ANSWER: D

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

A. Pre-startup stage.

B. Startup stage.

C. Early growth stage.

D. Later growth stage.

ANSWER: B

49. Which of the following is usually included in a business plan?

A. Detailed description of the product or service.

B. Marketing and promotional plans.

C. Management and staffing.

D. All of the above.

ANSWER: D

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

A. Higher failure rate.

B. Increased independence.

C. Ability to benefit from previous experience.

D. Reduced royalty fees.

ANSWER: C

51. Which of the following is not a common motivation of an entrepreneur?

- A. Desire for independence.
- B. Search for personal and professional growth.
- C. Desire to maintain the status quo.
- D. Search for more rewarding work.

ANSWER: C

52. Which of the following are risks for entrepreneurs in small business?

- A. Interference with personal lives.
- B. Psychological stress.
- C. Social and family pressure.
- D. All of the above

ANSWER: D

53. Which of the following is a purpose of a business plan?

- A. To attract financing.
- B. To inform competitors of plans.
- C. To discipline the entrepreneur to think of all aspects of the proposed venture.
- D. a & c.

ANSWER: D

54. Who said that the job of the entrepreneur is "creative destruction"?

- A. Peter Drucker.
- B. Pierre Trudeau.
- C. Joseph Schumpeter.
- D. Brian Mulroney.

ANSWER: C

55. In some countries, points of purchase displays are not allowed in retail stores. Such differences are studied by international entrepreneurs under _____ environment.

- A. Economic
- B. Political
- C. Cultural
- D. Technological

ANSWER: C

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

- A. Joint venture
- B. Majority interest
- C. Horizontal merger
- D. Diversified activity merge

ANSWER: B

57. The development of a new venture based on an inventor's work often requires _____.

- A. Expertise of an entrepreneur

- B. Heavy investment from financiers
- C. Skilled human resources
- D. Highly educated staff

ANSWER: A

58. A business where an individual is both the owner and conductor of the business affairs is called _____.

- A. Sole Proprietorship
- B. Partnership
- C. Corporation
- D. None of the above

ANSWER: A

59. In _____, the entrepreneur has the right to sell any assets.

- A. Proprietorship
- B. Partnership
- C. Limited Liability Company
- D. None of the given options

ANSWER: A

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

- A. Mission
- B. Goal
- C. Strategy
- D. Objective

ANSWER: C

61. . Entrepreneurs are best as _____

- A. A. Managers
- B. B. Venture capitalists
- C. C. Planners
- D. D. Doers

ANSWER: D

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

- A. A. Strategic Orientation
- B. B. Capitalization
- C. C. Intrapreneurship
- D. D. Management

ANSWER: C

63. The _____ plan shows whether the business is economically feasible or not.

- A. A. Financial
- B. B. Business
- C. C. Economic
- D. D. Marketing

ANSWER: B

64. 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: A

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

- A. Propensity to leadership
- B. Need for achievement
- C. Extravert personality
- D. Tolerance of others

ANSWER: B

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

- A. Higher failure rate.
- B. Increased independence.
- C. Ability to benefit from previous experience.
- D. Reduced royalty fees.

ANSWER: C

67. MSMED stands to _____

- A. Micro, Small & Medium Enterprises Development
- B. Mini, Small & Medium Enterprises Development
- C. Micro, Small & Medium Entrepreneurship Development
- D. Micro, Small & Medium Enterprises Department

ANSWER: A

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

- A. Technological Capacity
- B. Social environment
- C. Political environment
- D. Economic condition

ANSWER: A

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

- A. A. Emotional blocks
- B. B. Labour
- C. C. Lack of sustained motivation
- D. D. lack of vision

ANSWER: B

70. _____ implies that women entrepreneurs are now economically independent and take decisions independently.

- A. A. Better utilization of resources
- B. B. Improved quality life

- C. C. Economic development
- D. D. Employment generation

ANSWER: B

71. Financial feasibility analysis can be done by comparing _____ with the estimated sales figure.

- A. Cash flow statement
- B. Balance sheet
- C. Break-even point
- D. Profit and loss statement

ANSWER: C

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

- A. Creating a business plan
- B. Making a product choice
- C. Selecting the location
- D. Setting up infrastructure

ANSWER: D

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

- A. Has a high need for achievement
- B. Believes that success or failure depends on his/her own actions.
- C. Feels comfortable in an unstructured situation
- D. Believes fate is a powerful force

ANSWER: B

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

- A. Cultural differences
- B. Economic policies
- C. Public ignorance
- D. Government taxes

ANSWER: A

75. _____ process of creating incremental wealth is called Entrepreneurship.

- A. Static
- B. Continuous
- C. Systematic
- D. Dynamic

ANSWER: D

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

- A. Worth of the business
- B. Fixed asset
- C. Perishable asset
- D. All of the given options

ANSWER: C

77. Entrepreneur actually starts setting up of an enterprise by

- A. Planning
- B. Organizing
- C. Staffing
- D. Directing

ANSWER: D

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

- A. Government policies
- B. Profitability
- C. Interest rates
- D. Consumer expenditure

ANSWER: B

79. Venture capital firms are usually organized as

- A. Closed-end mutual funds
- B. Limited partnerships
- C. Corporations
- D. Nonprofit businesses

ANSWER: B

80. The entrepreneur who is committed to the entrepreneurial effort because it makes good business sense is classed as a/an _____

- A. Inventor
- B. Opportunist
- C. Hacker
- D. Craftsman

ANSWER: B

81. The most cited source of new business ideas is

- A. Brainstorming.
- B. In-depth understanding of industry/profession.
- C. A hobby.
- D. Copying someone else.

ANSWER: B

82. Before opening his own business, Tanay was writing a report that details the specifics of his ideas and future business operations. This document is known as

- A. A SWOT analysis.
- B. A business portfolio.
- C. A business plan.
- D. A competitive analysis

ANSWER: C

83. _____ refers to an unincorporated business owned by an individual for profit.

- A. Partnership
- B. Proprietorship
- C. Corporation

D. Association

ANSWER: B

84. A group of companies or individuals that invests money in new or expanding businesses for ownership and potential profits is known as

A. An equity financing firm.

B. Franchising.

C. A venture capital firm.

D. A corporation.

ANSWER: C

85. An advantage of which of these tactics is that there is a shorter start-up time and an existing track record?

A. Participate in a business incubator

B. Start a new business

C. Buy a franchise

D. Buy an existing business

ANSWER: D

86. Which of these offers the advantage that the entrepreneur has the ability to develop and design the business in the entrepreneur's own way?

A. Participate in a business incubator

B. Start a new business

C. Buy a franchise

D. Buy an existing business

ANSWER: B

87. Entrepreneurs take the risk of starting a business for all of the following reasons except:

A. They want independence.

B. They like the challenge and the risk.

C. They want to make money for themselves.

D. They want to work less.

ANSWER: D

88. An entrepreneurial team is:

A. A group of people who work within a corporation to launch new products.

B. A group of experienced people who join together to develop and market a new product.

C. A group from the Small Business Administration which consults with small business owners.

D. A group of managers who get together to find creative solutions to problems.

ANSWER: B

89. Robert Vadera is a business owner who works from home as a freelance video producer. He really enjoys his work, but isn't looking to set the world on fire with his company. He just wants to make a good living and spend time with his family when he can. Vadera would be classified as an:

A. A. entrepreneur.

B. B. intrapreneur.

C. C. micropreneur.

D. D. venture capitalist.

ANSWER: C

90. A business plan for a new business does not need to include:

- A. a marketing plan.
- B. a discussion of the purpose of the business.
- C. a description of the company background.
- D. the name of the lending bank.

ANSWER: D

91. The primary concerns when first starting your business are:

- A. marketing and accounting.
- B. planning and human resources.
- C. financing and planning.
- D. financing and marketing

ANSWER: C

92. What are the primary sources of funding for entrepreneurs?

- A. personal savings and individual investors
- B. finance companies and banks
- C. the Small Business Administration and banks
- D. former employers and the Economic Development Authority

ANSWER: A

93. As a _____ Ronnie searches for firms in need of additional funding to achieve their goals. In return for his investment, Ronnie becomes a part owner in the business. Ronnie operates as a(n):

- A. Investment analyst.
- B. Venture capitalist.
- C. Corporate raider.
- D. Securities trader.

ANSWER: B

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

- A. Entrepreneurship
- B. Intrapreneurship
- C. Managerial domain
- D. Administrative domain

ANSWER: B

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

- A. Corporate culture
- B. Entrepreneurial culture
- C. Intrapreneurial culture
- D. Traditional culture

ANSWER: B

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

present?

- A. Merger
- B. Joint venture
- C. Minority interest
- D. Majority interest

ANSWER: A

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

- A. To see if there are possible barriers to success
- B. To identify possible sources of funds
- C. To estimate the expected sales
- D. To explore potential customers

ANSWER: A

98. _____ is a radical redesign of the organization's business processes.

- A. Reengineering
- B. downsizing
- C. Bankruptcy
- D. Expanding

ANSWER: A

99. As a company grows, the entrepreneur should focus on his/her:

- A. Technical ability to complete a task
- B. Written communication.
- C. Management and motivation skills.
- D. Public speaking

ANSWER: C

100. Following are the types of foreign direct investment EXCEPT

- A. Joint Venture
- B. Management Contracts
- C. Minority interest
- D. Merger

ANSWER: B

101. 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

102. 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

103. Innovation can best be defined as _____.

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

ANSWER: D

104. 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

105. 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

106. 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

107. 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

108. 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

109. SIDBI was set up as a subsidiary of _____.

- A. IDBI.
- B. IFCI.
- C. ICICI.

D. SFC.
ANSWER: A

110. Entrepreneurial Guidance Bureau(EGB) was set up by_____.

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

ANSWER: C

111. 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

112. New Small Scale industries are exempted from the payment of income tax under section 80J is called _____

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

ANSWER: B

113. _____ 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

114. 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

115. Personal Considerations of the entrepreneurs are_____.

- A. Profit
- B. Production
- C. Progress
- D. Passion

ANSWER: D

116. 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

117. A public corporation means _____.

- A. public company.
- B. government company.
- C. statutory corporation.
- D. department of union government

ANSWER: C

118. 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

119. 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

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

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

ANSWER: C

121. 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

122. 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

123. 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

124. 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

125. Imitation of successful ones in existence given by _____

- A. Frederick Harbison
- B. J.A.Schumpeter
- C. Heggins
- D. A.H.Cole

ANSWER: A

126. 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

127. 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

128. The entrepreneur was distinguished from capital provider in:

- A. Middle ages
- B. 18th century
- C. 17th century
- D. 19th and 20th century

ANSWER: B

129. 129. A person who managed large project was termed as the entrepreneur in the _____.

- A. Earliest period
- B. Middle ages

- C. 17th century
- D. 19th and 20th century

ANSWER: B

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

- A. New business model
- B. Anatomization
- C. Creative destruction
- D. None of the given options

ANSWER: C

131. Which of the following is alternatively called corporate venturing?

- A. Entrepreneurship
- B. Intrapreneurship
- C. Act of stating a new venture
- D. Offering new products by an existing company

ANSWER: B

132. All but which of the following is considered to be a myth associated with entrepreneurship?

- A. Successful entrepreneurs are born not made
- B. First ventures are always successful
- C. All entrepreneurs must willingly invest significant sums of money
- D. An entrepreneur faces extraordinary business risks

ANSWER: D

133. A/An _____ is best described by stating it is any business that is independently owned and operated and is not dominate in its market.

- A. strategic alliance
- B. corporation
- C. small business
- D. proprietorship

ANSWER: C

134. The entrepreneur who is committed to the entrepreneurial effort because it makes good business sense is classed as a/an _____.

- A. Inventor
- B. Opportunist
- C. Hacker
- D. Craftsman

ANSWER: B

135. The steps involved in an entrepreneurial endeavor include all but which one of the following?

- A. Business plan formulation
- B. Obtaining financing
- C. Selecting the type of legal structure
- D. Hiring a partner

ANSWER: D

136. The ideas for new businesses that are obtained by entrepreneurs are derived from many sources. These various sources include all but _____.

- A. replication of an existing business
- B. trade journals
- C. Trade Shows
- D. Family members

ANSWER: A

137. Common reasons for entrepreneurial failure include all but which one of the following?

- A. Poor implementation
- B. Lack of capital
- C. Adequate financial support
- D. Faulty product design

ANSWER: C

138. A/An _____ is defined as the blueprint describing the business strategy for entering the marketplace and explains the business to potential investors.

- A. Business alliance
- B. Spin off
- C. Intrapreneurship
- D. Business plan

ANSWER: D

139. Of the following, which one is not considered a key component of a business plan?

- A. Sources of funding
- B. Market trend analysis
- C. Methods for dissolution of the organization
- D. Description of product or services

ANSWER: C

140. A(n) _____ is defined as a form of business that is an association of two or more people acting as co-owners of a business.

- A. Proprietorship
- B. Partnership
- C. INC
- D. Corporation

ANSWER: B

141. Which one of the following would not be considered a disadvantage of a corporation?

- A. Limited continuity of life of enterprise
- B. Extensive government regulations of activities
- C. High incorporation fees
- D. Corporate capital, profits, dividends, and salaries are double taxed

ANSWER: A

142. Entrepreneurship require financial backing in order to get started in the business world. Which of the following is not one of the methods commonly utilized to obtain the financial resources

needed?

- A. Equity
- B. Commercial loans
- C. Venture capitalists
- D. Personal finances provided by friends

ANSWER: D

143. Of the following, which one would not be considered an alternative to independent entrepreneurship?

- A. Franchise
- B. Spin off
- C. Intrapreneurship
- D. Extrapreneurship

ANSWER: D

144. Of the following, which is best identified as an independent entrepreneurship that produces a product or service that originated in a large company?

- A. Diversification
- B. Intrapreneurship
- C. Spin off
- D. Trade off

ANSWER: C

145. Management tactics purported to maximize innovation for an entrepreneurship include all but which of the following items?

- A. Cutting of losses
- B. Bench Marking
- C. Culture
- D. Customer-orientation

ANSWER: B

146. Which of the following statements about SMEs in international business is untrue?

- A. Joint ventures are important in building links between SMEs in industrialised and developing countries.
- B. About a quarter of UK SMEs sell outside the country.
- C. 'Push' from a hostile business environment is an important reason for exporting
- D. About 40 per cent of small high-technology firms in South-East England export.

ANSWER: D

147. Which of the following is not an example of 'technical entrepreneur', according to Jones-Evans?

- A. Research - experience of scientific development
- B. Consolidator - skills in linking technical and business aspects
- C. User - familiar with marketing or end-use applications
- D. Opportunist -- experience gained in a non-technical organisation

ANSWER: B

148. According to our discussion, what is the best way a government can support SMEs?

- A. Regulations that favour small firms
- B. Willingness to accept lower returns
- C. An industry without economies of scale
- D. They are all conditions favouring development.

ANSWER: D

149. Which of the following is not one of the environmental factors that may influence the potential of a small business?

- A. Affluent population providing a market
- B. An industry with economies of scale
- C. Clusters of technically advanced small firms
- D. Close contacts with customers related to problem solving activities

ANSWER: B

150. Which statement is not true of entrepreneurs?

- A. They generally stick to the processes already in use.
- B. They change the way businesses convert inputs into outputs.
- C. They apply innovative ideas
- D. They are agents of adjustment.

ANSWER: A

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