

KATHMANDU UNIVERSITY
End Semester Examination [C]
June, 2018

Mark Scored: _____

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

Course : MGTS 402
Semester: I

Exam Roll No.:

Time: 30 mins.

F. M. : 10

Registration No.:

Date JUN 15 2018

SECTION "A"
[20 Q. × 0.5 = 10 marks]

Encircle the most appropriate answers from the given choices.

1. What factors and forces are encouraging the current trend in entrepreneurial activity?
 - a. Ability to acquire investors
 - b. Low entry investment to start a business
 - c. Cooperation of government with tax incentives
 - d. Growing number of colleges and students involved with entrepreneurial studies
2. Setting your business apart from the competition can include
 - a. customer service; convenience; speed; quality
 - b. give away samples; low rent location; high volume traffic; quality
 - c. customer service; taking credit cards; low inventory; speed
 - d. inventory; increase credit availability; close store early; lack of focus on customer service
3. What is the basic difference between creativity and innovation?
 - a. Creativity means coming up with a new product; innovation means coming up with a new process.
 - b. Creativity is a more mentally straining exercise; innovation just comes naturally.
 - c. Creativity is having a new idea on how to look at a problem or opportunity, while innovation is the ability to apply the creative idea.
 - d. Creativity is where the real money is made; innovations just usually stay in the lab.
4. Which of the following shows the proper order of select steps in the creative process?
 - a. Preparation, implementation, verification, illumination
 - b. Preparation, verification, implementation, illumination
 - c. Verification, preparation, implementation, illumination
 - d. Preparation, illumination, verification, implementation
5. How can an entrepreneurial venture develop a sustainable competitive advantage?
 - a. By consistently offering lower prices on goods than its rivals
 - b. By developing core competencies that help it serve its customers better than its rivals
 - c. By offering more product selection than its rivals
 - d. By advertising in more media than its rivals

6. Which of the following is the best process for a portion of the strategic management process?
 - a. Analyze competition, scan the environment, establish controls
 - b. Develop a clear vision, assess strengths and weaknesses, scan environment for opportunities
 - c. Establish controls, create goals and objectives, identify key factors
 - d. Formulate strategic options, analyze the competition, create goals and objectives
7. Which of the following conditions would make an industry more threatening to new entrants?
 - a. Less presence of economies of scale
 - b. High capital requirements
 - c. Buyers with low brand loyalty
 - d. Laissez-faire governmental policies in the market
8. A sound financial feasibility analysis includes a thorough investigation of :
 - a. market demand, product awareness, and monthly budgetary data
 - b. start-up capital requirements, estimated earnings, and return on investment
 - c. interest rates, angel investor interest, and monthly budgetary data
 - d. competitor earnings, interest rate data, and estimated earnings
9. What financial statements are necessary to include in a business plan for either an existing business or startup?
 - a. Monthly sales forecast, income statement, balance sheet
 - b. Balance sheet, operating ratio statement, break even statement
 - c. Ratio analysis, balance sheet, income statement
 - d. Balance sheet, income statement, cash flow statement
10. Why may demand remain low when a product is priced low?
 - a. because lower prices 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 customers get a tax break from buying the higher priced good
 - d. because stores will not carry the lower priced goods
11. What is one advantage of a partnership over a proprietorship?
 - a. A partnership is easier to establish than a sole proprietorship.
 - b. A partnership allows for more control over decision-making than a proprietorship.
 - c. A partnership allows for limited liability among its general partners.
 - d. A partnership allows for each partner's skills and abilities to complement each other, whereas a sole proprietor is responsible for all functions.
12. Which of the following is agreed upon by most marketing experts as the biggest marketing mistake that small businesses make?
 - a. Spending too much on media advertising
 - b. Failing to come up with a memorable jingle for their advertising
 - c. Spending too much on marketing during the first year
 - d. Failing to clearly define the target market to be served