

KATHMANDU UNIVERSITY
End Semester Examination
January 2024

Marks Scored:

Level : B.Pharm.

Year : IV

Exam Roll No. :

Time: 30 mins.

Course : MGTS 402

Semester : I

F. M. : 10

Registration No.:

Date : 28 Jan - 2024

SECTION "A"

[20Q. × 0.5 = 10 marks]

Encircle the most appropriate option from the given choices

1. Bootstrapping is a popular term in entrepreneurship, which generally means
 - a. a strategy that involves conserving money and cutting costs during start-up so that entrepreneurs can pour every available dollar into their businesses.
 - b. unconventional, low-cost, creative marketing strategies designed to give small companies an edge over their larger, richer, more powerful rivals.
 - c. a strategy that involves creative activities in generating required capital for the formation of the business
 - d. unconventional method of launching a venture regardless of its risk and cost associated
2. Entrepreneurs basic responsibility is to start any venture following business ethics. Business ethics is
 - a. the fundamental moral values and behavioral standards that form the foundation for the people of an organization as they make decisions and interact with stakeholders.
 - b. The law, which defines for society as a whole those actions that are permissible and those that are not.
 - c. The voice that incorporates the values and morals which are learned from one's previous experiences that is best suited for business profitability
 - d. The instinctual part of the mind that responds immediately to wants and desires
3. Those who have learned to develop their right-brain thinking skills tend to do the following, **EXCEPT**:
 - a. Always ask the question "Is there a better way?"
 - b. Challenge custom, routine, and tradition.
 - c. Be reflective, often staring out windows, deep in thought. (How many traditional managers would stifle creativity by snapping these people out of their "daydreams," chastise them for "loafing," and admonish them to "get back to work"?)
 - d. Carries myopic thinking
4. A company gains a sustainable competitive advantage through its ability to develop a set of core competencies that enable it to serve its selected target customers better than its rivals. Simply core competencies are:
 - a. A unique set of capabilities that a company develops in key areas that allow it to vault past competitors.
 - b. The value proposition that sets a small business apart from its competitors and gives it a unique position in the market that is superior to its competition.
 - c. One source of a company's competitive advantage that consists of human, structural, or customer capital.
 - d. The accumulated knowledge and experience that a company possesses

5. is a technique that involves selling a product for a low price and charging a higher price for the accessories that accompany it.
- Byproduct pricing
 - Captive-product pricing
 - Optional-product pricing
 - Delivered pricing
6. What is 'valley of death' in managing cash flow?
- The time period during which start-up companies experience negative cash flow as they ramp up operations, build their customer bases, and become self-supporting
 - The time period where start-up companies buy significant volume of fixed asset, such as machinery and equipment
 - Minimal or no financial controls in place to monitor potential theft
 - Above average interest expense because of excessive business debt

7. If the acid test ratio of any business firm is 1:1, what is the value of accounts payable and total current liabilities?

Cash	49855	Account payable	-----
Account receivable	216489	Notes payable	83920
Inventory	412191	Accrued wages	
Prepaid expenses	<u>8450</u>	38150	
Total Current Assets	686985	Accrued interest payable	<u>93200</u>
		Total current Liabilities	-----

- 59524 and 367850
 - 471715 and 274794
 - 59524 and 274794
 - 59524 and 367850
8. What is the index of retail saturation (IRS), if the number of customers in the trading area is 25,875, the average expenditure per person for the product in the trading area is 42 and total square feet of selling space allocated to the product in the trading area is 6000?
- 143.71
 - 172.12
 - 163.71
 - 181.12
9. A company produces an electronic timing switch that is used in consumer and commercial products made by several other manufacturing firms. The fixed cost and the total cost are Rs. 40000 and Rs. 85000 respectively. The total sales are Rs. 105000 and sales volume is 15000 for this situation. What should be the output if the profit desired is Rs. 50000?
- 25500
 - 22000
 - 22500
 - 20500
10. In the context of entrepreneurship, which multifaceted process involves the identification of market gaps, creative idea generation, risk assessment, resource mobilization, and ultimately, the creation of a novel venture?
- Operational optimization
 - Strategic diversification
 - Innovation ecosystem development
 - Opportunity recognition and new venture initiation
11. What role does creativity play in the entrepreneurial process, particularly in terms of innovation?
- Creativity is irrelevant in entrepreneurship; innovation solely depends on market demand.
 - Creativity is the ability to manage financial resources for innovation.
 - Creativity is the foundation of innovation, involving idea generation and problem-solving.
 - Creativity only matters in large corporations, not in small startup ventures.

12. According to Kohlberg's theory of moral development, which stage is characterized by a morality based on self-interest, obedience to authority, and avoidance of punishment?
 - a. Pre-conventional stage
 - b. Conventional stage
 - c. Principled stage
 - d. Post-conventional stage
13. For entrepreneurs, conducting a feasibility analysis and designing a business model primarily serves to:
 - a. Secure funding from investors
 - b. Develop a detailed marketing plan
 - c. Evaluate the viability and potential success of a business idea
 - d. Establish legal compliance for the business
14. In the context of entrepreneurship, the primary function of a well-developed strategic plan is to:
 - a. Ensure day-to-day operational efficiency
 - b. Provide guidance for long-term goals and direction
 - c. Create detailed financial statements
 - d. Establish partnerships with other businesses
15. In the realm of unconventional and cost-effective marketing strategies, what does guerrilla marketing primarily involve?
 - a. Large-scale traditional advertising campaigns
 - b. Social media influencers and celebrity endorsements
 - c. Innovative and creative approaches to promote a product or service
 - d. Extensive market research and data analysis
16. In the intricate landscape of entrepreneurial pricing strategies, what multifaceted objective does the utilization of dynamic pricing primarily aim to achieve?
 - a. Establishing rigid profit margins for each product category
 - b. Reacting to dynamic shifts in market conditions and nuanced customer behaviors
 - c. Streamlining financial accounting procedures for comprehensive reporting
 - d. Cultivating immediate customer loyalty through targeted discount initiatives
17. On a balance sheet, what does the term "equity" represent?
 - a. Total revenue generated by the company
 - b. The portion of assets financed by debt
 - c. The ownership interest of shareholders in the company
 - d. The sum of all expenses incurred by the company
18. For entrepreneurs, what is a fundamental principle in effective cash flow management?
 - a. Minimizing revenue generation to control cash outflows
 - b. Ensuring a consistent balance between incoming and outgoing cash
 - c. Delaying payments to suppliers to maximize cash reserves
 - d. Focusing solely on long-term investments to boost liquidity
19. In the context of financing a business, which options represent sources of debt and equity, respectively?
 - a. Bank loans and venture capital
 - b. Angel investors and crowd-funding
 - c. Trade credit and retained earnings
 - d. Stock issuance and government grants

20. According to Michael Porter's generic strategies, which approach focuses on offering unique products or services to a specific market segment and often involves branding and innovation?
- a. Cost Leadership
 - b. Differentiation
 - c. Focus
 - d. Integration

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28 JAN 2024

Level : B.Pharm.

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Time : 2 hrs. 30mins.

28-Jan-024

Course : MGTS 402

Semester : I

F. M. : 40

SECTION "B"

[6Q. × 4 = 24 marks]

Attempt *ANY FOUR* questions.

1. What empirical evidence can be cited to challenge and debunk the prevalent notion that entrepreneurs are inherently born, as opposed to the idea that these skills can be cultivated and developed through various experiences and learned behaviors?
2. Some people argue that a quid pro quo is only illegal if it breaks the law, Even if an instance of a quid pro quo is deemed legal, however, it may still be viewed unfavorably. Explain from the aspect of an ethical entrepreneur.
3. To what extent do creativity and innovation play integral roles in fostering entrepreneurship, and how can these qualities be nurtured and harnessed to enhance entrepreneurial success?
4. What advantages can an entrepreneur who buys a business gain over one who starts a business "from scratch"?
5. How can entrepreneurs effectively develop and implement a marketing mix strategy, considering the key elements to not only create a strong market presence for their ventures but also to establish a sustainable competitive advantage in today's dynamic business landscape?
6. Explore the strategies entrepreneurs can employ to effectively manage cash flow in their businesses. Consider the importance of maintaining a balance between income and expenditures, anticipating challenges, and implementing measures for long-term stability and sustainability?
7. How do entrepreneurs strategically evaluate and choose diverse sources of financing for their ventures, considering factors such as risk tolerance, cost of capital, and alignment with business goals, to ensure sustainable growth and financial resilience in a dynamic business environment?

SECTION "C"

[2Q. × 8 = 16 marks]

Attempt *ANY TWO* questions.

8. In the global context, entrepreneurship is often likened to doing the right thing when no one is watching. However, in Nepal, there is a perception that entrepreneurs may integrate dishonesty to enhance productivity. To what extent does this integration of dishonest practices in entrepreneurship within the Nepalese context contribute to or hinder the success and long-term sustainability of entrepreneurs?

9. What are the key components of Michael Porter's Generic Strategies model, and how can businesses effectively employ these strategies to achieve a competitive edge and long-term success in their respective industries?

10. Develop a business idea of your own and apply Porter's five forces model, a SWOT analysis for it and prepare a business model canvas for it also explain, how entrepreneurial firms can benefit by developing and using a business model and what the downsides for entrepreneurial ventures when an effective business model isn't put in place.