

APR 03 2017

KATHMANDU UNIVERISTY
End Semester Examination
March/April 2017

Marks Scored:

Level : B.E.

Year : IV

Course : CIEG 405

Semester: I

Exam Roll No. :

Time: 30 mins.

F.M. : 10

Registration No:

Date :

SECTION "A"

[20 Q.×0.5=10 marks]

Choose the most appropriate answer.

1. Which of the following is a commonly experienced drawback to being an entrepreneur?
 - a. Ability to earn large income.
 - b. Lack of creativity and innovation.
 - c. Lack of contribution to society.
 - d. Long hours required.
2. Music writers would need to protect their songs by filling for which type of intellectual protection?
 - a. A patent
 - b. A trademark
 - c. A copyright
 - d. A service mark
3. Which of the following are types of intellectual capital?
 - a. Financial capital, land capital and customer capital.
 - b. Human capital, creativity capital and innovation capital
 - c. Human capital, structural capital and customer capital.
 - d. Intelligence capital, innovation capital and creativity capital.
4. Which financial statements are necessary to include in a business plan for either an existing business or startup?
 - a. Balance sheet, operating ratio statement, breakeven statement.
 - b. Balance sheet, cash flow statement, sales statement.
 - c. Ratio analysis, balance sheet, income statement.
 - d. Balance sheet, income statement, cash flow statement.
5. In general, what would a business owner do to select one form of ownership over another?
 - a. Image within the community
 - b. Tax, liability, and how big and profitable.
 - c. Pressure from the business owner's advisory board
 - d. State governmental policy that dictates what forms are legal.
6. What type of marketing tactics work well for smaller businesses?
 - a. Competing based upon price
 - b. Focusing on the individual needs of their customers.
 - c. Dressing in crazy outfits and standing in traffic.
 - d. Spending large amounts on television advertising.
7. A market penetration pricing strategy is most appropriate to use when:
 - a. The company can clearly differentiate its products from competitor's offerings.
 - b. The entrepreneur is trying to convey his product's clear superiority to competitors.
 - c. It is difficult to differentiate your new product from other similar offerings in the market place.
 - d. The product is revolutionary and there is little competition.

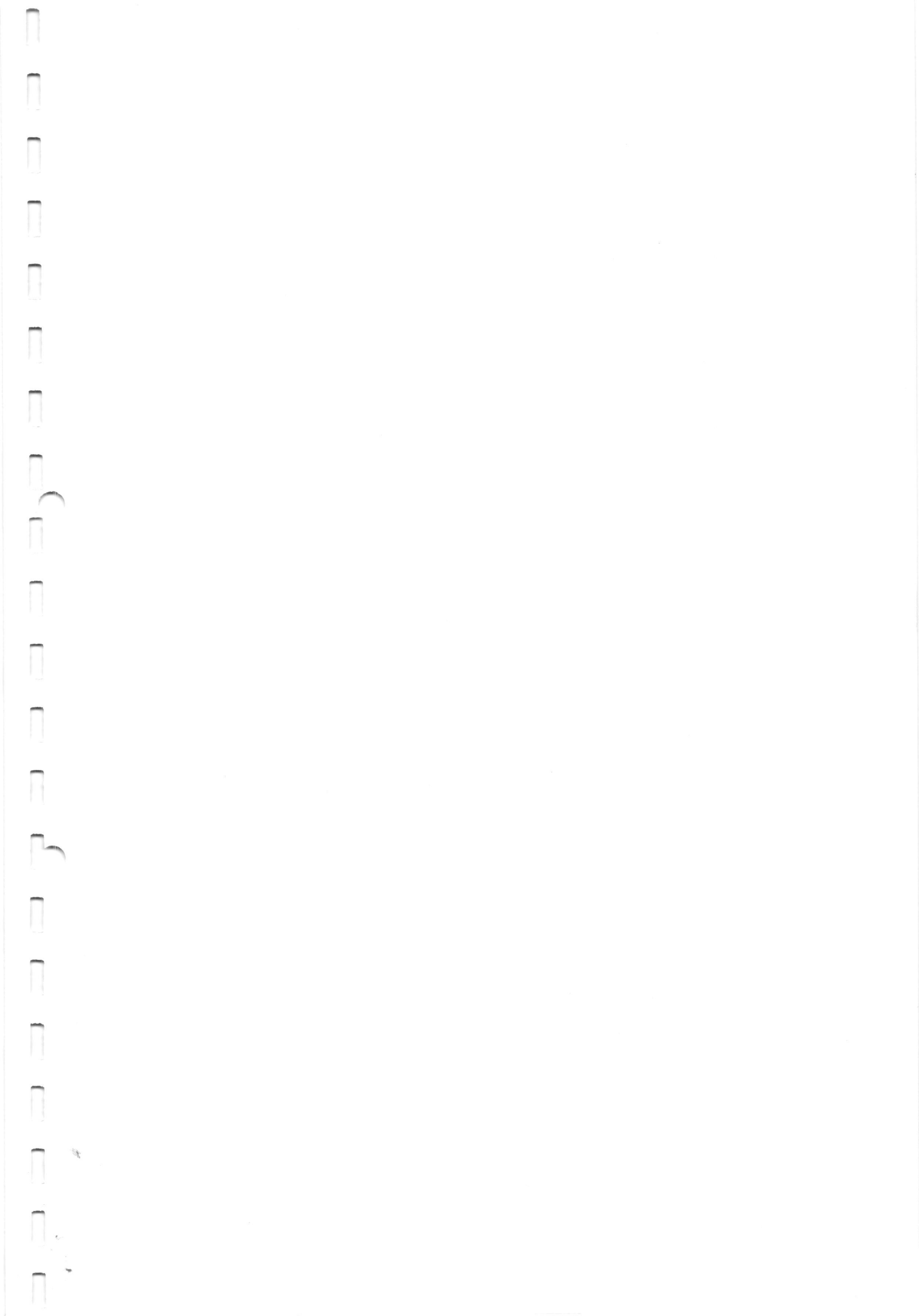
8. What are the two most often used liquidity ratios?
 - a. Current ratio and quick ratio.
 - b. Current ratio and profit margin.
 - c. Gross profit and operating margin.
 - d. Inventory and assets turnover ratio.
9. Trading goods and services for other goods and services rather than cash is:
 - a. Rummaging
 - b. Pilfering
 - c. Scraping
 - d. Bartering
10. What is a disadvantage of debt capital when considered with equity capital?
 - a. Debt capital requires prearranged repayments of interest and principal.
 - b. Raising debt capital forces the entrepreneur to give up control of management and operations.
 - c. Raising debt capital requires the entrepreneur to pay dividends to its creditors.
 - d. Using debt capital puts a firm at a disadvantage from a tax standpoint.
11. Why might it be beneficial for an entrepreneur to locate his/her business near a competitor?
 - a. It would help the entrepreneur learn from the competitor.
 - b. It would allow for increased profitability through reduced transportation costs for distributor.
 - c. The offerings of both businesses may attract more customers to the vicinity.
 - d. It could help the entrepreneur improve her image by being associated with the competitor.
12. Which of the following is a reason for a small business to go to global?
 - a. To stop production in the local market.
 - b. To develop new products for outside market.
 - c. To experience traffic and higher transportation costs.
 - d. To extend available markets.
13. What do foreign partners bring to a foreign joint venture?
 - a. Relief from domestic tax burden.
 - b. Knowledge of the local market targeted for expansion
 - c. Product innovation
 - d. Relief from competitors in the domestic market.
14. Which of the following is a behavior exhibited by an effective leader?
 - a. Empower employees to act in the best interest of the company.
 - b. Management of small details of others positions
 - c. Insistence that all decisions within the business made by that leader.
 - d. Firm adherence to one original plan without amendment.
15. Why is the World Trade Organization (WTO) so important to international business?
 - a. The WTO negotiates and policies trade agreement between its member countries.
 - b. The WTO allows for tariff-free trade between its member countries.
 - c. The WTO decides trade policy for its member nations.
 - d. The WTO acts as an export management company, assisting entrepreneurs from all of its member nations.
16. What data is NOT used in choosing a city to locate a business?
 - a. Population size
 - b. Education level
 - c. Interest rate
 - d. Religion

17. Why demand may remain low when a product is priced low?
 - a. Because lower price often convey to a customer that a product is of lower value and lower quality.
 - b. Because customers enjoy using more of their disposable income to buy a similar good.
 - c. Because customer get a tax break from buying the higher priced good.
 - d. Because competitors will use the low price to lure customer away.

18. Literally the word ethics stand for
 - a. Understanding human nature
 - b. Study of morality
 - c. Properties of chemical
 - d. Substances

19. Morality is concerned with
 - a. Faith and religion
 - b. A prescription of learned person
 - c. Philosophy of one's life
 - d. Conduct and standard of a society

20. Which of the following would be a rigorous method of collecting primary data for market research?
 - a. Looking at census data
 - b. Direct mail list purging
 - c. Distributing customer surveys and questionnaires
 - d. Reviewing customers surveys and questionnaires



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SECTION "B"

Attempt *ANY SIX* questions from Section "B"

[6 Q.×4=24]

1. Why do some people choose to be "entrepreneurs" instead of being an "employees"? Write four reasons to support your opinion.
2. "Innovative ideas are always high in entrepreneurship". Briefly explain any four methods to generate ideas for business.
3. If you are starting a small business, there are different factors that affect the success of business organization. One of the important factors is the choice of forms of business organization such as sole proprietorship, partnership and company. How forms of business organization affect the success of business? Explain.
4. Explain the statements given below:
 - a. The quick ratio of the company is 1.28.
 - b. The times interest earned (TIE) ratio of the company is 2.25.
 - c. The net profit margin of the company is 12%.
 - d. The debt ratio of the company is 40%.
5. State the pricing methods used in the given condition and explain its business implication.
 - a. Pricing Rs 799 rather than Rs 800; Rs 9.99 rather than Rs10.
 - b. Price of petrol per liter in Kathmandu valley is Rs. 101.10 and in Birgunj is Rs. 99.10.
 - c. Mayos noodles is charged as same as Wai Wai.
 - d. Service engineers with high technical skills charge high price for their service.
6. Equity and debt are the two sources of financing. If you are a financial expert, which source or sources would you recommend? Why?
7. How do you judge the ethical standard of Engineers in Nepal? Describe the role of Nepal Engineering Council in maintaining ethical standards of Nepalese Engineers.

SECTION "C"

Attempt *ANY TWO* questions from this section

[2 Q.×8=16]

8. Steve Jobs and his friend Steve Woznaik were self taught engineers who created one of the most popular, revolutionary, technology brands, "Apple". Steve Jobs was not the first person to have an idea to create a user-friendly computer, and he was not the first person to come up with an idea about music players or smart phones, but he was the first person to implement them. He covered potential ideas and then implemented them in ways that no one has ever dreamed of before. Apple products, whether they be a

computer, laptop, iPod, iPhone, iTunes or otherwise. Are featured everywhere. Not only Apple products are of high quality technological items, but the company also has superior branding and a strong company image making them, one of the most popular and easily recognizable brands in the world.

- a. From this example, identify and explain any four traits/characteristic of Steve Jobs that helped him to be successful in his business.
 - b. What are the factors/reasons that support the success of Apple Company?
9. Relationship marketing is customer relationship management which involves developing and maintaining long term relationship with customers so that they will keep coming back to make repeat purchase. What steps should be followed by the company for relationship marketing. What practices do you see in the different product and services offered by the Nepalese company to maintain relationship marketing? Explain.
10. Feasibility Study serves as a filter, screening out ideas that lack the potential for building a successful business before an entrepreneur commits the necessary resources to building a business plan. It is an investigate tool in business. Based on this fact, explain the elements of a feasibility analysis.