

KATHMANDU UNIVERSITY  
End Semester Examination  
March/April, 2017

Marks Scored:

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

Course : MGTS 402

Year : IV

Semester : I

Exam Roll No. :

Time : 30 mins.

F. M. : 10

Registration No. :

Date : MAR 24 2017

SECTION "A"

[20 Q. × 0.5 = 10 marks]

Circle the most appropriate answer.

1. Setting your business apart from the competition can include \_\_\_\_, \_\_\_\_, \_\_\_\_, and \_\_\_\_
  - a. low payroll; convenience; uniforms; appointments
  - b. customer service; convenience; speed; quality
  - c. give away samples; low rent location; high volume traffic; quality
  - d. customer service; taking credit cards; low inventory; speed
2. Which of the following is NOT a common profile characteristic of a typical entrepreneur?
  - a. Enjoy managing people
  - b. High level of optimism and self confidence
  - c. Deep sense of responsibility
  - d. More energetic than the average person
3. What describe best the Creativity process?
  - a. Creativity means coming up with a new product
  - b. Creativity is a more mentally straining exercise;
  - c. Creativity is having a new idea on how look at a problem or opportunity
  - d. Creativity is where the real money is made
4. What describe the best Innovation process?
  - a. Coming up with a new process
  - b. Innovation just comes naturally
  - c. innovations just usually stay in the lab
  - d. Ability to apply the creative idea
5. What features best describe the term organizational goals?
  - a. Goals are not linked to monetary rewards
  - b. Goals are broad in scope
  - c. Goals are for top management to use
  - d. Goals are where you want your company to arrive
6. What features best describes the term organizational objectives?
  - a. Objectives are reinforced through monetary rewards
  - b. Objectives are how you will get there
  - c. Objectives are specific and measurable
  - d. Objectives are for front-line management to use
7. Which of the following conditions would make an industry more threatening to new entrants?
  - a. Less presence of economies of scale
  - b. Buyers with low brand loyalty
  - c. High capital requirements
  - d. Few competitors within the industry
8. \_\_\_\_ allows investors to limit their liability to their personal investment in the business
  - a. Sole trader
  - b. Partnership
  - c. LLP
  - d. Corporations

9. A sound financial feasibility analysis includes a thorough investigation of
- market demand, product awareness, and yearly budgetary data
  - start-up capital requirements, estimated earnings, and return on investment
  - competitor earnings, interest rate data, and estimated earnings
  - previous years' earnings, estimated earnings, and monthly budgetary data
10. In which of the following legal organization forms is ownership the most easily transferable?
- LLP
  - Partnership
  - Corporations
  - Sole Traders
11. The major elements of a marketing strategies are
- Product, Place, Promotion and Packaging
  - Product, Price, Packaging and Percentile
  - Product, Place, Price and Promotion
  - Product, Place, Price and Permission
12. A short phrase that expresses what the business can do uniquely for its customers
- Value Proposition
  - Unique Selling Point
  - Unique selling Practices
  - Marketing Mix
13. \_\_\_\_\_ is used when it is hard to differentiate your new product from other similar offerings
- Differentiation strategy
  - Skimming strategy
  - Discounting strategy
  - Penetration Strategy
14.  $((\text{Variable costs} \times \text{Quantity Produced}) + \text{Total Fixed Costs}) / \text{Quantity Produced}$ , is used to find
- Break-even pricing
  - Market pricing
  - Bundling pricing
  - Demand down the curve pricing
15. It is the amount left after COGS have been taken from net sales revenue
- Net Profit
  - Profit after COGS
  - Profit before Interest and Tax
  - Gross profit
16. \_\_\_\_\_ is defined as the extent to which the company uses debt capital to finance capital expenditures, and expansion costs
- Liquidity ratio
  - Profitability ratio
  - Operating ratios
  - Leverage ratio
17. A wealthy individual who invests in businesses for an equity stake is also known as
- Opportunist investor
  - Debt Investor
  - Angel Investor
  - Venture Investor
18. Screening customers carefully before granting them credits will,
- Increase your sundry debtors
  - Decrease your bad debt loss
  - Decrease your Sundry creditors
  - Decrease your sundry creditor
19. It is any form of wealth employed to product more wealth
- Financing
  - Capital
  - Cash
  - Debt
20. For a small businesses, the best long-term motivation for employees is \_\_\_\_\_
- Raise in Salary
  - Equity Options
  - Hawaii Trip
  - Recognition / Promotion

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Level : B. Sc./B. Pharm./B. Tech.  
Year : IV  
Time : 2 hrs. 30 mins.

Course : MGTS 402  
Semester : I  
F. M. : 40

SECTION "B"

[6 Q × 4 = 24 marks]

- I. Attempt *ANY SIX* of the following questions.
1. What do you understand by company culture? Explain the process to create a company culture that encourages employee retention.
  2. We often hear the word equity capital and debt capital, can you highlight the differences between equity and debt capital. Please list out advantages and disadvantages of each as well.
  3. We studied about various principles for building a guerrilla marketing plan. Can you list out these principles and explain benefits of preparing one.
  4. You have an idea and you want to start a company by investing the capital required on your own. What forms of business ownership is this? What sorts of advantage / disadvantages you may face choosing this ownership style?
  5. Write short notes on any of the following. (*Attempt all three*)  
a. Low cost strategy      b. Market penetration strategy      c. Mind-mapping
  6. Explain the following with its features (*Attempt all three*)  
a. Patents      b. Copyrights      c. Trademarks
  7. A business plan must have 5C's to generate traction. What are these 5C'S and why are each 'Cs' important?

SECTION "C"

[2 Q × 8 = 16 marks]

- II. Attempt *ANY TWO* of the following questions.
8. Imagine you are an entrepreneur preparing a Financial Plan.
    - i. Describe the major elements of your pro-forma financial statements highlighting inner components (F. S)?
    - ii. How will investor interpret your F. S?
    - iii. Describe this interpretation method highlighting the components and benefits of each interpretation stages.

9. You have identified market research as the most important factor for your business plan.
  - i. Explain the process how will you conduct these market research?
  - ii. Why this process is important in creating a competitive advantage in the market?
  - iii. Describe how you can build a competitive edge in the marketplace using guerrilla marketing strategies.
  
10. Pricing, image, competition, and value are the important factor to achieve business success
  - i. Describe the relationship among the factors identified above
  - ii. How will you price **a. New products / services**      **b. Existing ones**
  - iii. Explain the pricing methods and strategies for retailers, manufacturers, and service firms