

Marks Scored:

KATHMANDU UNIVERSITY
End Semester Examination
June/July, 2018

Level : B.E.

Year : IV

Course : MGTS 402

Semester : II

Exam Roll No. :

Time: 30 mins.

F. M. : 10

Registration No.:

Date JUN 25 2018

SECTION "A"

[20 Q. × 0.5 = 10 marks]

Select the best answer.

1. _____ attempts to understand how a business creates customer value by examining the contributions of different activities within a business to that value.
 - a) Internal analysis
 - b) Value chain analysis
 - c) Balanced scorecard
 - d) SWOT analysis
2. A person's belief in his capability to perform a task is known as _____.
 - a) Self-Recognition
 - b) Beliefs and Values
 - c) Self-Efficacy
 - d) Self-Determination
3. If an entrepreneur has an internal locus of control, this means that he/she has _____.
 - 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
4. Some entrepreneurs report that the financial reward associated with entrepreneurship can be bittersweet if they are accompanied by _____.
 - a) Losing control of the firm
 - b) The thrill of starting a business
 - c) Motivating Factors
 - d) Modest upside potential
5. The initial step in value chain analysis is most often which one of the followings?
 - a) Conducting an internal analysis
 - b) Determining efficient cost allocations
 - c) Operations into specific activities or process
 - d) Study of the social infrastructure
6. Understanding the way the market can be split into parts to which different products can be offered; creating a range of suitable products; promoting the products in different parts of the market.
 - a) Targeting
 - b) Positioning
 - c) Customization
 - d) Segmentation
7. Depreciation is defined as _____.
 - a) Affect profitability but does not affect cash
 - b) Is not necessarily the same amount as the payments on the asset
 - c) Requires no payment
 - d) All of the above

8. Which of the following statement is true for tax advantage of proprietorship?
 - a) There is a double tax on profits
 - b) There is no capital stock tax or penalty for retained earnings
 - c) There is no taxation on the earnings
 - d) None of the above

9. A _____ plan helps to forecast and measure variances in the business?
 - a) Marketing
 - b) Financial
 - c) Organizational
 - d) Product

10. The bargaining power of the supplier is less than that of the buyer when?
 - a) Volume of purchase is low
 - b) The buyer's profit margin is low
 - c) Cost savings from the supplier's product are minimal
 - d) Threat of backward integration by buyers is low

11. Individuals in an organization that believes something can be done differently and better
 - a) Entrepreneurs
 - b) Managers
 - c) Leaders
 - d) Intrapreneurs

12. Which of the following is a category of a fixed assets?
 - a) Cash
 - b) Furniture
 - c) Prepaid Expenses
 - d) Inventory

13. A/An _____ is a professional money manager who makes risk investment from a pool of equity capital to obtain a high rate of return on investments.
 - a) Venture capitalist
 - b) Entrepreneur
 - c) Businessman
 - d) Angels

14. A strategy in which a company seeks to build customer loyalty by positioning its goods or services in a unique or different fashion.
 - a) Cost leadership strategy
 - b) Differentiation strategy
 - c) Focus Strategy
 - d) Alliance Strategy

15. Which of the following is not the component of five C's of Credit?
 - a) Capital
 - b) Capacity
 - c) Collateral
 - d) Cost

16. Periodic Payments to investors based on the net profit of the company are called _____.
 - a) Dividends
 - b) Retained Earnings
 - c) Deposits
 - d) Prime Rates

17. If the entrepreneur pays for the first six months of insurance before the business opens, this is listed under start-up cost as _____.
 - a) Deposits
 - b) Inventory
 - c) Preliminary Expenses
 - d) Utilities

18. Intermediaries who buy from producers and take title for goods are _____.
 - a) Functional intermediaries'
 - b) Merchandize brokers
 - c) Resident buying officer
 - d) Wholesalers

19. When an entrepreneur explores his/her skills, abilities, and interests as a means of identifying the kind of business to enter, that process is known as the _____.
 - a) Serendipity approach
 - b) Inside-out approach
 - c) Rational approach
 - d) All of the above

20. Grouping inventory into categories and then setting the same price for all items in each category is known as _____.
 - a) Introductory
 - b) Skimming
 - c) Bundling
 - d) Price-Lining

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Time : 2 hrs. 30 mins.

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F.M. : 40

SECTION "B"
[5 Q. × 4 = 20 marks]

Attempt *ANY FIVE* questions.

1. Development of Small & Medium Enterprises (SME) are considered as a stepping stone in country's economic development. Explain with reasons.
2. What is a balance scorecard? What values does it offer entrepreneurs who are evaluating the success of their current strategies?
3. In reference to the company registration act of Nepal, Discuss various forms of business ownership prevalent in Nepal with their advantage and limitations.
4. A friend of yours is preparing to establish an organic vegetable outlet in Kathmandu and is seeking your help in order to know the information about the industry attractiveness of vegetable market in Nepal. You need to help him in context to Porter's five forces model.
5. What are the "big three" of cash management? What effect do they have on a company's cash flow?
6. Explain with reasons the significance of Special Economic Zone and Industrial States while choosing the right locations for Entrepreneurs of Nepal.

SECTION "C"
[2 Q. × 10 = 20 marks]

Attempt *ANY TWO* questions

7. Interpreting the financial ratio is an integral part of entrepreneurship development. In this context, explain any five ratios with convincing examples and interpretations.
8. How can an entrepreneur seeking funds to launch a business convince potential lenders and investors that a market for the product or service really does exist? Explain with suitable illustration and examples.
9. You have recently acquired a license to operate a franchise of the international chain of hotels the "ABC Hotels" in Kathmandu, Nepal. With the presence of various existing competitors, the market is tough and lacks technical workforce running the business. The dominance of customer is growing higher in the hospitality industry and at the same time homestay, motels and various other sources are also increasing their presence with maximum customer satisfaction at affordable price. In this scenario, how would you penetrate the market and increase the market share of your business and what pricing techniques will you be using to align with your strategy.

