

KATHMANDU UNIVERSITY
End Semester Examination [C]
April, 2023

Marks Scored:

Level : B.E./B.Pharm./B.Tech.
Year : IV

Course : MGTS 402
Semester : I

Exam Roll No. :

Time: 30 mins.

F. M. : 10

Registration No.:

Date

06 APR 2023

SECTION "A"

[20Q. × 0.5 = 10 marks]

Encircle the most appropriate option from each set of choices.

- Which of the following is not a benefit of being an entrepreneur?
 - Create Your Own Destiny
 - Complete Responsibility
 - Reap Impressive Profits
 - Contribute to Society
- The narrowest level of ethical standard that merely establishes the minimum standard of behavior is termed as _____.
 - The Law
 - Organizational Policies and Procedures
 - The Moral Stance
 - All of these
- Act in such a way that the action taken under the circumstances could be a universal law or rule of behavior is known as _____.
 - The Golden Rule
 - The Utilitarian Principle
 - Kant's Categorical Imperative
 - The Utilitarian Principle
- Which one of those listed below is **NOT** a barrier to Creativity?
 - Fearing looking foolish
 - Blindly following the rules
 - Ambiguity
 - Constantly being practical
- Porter's Five Forces Model:
 - Helps an entrepreneur to evaluate the political-legal, sociocultural, economic, technological, and global forces surrounding a firm.
 - Helps an entrepreneur evaluate the overall attractiveness of an industry.
 - Can be used to evaluate which competitor has the strongest position in the marketplace.
 - None of the Above
- When preparing a business plan presentation to investors and creditors, it is a good idea to _____.
 - Use technical terminology to emphasize your knowledge of the industry
 - Be as much detailed as possible by covering all of the points of the business plan
 - Make it informal and long
 - Keep it simple and make your plan visually appealing
- The accrued experience and knowledge that a corporation possesses in many forms like patents, copyrights, processes, software, and expertise of the staff in a corporation is termed as _____.
 - Human Capital
 - Structural Capital
 - Customer Capital
 - None of these

8. What are bootstrap marketing strategies?
- Bootstrap marketing strategies are strategies that may or may not attract the target market, but are thrown out to the entire population to see who is attracted.
 - Bootstrap marketing strategies are used by large organizations to outpace the smaller, new entrant entrepreneur competition.
 - Bootstrap marketing strategies are techniques that absorb all or most of a company's marketing budget but that prove to be extremely beneficial.
 - Bootstrap marketing strategies are unconventional, low-cost, creative marketing techniques pursued by entrepreneurs.
9. What is the full form of CEM?
- Continuous Experience Management
 - Customer Experience Monitoring
 - Customer Experience Management
 - Customer Experience Monitoring
10. The principles of Time Compression Management include except:
- Provide payment options.
 - Shorten customer response time in manufacturing and delivery.
 - Speed new products to market.
 - Reduce the administrative time required to fill an order.
11. An approach determining precisely the direction of the where the organization is heading and how to attain the destination in a systematic and coordinated manner is termed as _____.
- Revenue Plan
 - Strategic Plan
 - Feasibility Study
 - Idea Assessment
12. Which of the following describes the pricing equation for the break-even pricing?
- $$\text{Selling Price} = \frac{((\text{Variable costs} \times \text{Quantity Produced}) + \text{Total Fixed Costs})}{\text{Quantity Produced}}$$
 - $$\text{Selling Price} = \text{Contribution Margin} \times \text{Quantity Produced}$$
 - $$\text{Selling Price} = \text{Variable Cost per Item} + \text{Fixed Costs}$$
 - $$\text{Selling Price} = \text{Variable Costs} + \text{Quantity Produced}$$
13. Why might it be beneficial for an entrepreneur to locate her business near a competitor?
- It could help the entrepreneur improve her image by being associated with the competitor.
 - It would not be beneficial for an entrepreneur to locate her business near a competitor.
 - The offerings of both businesses may attract more customers to the vicinity.
 - It would allow for increased profitability through reduced transportation costs for distributors.
14. The price lining help to generate sales via _____.
- Confusing the customers with categorizes of products or services based on their features and their overall value to customers.
 - Adding an extra profit margin cushion from the higher price level
 - Capturing many target markets with different needs and income levels
 - None of the Above
15. The three primary areas of cash flow problems are _____.
- Current Assets, Sales, and Net Income
 - Accounts Receivable, Accounts Payable, and Inventory
 - Accounts Receivable, Accounts Payable, and Sales
 - Accounts Receivable, Sales, and Inventory

16. Merchandise that are purchased via impulse buying are usually located _____ by the retail business persons.
- a. Near the back of the store
 - b. Anywhere in the store
 - c. In the front of the store
 - d. Near the restrooms
17. Executives who leave the corporate duties with the aim to pursue their own dreams and aspirations by starting their own businesses are termed as _____.
- a. Corporate Dropouts
 - b. Corporate Castoffs
 - c. Copreneurs
 - d. Part Time Entrepreneurs
18. The time lag between paying suppliers for materials and receiving payment from customers for the product or service is termed as _____.
- a. Average-Collection-Period Ratio
 - b. Cash Flow Cycle
 - c. Cash Budgeting
 - d. Average-Payable-Period Ratio
19. _____ tell whether a small business will be able to meet its short-term financial obligations as they come due.
- a. Leverage Ratios
 - b. Operating Ratios
 - c. Liquidity Ratios
 - d. Profitability Ratios
20. _____ are private, for-profit organizations that assemble pools of capital and then use them to purchase equity positions in young businesses they believe have high-growth and high-profit potential.
- a. Venture Capital Companies
 - b. Corporation
 - c. Crowd Funding
 - d. Angel Investor

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SECTION "B"
[6Q. × 4 = 24 marks]

Attempt *ANY SIX* questions.

1. Idea assessment has a significant impact on the Entrepreneurship journey. Explain the concept of Idea Assessment and the three Idea Assessment Test comprehensively. [1+ 3]
2. You are the Product Development Manager of Samsung. Samsung is going to launch a new variant of phone in the market. Explain comprehensively the three potent components that sets the price of your product.
3. Customers are the reason why a business survives in the market and enjoys profit. Every organization have a responsibility towards its customer. Explain the five Business's Responsibility of the organization to its customers in details.
4. After conducting a marketing survey with local customers and talking with nearby business owners for the prospective coffee shop business. Statistics gathered from Competitor's Annual Statement Analysis show that a typical coffee shop's net profit margin is 20 %. The COGS (Cost of Goods Sold) is assumed to be 40%. Using this information,
 - a. Compute the sales level required to produce a net profit of NRs 250,000. [1]
 - b. The entrepreneur must take this expected sales figure to calculate and develop a pro forma income statement. [3]
5. Rajesh Hamal is an Architect. He is thinking about starting a business related to furniture (SMART FURNITURE). Smart Furniture is convertible furniture designed for modern living, Compact furniture for small spaces and double duty furniture, and space optimization. Specialty of smart furniture is hidden beds, Foldable Table, Bed, Chairs, Desks, Sofas, Racks, Storage Beds and Sofa Beds which that are actually comfortable. He has registered himself for an Architect Investment Conference in Pokhara. A number of venture capitalists are on the program and he hopes to talk to them about his ideas. He hasn't written a Business Plan and doesn't see the need to write one. When asked about this issue, he told a colleague. "I can sell my ideas without the hassle of writing a business plan. Besides, I will have plenty of time to talk to investors at the conference. If need additional information, I can always write something up when I get home." Explain to him why his approach towards not creating a business plan is unwise.
6. You are planning to open a new venture in the near future. Explain the four factors that would guide the choice of your business.
7. Differentiate comprehensively between Equity Capital and Debt Capital.

SECTION "C"
[2Q. × 8 = 16 marks]

Attempt *ANY TWO* questions.

8. Layout is the logical arrangement of the physical facilities. The ideal layout depends on the type of business it houses and on the entrepreneur's strategy.
 - a. Explain two reasons for the right selection of layout. [2]

- b. Elaborate the basic layout patterns for Retailers that are available for choice with related examples. [6]
9. There are various pricing tactics that can be applied for pricing a product. You are the Marketing Manager of Chiya Adda. Explain comprehensively four pricing tactics in relation to Chiya Adda that you would discuss in the next meeting with the CEO/ Board.
10. Financial analysis is analyzing a company's performance and trend by calculating financial ratios. Below is the Ratio of Samsung along with the Industry Median. Interpret all ten ratios.

S.N	Financial Ratio Analysis	Samsung	Industry Median
1	Current Ratio	1.77	2.44
2	Debt Ratio	0.64	0.34
3	Debt-to-Net-Worth Ratio	2.20	1.34
4	Times-Interest-Earned Ratio	2.50	1.50
5	Average-Inventory-Turnover Ratio	90 days	100 days
6	Average-Collection-Period Ratio	15 days	25 days
7	Average-Payable-Period Ratio	30 days	21 days
8	Net-Sales-to-Total-Assets Ratio	2.1	3.4
9	Net-Profit-on-Sales Ratio	12 %	10%
10	Net-Profit-to-Equity Ratio	22 %	38%