

KATHMANDU UNIVERSITY
End Semester Examination
January 2024

Marks Scored:

Level : B.E.

Year : IV

Exam Roll No. :

Registration No.:

22 JAN 2024

Time: 30 mins.

Course : CIEG 405

Semester : I

F. M. : 10

Date :

SECTION "A"

[20Q. × 0.5 = 10 marks]

Encircle the most appropriate option from each set of choices.

1. Which of these is not a type of entrepreneurship?
 - a. Small business entrepreneurship
 - b. Scalable entrepreneurship
 - c. Large scale entrepreneurship
 - d. Intrapreneurship
2. Which of these actions of an entrepreneur will most likely result in creative destruction?
 - a. Developing a new product
 - b. Taking over a competitor's business
 - c. Issuing shares to individuals and institutions
 - d. Lowering prices of your product or service
3. According to Schumpeter, innovative entrepreneurs would:
 - a. Thrive in the market
 - b. Not survive and disappear from the market
 - c. Get absorbed within larger innovative businesses
 - d. Get absorbed within non-innovative businesses
4. Which of these is not a challenge for the entrepreneur?
 - a. Managing the cash flow of their business
 - b. Recruiting new employees
 - c. Choosing the product or service to sell in the market
 - d. Formulating rules and regulations relating to conducting entrepreneurship in their country
5. Which of these theories involve taking a moderate amount of risk as a function of skill and not chance?
 - a. Need for achievement
 - b. Need for affiliation
 - c. Need for authority
 - d. Need for independence
6. Which of these is not a category of external forces that affects a business?
 - a. Competitive forces
 - b. Technological forces
 - c. Economic forces
 - d. Socio-economic forces
7. Which among these is a money manager who is involved in making risk investments from equity capital with the objective of gaining better returns?
 - a. Entrepreneur
 - b. Businessperson
 - c. Buyer
 - d. Venture capitalist
8. Which of these is the first activity of a new business?
 - a. Departure point
 - b. Goal Orientation
 - c. Business skill development
 - d. None of these

9. Who should be involved in preparing a firm's business plan?
a. Accountant b. Engineer c. Entrepreneur d. All of the mentioned
10. What should be the main worry of a company's founder who asks for capital in exchange for equity shares in their venture?
a. Valuation b. Control c. Capitalization d. Legal formalities
11. The process of creating something new is called:
a. Creative flexibility b. Management
c. Business d. Innovation
12. Which of these is also known as corporate venturing?
a. Intrapreneurship b. Mergers
c. Entrepreneurship d. Acquisition
13. If an entrepreneur takes decisions on behalf of their enterprise, it is known as
a. Routine decisions b. Strategic decisions
c. Organizational decisions d. Personal decisions
14. Entrepreneurship Development Program is helpful for:
a. First-generation entrepreneurs b. Future generation entrepreneurs
c. Existing Entrepreneurs d. Present business
15. These decisions are concerned with policy matters and they influence the goals and objectives of a business venture:
a. Routine decisions b. Strategic decisions
c. Organizational decisions d. Personal decisions
16. Ownership position of more than 50 per cent in a business is known as:
a. Minority Interest b. Joint Venture
c. Majority Interest d. Soul partnership
17. What is the purpose of a feasibility study for starting a new venture?
a. Exploring for potential customers
b. Estimate sales
c. To understand if there are any barriers to success
d. Angel investment
18. An entrepreneur who is the owner of more than one business is called:
a. Portfolio Entrepreneur b. Intrapreneur
c. Corporate Entrepreneur d. Businessman
19. Grameen Bank by Muhammad Yunus is an example of entrepreneurship
a. Innovative b. Social c. Public d. Joint
20. The advantage of self-employment is-
a. Flexible working hours
b. Freedom to choose the type of work
c. High potential to enhance income
d. Experiences

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Level : B.E.
Year : IV
Time : 2 hrs. 30mins.

Course : CIEG 405
Semester : I
F. M. : 40

22 JAN 2024

SECTION "B"

[6 Q × 4 = 24 marks]

Attempt *ANY SIX* questions.

1. What is an entrepreneurship? Prepare the list of ten deadly mistakes of entrepreneurship.
2. Differentiate the creative process and the innovative process.
3. Define strategic management process. And write the 7 steps of competitive business model.
4. Why is the business model canvas important? Describe in detail.
5. Explain about Porter's Five Forces Model.
6. Compare between the public and private company.
7. What is guerrilla marketing plan? How do you furnish guerrilla marketing plan.

SECTION "C"

[2 Q × 8 = 16 marks]

Attempt *ANY TWO* Questions.

8. State and explain ten affecting factors of price determination.
9. What is business Plan? Present very short and suit business plan focusing financial plan.
10. Read the following case and answer the question.

A Company with Soul

In 1974, Bill Crutchfield was living in his mother's house and working as the general manager of a forklift company after an unsuccessful stint in Hollywood, where he tried to sell a screenplay he wrote to a movie studio. He took \$1,000 he had saved and started a mail-order car stereo company after trying in vain to find a stereo that he could install himself in an old Porsche he was restoring for resale. Of course, Crutchfield needed far more than \$1,000 to start an electronics catalog company and was able to convince a local banker to extend a \$25,000 line of credit to the new company, which he named Crutchfield after himself.

Crutchfield kept his job at the forklift company and ran his business as a one-man operation. After working all day, Crutchfield would drive to the post office to pick up orders, drive to his mother's home where he was living, pack up the products with a personal thank-you note to ship to customers, and drive the packages to UPS for shipment. Unfortunately, only seven months into the venture, Crutchfield was incurring a loss and was about to run out of cash. As a last-ditch effort, he sent a one-page questionnaire to everyone who had ordered a catalog, asking customers what the company could do better and noncustomers why they had not placed an order. Crutchfield says the responses he received not only saved his company but still guide its customer service philosophy to this day. The problem was not with the catalog's products, brands, or prices; instead, customers were intimidated at the idea of installing a car stereo on their own.

That feedback inspired Crutchfield to redesign his catalog (after all, it was the 1970s, long before the Internet) into a more polished product that included easy-to-follow articles on car stereo installation techniques, step-by-step photographs, and customer testimonials. The redesigned catalog worked, and sales increased dramatically in just a few months. That simple survey taught Crutchfield the importance of listening and responding to his customers, a lesson that has stuck with him for 40 years. Crutchfield's product line has expanded to include more than 9,500 high-end audiovisual products ranging from flat-screen televisions to cameras and speaker systems. In the company's research department (yes, a retailer that manufactures no products has a research department), employees are busy dissecting the products Crutchfield sells so they can share the details of their features and designs with the members of the sales, call center, and technical support teams. The technical support department routinely takes apart products to ensure they understand exactly how they work.

Digging into the details of every product the company sells is a vital component in the company's customer service equation, but Crutchfield takes a broad view of customer service. Crutchfield does not define customer service as only fixing problems once they occur. The company tries to think like its customers and put in place customer support features to make the customer experience better. Toward that end, Crutchfield has developed detailed car stereo installation guides for more than 16,100 vehicles, many of which contain how-to photos of the technical crew as they remove a factory radio and install one from the Crutchfield catalog. To enhance customers' experience, Crutchfield also makes a significant investment in training its 500 employees. In addition to the extensive training that technical support workers receive, sales advisers spend 13 weeks of classroom and hands-on installation training before they begin fielding customers' calls. Crutchfield's focus on his customers pays off. The company generates \$250 million in annual sales, is debt free, and has never experienced a layoff in its history. It has earned a five-star rating from Yelp and is the only retailer to win BizRate's Circle of Excellence award for 11 consecutive years. In 2007, Bill Crutchfield was inducted into the Consumer Electronics Hall of Fame, where he joined the ranks of notables such as Steve Jobs and Thomas Edison. Crutchfield's passion for taking care of customers has never subsided even as the company grows. He recently penned a set of core values—including exceeding customers' expectations, passionately pursuing continuous improvement, and treating employees with respect—that he explains to every employee in face-to-face meetings. Those core values are a significant part of the company's hiring process, in which manager's look for candidates who demonstrate an attitude of service. Crutchfield believes that although you can train people for technical skills, it is critical for its business model to hire people who truly enjoy helping other people.

Although Internet sales now account for 70 percent of sales, catalogs remain an important part of the business; Crutchfield mails more than 30 million of them each year. The company can never compete on price with Wal-Mart and the myriad of Internet stores. The company competes with its high level of customer service and its attention to its culture, which the Crutchfield refers to as the company's soul.

Answer the followings.

- a. What impact has Crutchfield's strategy of providing superior customer service had on the company's success? In what ways does the company communicate its superior service strategy to customers?
- b. Crutchfield makes it clear that his company does not compete with its rivals using low prices. What lessons can other small businesses learn from Crutchfield about the relationship between prices and customer service?