



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

## ENTREPRENEURSHIP AND START UP (PAPER - 20C)

### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
1	Barriers to entrepreneurship are :	Lack of technical knowhow	Lack of business knowledge	Lack of motivation	All of the above
2	Characteristics of an entrepreneur :	Assumes all the risk associated with a venture	Have the perseverance	Positive thinker	All of the above
3	The Law of Patience and Perseverance is applicable for -----	Managing projects	Navigating change	Mastering a skill	All of the above
4	Entrepreneurs can follow the rules :	Accept failure and take it as a lesson for future moves.	Stick to something and stay on course despite difficulties.	Tolerance is the most essential component of an entrepreneur	All of the above
5	A good decision maker should not be -	Objective and practical	Systematic and logical	Negative thinker	None of the above
6	Which of the following factors affect the capital structure?	Company life cycle	Cost of capital	Use of leverage	All of the above
7	The pillar of inbound marketing is -	Content	Social	Search	All of the above
8	When platforms like Facebook, Instagram and LinkedIn are used for marketing it is known as?	Social Media Marketing	Video Marketing	Voice Marketing	None of the above
9	Entrepreneurship involves –	Decision making	Innovation	Forecasting of the future	All of the above
10	Entrepreneurship is a -	Dynamic process	Risky process	Both (1) and (2)	None of the above
11	Entrepreneurship involves a	Fusion of capital	Technology	Human talent	All of the above
12	Entrepreneurship is equally applicable to -	Big businesses	Economic and non-economic activities	Small businesses	All of the above
13	Entrepreneurship is the attitude of mind to	Seek opportunities	Take calculated risks	Derive benefits by setting up a venture	All of the above
14	Which one of the following is not driving force for entrepreneurship development?	Management	Opportunity	Resources	Talent
15	What has dramatically lowered the cost of starting a digitally enabled business in the last decade ?	Increased manual labour	The rise of social media platforms	Government subsidies	Ubiquitous high-speed connectivity with inexpensive, powerful and remote computing
16	Michael Dertouzos estimates that how many US white-collar jobs will migrate to India ?	10 million	25 million	50 million	100 million
17	How much does Michael Dertouzos estimate these migrated jobs will add to India's GDP ?	\$500 billion	\$1 trillion	\$2 trillion	\$3 trillion
18	What is considered the biggest opportunity that has come to India via the West ?	Manufacturing industry	Agriculture advancements	Information Technology	Pharmaceutical development
19	Which of the following is NOT mentioned as a feature of Information Technology in the passage ?	Increasing speed	Increased accuracy	Reducing the physical size of data repositories	Enhancing creative design capabilities



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20	What benefit does IT provide regarding data repositories ?	it increases the physical size of data repositories	it eliminates the need for data repositories	it reduces the physical size of data repositories	it makes data repositories obsolete
21	What effect does IT have on the accuracy of work compared to human-based businesses ?	IT decreases the accuracy	IT provides high and constant accuracy	IT makes the accuracy more varied	It eliminates the need for accuracy
22	Which of the following is a key advantage of using IT in business operations ?	Increasing manual labour requirements	Decreasing Productivity	Reducing labour time and increasing productivity	Increasing administrative intermediaries
23	Which of the following macroeconomic condition is beneficial for entrepreneurship?	Good Infrastructure	Less regulatory environment	Tax benefits	All of the above
24	Stratup India was launched in the year	2016	2017	2018	2019
25	Which of the following is a pillar of Start-up India?	Handholding	Funding support	Industry-Academia partnership	All of the above
26	SAMRIDH scheme was launched on	1st January 2021	25th August 2021	15th August 2021	25th December 2021
27	Full form of ASPIRE is	A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship	A Scheme for Promotion of Industries, Rural Innovation and Entrepreneurship	A Scheme for Promotion of Innovation, Rural Industries and Enterprise	None of the above
28	ATAL Innovation Mission was launched in	2015	2016	2017	2018
29	Permanent working capital is alternatively known as –	Rigid	Fixed	Regular	All of the above
30	Temporary working capital i also known as –	Variable	Seasonal	Flexible	All of the above
31	Payables or Trade Credits may be expressed in -	Open Accounts	Promissory Notes	Bills Payable	All of the above
32	As per Section 3 (2) of the Companies Act, A company formed under sub-section (1) may be either -	a company limited by shares	a company limited by guarantee	an unlimited company	All of the above
33	Nine principles of entrepreneurial ecosystem are suggested by -----	Isenberg (2009)	Isenberg (2010)	Isenberg (2011)	Isenberg (2012)
34	The Geographical Indications of Goods (Registration and Protection) Act passed in India in –	1999	2000	2001	1991
35	CGPDTM stands for -	Commerce General of Patent, Trademark and Design	Controller General of Patent, Trademark and Development	Controller General of Patent, Trademark and Design	Controller General of Patent, Tariff and Design
36	What happens when a business has too high an amount of working capital ?	It increases profitability and liquidity	It reduces liquidity and increases profitability	It increases liquidity but reduces profitability	It has no impact on profitability or liquidity
37	Which of the following is a danger of having too high an amount of working capital ?	Difficulty in implementing operating plans	Unnecessary accumulation of Inventories	Inability to meet day-to-day current obligations	Stagnation of Growth



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38	What is a consequence of having idle funds due to excess working capital ?	Increased profitability	Increased operational efficiencies	Loss of Potential Profits	Improved Credit facilities
39	What does excess working capital indicate about a company's credit policy ?	The Credit policy is effective and efficient	The Credit policy is defective, resulting in higher bad debts	The company has no credit policy	The company has a perfect balance of Credit policy
40	What is one of the results of having overall inefficiency due to high working capital ?	Increased profitability	Increased Pilferage and theft	Decreased liquidity	Improved operating plans
41	What is identified as a Critical driver for the startup boom in India ?	Traditional marketing	Government Subsidies	Social Media and digital marketing	Real estate investments
42	What additional opportunity does digitization provide for entrepreneurs ?	Increased labour costs	More complex regulatory requirements	Enhanced offline marketing techniques	Expanded opportunities for digital marketing
43	What advantage do social media platforms offer in terms of customer data ?	They provide generic data with little detail	They offer anonymous data that is difficult to interpret	They provide actual data and detailed customer profiles	They Provide outdated customer information
44	What is a benefit of endorsing products on Social media platforms ?	Higher costs for advertisements	Limited reach to potential customers	Reduction in marketing costs	Increased dependence on traditional marketing methods
45	The important guidelines for monetizing of the product are outlined below:	Emphasizing customer experience	Long-term thinking process	Creative in approach	All of the above
46	----- describes a situation in which an entrepreneur starts a company with little capital, relying on money other than outside investments	Bootstrapping	Angel Investing	Venture	None of the above
47	Important features of bootstrapping are mentioned below:	no outside investment.	depends on personal savings, personal debt	flexibility in the early growth phase	all of the above
48	Which one of the following is not Angel Investor in India?	Angel Network	Mumbai Angels	Angel Kolkata	Hyderabad Angels
49	Preparation of project report by the entrepreneur is -	essential	useful function	both (1) and (2)	not essential
50	A project report is ----- document.	an operating	a financing	a research	all of the above
51	Data analytics is the science of integrating ----- data from diverse sources, drawing inferences, and making predictions to enable innovation, gain competitive business advantage, and help strategic decision-making	Heterogeneous	Homogeneous	Static	Dynamic
52	----- entails analyzing the relationship between dependent variables to determine how a change in one may affect the change in another.	Regression analysis	Factor analysis	Time Series Analysis	Cohort Analysis



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53	----- takes a large data set and shrinking it to a smaller data set. The goal of this technique is to attempt to discover hidden trends that would otherwise have been more difficult to see.	Regression analysis	Factor analysis	Time Series Analysis	Cohort Analysis
54	----- is the process of breaking a data set into groups of similar data, often broken into a customer demographic. This allows data analysts and other users of data analytics to further dive into the numbers relating to a specific subset of data.	Regression analysis	Factor analysis	Time Series Analysis	Cohort Analysis
55	----- tracks data over time and solidifies the relationship between the value of a data point and the occurrence of the data point. This data analysis technique is usually used to spot cyclical trends or to project financial forecasts.	Regression analysis	Factor analysis	Time Series Analysis	Cohort Analysis
56	What is the Primary consideration when looking for startup financing ?	The type of product or service	The geographical location	The number of Competitors	How much money you need and when you will need it
57	At which stage does an entrepreneur work on bringing an idea to life with a usually small amount of funds ?	Pre-seed stage	Seed stage	Validation stage	Idea Generation stage
58	What does bootstrapping a startup involve ?	Using large venture capital funds	Relying on personal savings and revenue	Securing government loans	Receiving investments from incubators
59	Which source of funding is commonly utilized by entrepreneurs due to the inherent level of trust between the parties involved ?	Business Plan / Pitching events	Friends & Family	Government loan Schemes	Incubators
60	What is the primary goal at the Validation Stage of a Startup ?	To secure government loans	To validate the potential demand of the product / Service	To acquire competitors	To expand internationally
61	Which stage involves conducting field trials and building a formal team ?	Idea Generation stage	Pre-Seed stage	Validation Stage	Seed stage
62	What do incubators provide to startup besides funding ?	Marketing Campaigns	Real estate investments	Value- added service like office space, Utilities and legal assistance	Direct customer acquisition
63	Which government schemes are mentioned as providing collateral- free debt to aspiring entrepreneurs ?	National Small industries corporation ( NSIC ) Scheme	Pradhan Mantri Mudra Yojana ( PMMY )	Startup India seed fund scheme and SIDBI Fund of funds	Atal Innovation Mission (AIM )
64	What is typically conducted at the Validation stage to test the startup's product / service ?	Market analysis	Proof of concept	Financial audit	Branding exercise
65	Who are considered stakeholders in a business plan ?	Promoters of the business	Comprtitors	Government agencies	All of the above



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66	What does a sustainable business model aim to achieve ?	Maximizing short-term profits	Creating value without depleting natural, social or economic resources	Expanding globally	Focusing solely on economic gains
67	What are the three pillars of sustainability mentioned in the passage ?	People, Planet and Products	Profit, Performance and People	Economic, Environmental and Social	Quality, Efficiency and Innovation
68	Which concept encourages firms to engage in profitable activities that benefit society and the environment ?	Business plan	Feasibility Study	Triple Bottom Line	Market Analysis
69	Which benefit of a business plan helps in evaluating the business's worth ?	Enhances business growth	Helps in the valuation of the business	Helps to develop business partnerships	Gives clarity to the stakeholders
70	A lean startup is a strategy used ----- on behalf of a present entrepreneur.	to initiate a new company	to launch a new product	to initiate a new company or launch a new product	none of these
71	----- is a powerful blend of structured meetings, strategic tools, and experienced leadership.	Marketing Traction	Marketing Management	Marketing Strategy	Marketing Trick
72	----- is the act of designing a company's offering and image to occupy a distinctive place in the minds of the target market	Positioning	Targeting	Marketing Traction	Marketing innovation
73	Product positioning is the process of determining new products' position in the minds of consumers.	Product Positioning	Targeting	Marketing Traction	Marketing innovation
74	Innovative ideas come from several sources, including -	Unreasonable demands	Goals and time pressures	Unreasonable demands or goals and time pressures	Reasonable demands or goals and time pressures
75	An ----- process is a set of steps between an idea's conception and its implementation.	Innovation	Research	Startup	Conceptualisation
76	Organization for Economic Cooperation and Development called four types of innovations. Which one is not included in these four types of innovations?	Marketing innovation	Product innovation	Organizational innovation	Price innovation
77	Through the design thinking process, what we do?	We work on breaking down the business problem into smaller aspects	We start thinking from the base level to come up with various solutions	We work on breaking down the business problem into smaller aspects and then start thinking from the base level to come up with various solutions	Something else
78	In startup world, ----- is a powerful tool for honing in on a real consumer need and bypassing costly hours and resources hypothesizing and experimenting with different solutions.	Design thinking	Planned thinking	Startup thinking	Design planning
79	Most entrepreneurs are inherent -----	Planned thinkers	Startup thinkers	Design planners	Design thinkers



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80	A lean startup attempts to solve the problem scientifically by using specific -----	principles	processes	principles and processes both	technology
81	The benefits of product positioning are	Identifying key benefits of a product and matching them with customers' needs.	Finding a competitive advantage even when the market changes.	Meeting customers' expectations	All of the above
82	Positioning Process is the ----- process which companies do to ensure strong, positive & stable positioning in a consumer's mind.	continuous	reiterative	continuous and reiterative	sporadic
83	----- is used by wholesalers and by manufacturers, businesses that deals with direct sales	Disintermediation Model	Marketplace model	On demand model	Freemium model
84	Examples of Brand Positioning	The brand "Bisleri" stands for purity.	The brand "Ceat Tyre" stands for better grip.	Both of the above	None of the above
85	What is one way innovation can help solve customer service problems ?	By reducing the number of customers	By operating a virtual office where customers needs can be attended quickly	By Increasing the prices of services	By decreasing the quality of services
86	Why is innovation important for adjusting with change ?	It helps avoid change	It ensures that the business remains relevant and profitable	It reduces the need for new technologies	It eliminates the need for employee training
87	What is a direct benefit of solving customer problems through innovation ?	Decreased customer satisfaction	Increased sales	Reduced customer interactions	Decreased Product variety
88	What is the main focus of characteristics - based positioning ?	Competitive Pricing	Brand Image and product characteristics	Use or application	High quality or Prestige
89	Which automobile brand is likely to be chosen by a customer who prioritizes safety, according to characteristics-based positioning ?	Toyota	Volvo	Ford	Honda
90	What strategy involves associating a company with competitive pricing ?	Characteristics-based positioning	Use or application-based positioning	Pricing-based positioning	Quality or prestige-based positioning
91	Which of the following is NOT considered a product according to definition given ?	Physical goods	Services	Weather	Experiences
92	Why is packaging referred to as a " five-second commercial "	Because it is only important for five seconds	Because it is the first encounter a buyer has with the product	Because it takes five seconds to open the package	Because it lasts only five seconds
93	Which of the following is NOT a function of packaging ?	Protecting	Preserving	Adevertising	Cleaning



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94	Why is packaging important for start-ups ?	It reduces production costs	It simplifies the product manufacturing process	It helps gain trust and market the business	It guarantees instant success
95	Which type of packaging might be used by a manufacturing industry that produces juice ?	Boxes	Trays	Cans	Bags
96	What is a key component that should be clear and at the center of discussion when building a business model ?	Profit Margins	Value proposition	Cost reduction strategies	Employee Benefits
97	The viability of a business needs a conceptual structure that includes	Office design and decoration	Purpose, aims and plans for attaining them	Employee dress code	Advertising slogans
98	What is the role of the communication channel in a business model ?	To reduce costs	To translate the value proposition	To Hire employees	To Create office policies
99	What is a fundamental requirement for creating a business according to the text ?	Reducing employee wages	Creating an effective business model	Expanding office space	Increasing production time
100	----- is the example of crowdfunding.	Donation Crowdfunding	Debt Crowdfunding	Rewards Crowdfunding	All of the above
101	Scaling strategies includes –	Streamlining	Automation	Create a franchise	All of the above
102	Steps of Elevator Speech consists of	Purpose of identifying	Explanation of what makes	Unique selling proposition of identification	All of the above
103	Scaling up people is not including –	Leaders	Vendors	Teams	Manager
104	----- includes in steps to Scaling the Business.	Evaluate and Plan	Find the Money	Invest in Technology	All of the above
105	Berkus Method is created by American venture capitalist and angel investor -----	Dave Berkus	H. Berkus	Lave Berkus	Nany Berkus
106	What are the two main categories that sustainability in business generally addresses ?	Marketing & Sales	Financial gain and employee satisfaction	The effect on the environment and the effect on Society	Product development & Customer Service
107	What is the goal of sustainability management in business ?	To increase short-term profits	To minimize environmental impact and maximize resource conservation and reuse	To enhance marketing strategies	To Improve customer service
108	Which of the following is one of the branches of sustainability	Marketing	Human Resources	The Economy	Customer Service
109	What does sustainability management synthesize with the concepts of management ?	Marketing strategies	Employee satisfaction	Concepts from sustainability	Customer feedback
110	Which exit strategy involves selling shares to existing partners upon requirement ?	Liquidate all assets	Initial public offer (IPO)	Sell shares to existing partners	Merge with another business



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111	Which exit strategy involves a company becoming publicly traded ?	Liquidate all assets	Initial public offer (IPO)	Sell shares to existing partners	Merge with another business
112	Which sector saw the highest number of mergers and acquisitions with in the Indian Eco-system ?	Fintech	Edtech	Healthtech	Enterprise tech
113	What primarily drove late-stage startups to engage in mergers and acquisition in 2022, according to Inc42 Survey ?	Reducing Costs	Expanding market share or entering new verticals	Adopting new technologies	Improving brand recognition
114	According to Don A. Moore's research, what effect do deadlines have on negotiations ?	They only affect one side of the negotiations	They decrease concessions from both sides	They spur concessions and creative thinking from both sides	They lead to increased tensions and hostility
115	What is the purpose of a shut-down move in negotiations ?	To shut down communication between parties	To make the negotiation process more complicated	To limit competition from competitors during negotiations	To Increase tension and pressure on the other party
116	How can taking a break during negotiations be beneficial ?	It prolongs the tense atmosphere of negotiations	It allows parties to rush into hasty decisions	It provides time and space to unwind and reflect	It Increases the likelihood of reaching a deadlock
117	What does setting up a contingent contract allow parties to do ?	Avoid making any mistakes	Agree to disagree on key issues	Eliminate the need for deadlines	Increase the likelihood of disputes
118	In what way can mergers and acquisitions contribute to programme / service expansion ?	By reducing capabilities or competitive advantage	By achieving critical mass, capability or competitive	By limiting service distribution and operations	By decreasing operational efficiencies
119	What purpose do reinforced entrance barriers serve in mergers and acquisitions ?	Encouraging competitors to enter a market	Facilitating easier entry for competitors	Preventing competitors from entering a market	Lowering barriers for competitors
120	Credit risks typically arise because -----	customers fail to pay for goods supplied on credit.	customers fail to receive for goods supplied on credit.	suppliers fail to pay for goods supplied on credit	suppliers fail to pay for goods supplied on credit.
121	Choose the one which is not a type of Risk Monitoring –	Voluntary	Obligatory	Interest rate risk	Obligatory
122	Choose which is related to Unsystematic Risk from the options –	Business Risk	Financial Risk	Default Risk	All of the above
123	A project can be divided into five phases, which is not related with this from the followings	Initiation	Executing	Risk Analysing	Monitoring and control
124	Which is not a Benefits of Audit of Startups	Prevention in the occurrence of fraud	Ensures business's regulatory requirement compliances	Carrying out the activities defined in the planning phase	Early identification of errors
125	Select which one is the Component of The COSO ERM framework, like the internal control framework	Governance & culture	Performance	Review and revision	All of the above
126	----- is an example of Systematic Risk.	Business Risk	Default Risk	Financial Risk	Interest Rate Risk



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127	Market Risk is not including –	Equity risk	Credit Risk	Interest rate risk	Currency risk
128	Enterprise risk management includes	financial risks	strategic risks	operational risks	All of the above
129	Enterprise risk management is the process of, and controlling the activities of an organization to minimize the deleterious effects of risk on its capital and earnings.	Planning	Organizing	Directing	All of the above
130	Risk is managed through one of the alternative strategies mentioned below:	Risk avoidance e.g., avoiding rough weather in sailing	Risk minimization e.g., fire prevention arrangement	Risk sharing e.g., insurance, limited liability companies, diversification, outsourcing.	All of the above
131	Market risks include:	Equity risk, the risk that stock or stock indexes (e.g., Euro Stoxx 50, etc.) prices and/or their implied volatility will change.	Interest rate risk, the risk those interest rates (e.g., LIBOR, MIBOR etc.) and/or their implied volatility will change.	Currency risk, the risk that foreign exchange rates (e.g. EUR/USD, EUR/GBP, etc.) and/or their implied volatility will change.	All of the above
132	Which one of the following is the benefit of Enterprise Risk Management?	By creating a more risk-focused culture, integrating risk evaluation into business and IT practices is a good way to improve risk management across the board.	Enterprises can implement more standardized risk reporting that helps with long-term metrics and measurement.	Organizations can improve focus and increase their perspective on risk in a variety of categories	All of the above
133	Which one of the following is the challenge of Enterprise Risk Management?	Capital and operational expenditures often increase initially since ERM programs can require specialized and expensive software and services.	ERM initiatives increase emphasis on governance, requiring business units to invest a significant amount of time and cost.	Consensus agreement on risk severity and metrics across all units of an enterprise can be difficult and contentious.	All of the above.
134	What is one of the key benefits of internal audits for startups ?	Increasing product prices	Enhancing employee satisfaction	Reducing the need for external investors	limiting market competition



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135	Which organization released the Global Innovation Index ( GII ) for 2021-2022 ?	World Trade organisation	World Bank	World Intellectual Property organisation	International Monetary Fund ( IMF )
136	What does an audit primarily examine in a Business ?	Employee performance reviews	Marketing strategies	Financial records and statements	Customer satisfaction level
137	What significant role does an audit play for startup seeking funding ?	It creates new business models	It attracts new customers	It provides a comprehensive view of the company's business to potential investors	It automates business operations
138	What is the primary focus when framing internal controls in a business ?	Increasing market share	Reducing employee turnover	High-risk areas of the business	Expanding product lines
139	Which of the following is NOT a characteristics of internal control systems ?	Preventive	Corrective	Extensive	Detective
140	----- views that moral or ethical systems, may vary from culture to culture, but no one system is better than other.	Cross culture	Consumerism	Cultural relativism	Corporate culture
141	Organization Change can be	Evolutionary	Revolutionary	Both A & B	None of These
142	Why is it important to have an environmental business objective?	To address government targets	To reduce staff turnover	To keep customer base	To be competitive
143	Who in an organisation has responsibility for working towards the vision / mission / goals?	Employer	Employees	who works for the organization	Suppliers
144	Firms try to achieve competitive advantage by competing on -----	Cost only	Quality only	None of these	Both a and b
145	Hierarchy of Strategic Intent:	Vision > Mission > Goals > Objectives > Plans	Mission > Vision > Goals > Objectives > Plans	Plans > Vision > Mission > Goals > Objectives	Goals > Vision > Mission > Objectives > Plans
146	An organisation strategy -----	Remains set in place longer than the mission and objectives	Generally forms over a period of time as events unfold	Trends to be formed at the same time the mission is developed	None
147	Competitive advantage can be best described as	Increased efficiency	What sets an organisation apart	A strength and the organisations	Intangible resources
148	What is the Primary purpose of a mission statement ?	To outline long-term financial goals	To explain the organisation's purpose and Intention	To details the company's marketing strategies	To list the products and services offered
149	How should a good mission statement communicate the direction and values of an organisation ?	Through complex and detailed paragraphs	Clearly and concisely	With technical jargon	Through annual reports



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150	What is the impact of a mission statement on a company's culture ?	It increases market share	It helps shape and define the organisational culture	It reduces operational costs	It determines employee salaries
151	What has come under scrutiny in light of the current global crisis ?	The validity of political systems	The legitimacy of capitalism	The effectiveness of educational systems	The reliability of healthcare systems
152	Which of the following is NOT mentioned as an example of possibly unethical activity contributing to the crisis ?	Greed	Excessive leverage	Transparent financial products	Herd mentality
153	What is business ethics primarily concerned with ?	Maximizing profits	Business policies and practices concerning corporate governance and CSR	Increasing market share	Reducing production costs
154	What is forecasting primarily used for in business ?	Developing new products	Using history to make predictions about trends in business	Training employees	Establishing company culture
155	What is the main purpose of planning ?	Increasing sales volume	knowing what to do and how to execute it in advance	Expanding market research	Reducing production costs
156	Which of the following is NOT mentioned as an area where forecasting is required ?	Inventory planning	Manpower planning	Marketing strategies	Production planning
157	What strategy do low-cost producers use to complete ?	Differentiation strategy	Cost leadership strategy	Focus strategy	Innovation strategy
158	Which is one method low-cost producers use to gain a competitive edge ?	Increasing their prices	Getting inexpensive inputs	Reducing product quality	Limiting market research
159	Fintech companies mainly provides -----	Technological services	Production services	Marketing Services	Financial services
160	Dynamatic Technologies is a ----- startups.	Fintech	Edtech	Defence	Healthcare
161	Which problem is solved by Agro Entrepreneurship?	Reduce agriculture-related burdens	Increase economy rate	Reduce urban pressure	All of the above
162	Which one of these is not the scheme launched by the government to support the Agri-business?	Pradhan Mantri Fasal Bima Yojna	Gramin Bhandaram Yojna	E-NAM	None of these
163	which of the following scheme is not launched by the government for supporting women entrepreneurship	Pradhan Mantri Rojgar Yojna (PMRY)	Rashtriya Mahila Kosh (RMK)	Pradhan Mantri Ujjawala Yojna (PMUY)	Trade Related Entrepreneurship Assistance and Development (TREAD)
164	What is the percentage of women entrepreneurs of the total entrepreneurs?	12.33%	11.12%	13.76%	10.12%



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165	In a family business ----- share are controlled by the members of family.	40%	20%	More than 50%	30%
166	Which of the following is not a family run business.	Reliance Industries	Wipro	Tata Group	None of these
167	Micro enterprise should have the investment in plant and Machinery or Equipment	Less than 1 Crore	Less than 2 Crore	Less than 5 Crore	None of these
168	MSME sector contributes in export about	50%	40%	70%	None of these
169	The main important considerations for transaction transfer are	Continuation of operating control	Maintenance of liquidity	Growth of capital	All of these
170	A social entrepreneur is a person who explores	Production opportunities	Loan opportunities	Business Opportunities	All of these
171	Which business model sells social services	Entrepreneur Support	Low- income client	Employment	Free for Service
172	Import- Export is the example of	Employment	Market intermediary	Organisational Support	Market linkage
173	What percentage of shares are controlled by family members in a family run business ?	Less than 25%	Exactly 50%	More than half	Exactly 75%
174	How do family businesses typically begin ?	As large corporations	Through government grants	As small entities	With public funding
175	What is one reason for the overall stability in family run businesses ?	Frequent changes in leadership	Short-term leadership roles	Loyalty to the principles of the founder and top leadership	High turnover rates among employees
176	What is the role of Private equity in a family business ?	To solely provide capital	To inject strategic elements and drive growth	To replace the entire management	To focus only on short term profits
177	Which traditional alternative of transfer transaction involves making the company publicly traded ?	Outright sale	Public offering	Establishing an ESOP	Straight leveraged recapitalisation
178	What has become a preferred carrer path for many people in recent years ?	Traditional employment	Entrepreneurship	Freelancing	Remote work
179	Which initiative has been launched by the Indian government to support startups ?	Startup Hub	Startup revolution	Startup India	Startup Boost
180	What is characterised by fast economies and offers opportunities for SMEs to operate ?	Developed countries	Emerging markets	Traditional markets	Mature economies
181	Who defined the term 'entrepreneur' as a person who pays a certain price for a product and resells it at an uncertain price, accepting the risk of enterprise?	Joseph Schumpeter	Peter F. Drucker	Richard Cantillon	Michael Porter
182	Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties in order to make a:	Social impact	Goodwill	Profit	Brand recognition
183	Peter F. Drucker stated that entrepreneurship is neither a science nor an art. It is a:	Strategy	Practice	Mindset	Talent



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

## ENTREPRENEURSHIP AND START UP (PAPER - 20C)

### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
184	Which of the following is NOT one of the four key concepts of entrepreneurship mentioned ?	Innovation	Risk taking	Vision	Management
185	Start-up entrepreneurs differ from traditional small business owners through their ambition to create something new and substantially:	Minimize risks	Reduce expenses	Grow their business	Maintain status-quo
186	Which New Age Marketing strategy involves leveraging smart speakers like Amazon Alexa and Google Home?	Conversational Marketing	Video Marketing	Voice Marketing	Multi-channel marketing
187	Lack of viable concept' is classified as which type of barrier to entrepreneurship?	Mental Barrier	Other Barrier	Psychological Barrier	Regulatory Barrier
188	The process of 'Procurement to Pay (P2P)' integrates the purchasing department with the:	Finance department	Accounts department	Marketing department	HR department
189	The Protection of Plant Varieties and Farmers' Right Act was enacted in India in which year?	1999	2000	2001	2002
190	Which is Not in the list of classes of copyrights, in India?	Literature	Dramatics	Sound Recordings	methods
191	Preparing a detailed document that serves as a blueprint for the proposed venture, covering financial and operational aspects, is known as the preparation of a:	Pitching Document	Business Plan	Project Report	Feasibility Study
192	What is the general term of every patent granted?	10 years from the date of filing	15 years from the date of filing	20 years from the date of filing	25 years from the date of filing
193	For applications filed under the national phase of the Patent Cooperation Treaty (PCT), the term of the patent is counted from which date?	The date of publication	The date of grant	The international filing date accorded under PCT	The priority date
194	According to the Designs Act, 2000, what features does the term 'Design' include?	Features of shape, configuration, pattern, or ornament	Mode or principle of construction	Trade marks and property marks	Artistic works under the Copyright Act
195	Which type of Data Analytics is broken down into optimization and random testing?	Diagnostic Analytics	Prescriptive Analytics	Predictive Analytics	Regression Analysis
196	Which methodology emphasizes the Build-Measure-Learn loop?	Design Thinking	Critical Path Method	Lean Start-Up	Six Sigma
197	Which type of data analytics uses Machine Learning (ML) to help suggest new variables that offer a higher chance of generating a positive outcome?	Prescriptive Analytics	Predictive Analytics	Regression Analysis	Time Series Analysis
198	Which of the following is NOT one of the five stages of design thinking?	Empathize	Define the problem	Implement	Prototype
199	Which start-up model is for the online sale of virtual goods and commonly used by video game developers and social media platforms?	Hybrid Model	Subscription Model	Virtual Business Model	Reseller Model
200	Who is known as the creator of design thinking and founder of Stanford University Design School?	Tim Brown	Albert Einstein	David Kelley	Steve Jobs



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
201	What is the main goal of the 'Empathize' stage in design thinking?	To generate ideas for solutions	To clearly define the problem statement	To understand the perspective of the target audience by setting aside assumptions	To build prototypes of the product
202	During which stage do designers generate innovative solutions by looking at the problem from different perspectives?	Empathize	Define	Ideate	Test
203	The traditional production system is driven by a sales forecast which is referred to as _____	Pull System	Push System	Random orders	None Of the Above
204	What does traction indicate for a startup?	That the startup has high production costs	That the product or service is viable and gaining market momentum	That the startup is ready for acquisition	That the marketing budget is exhausted
205	What are the three phases a startup goes through according to the traction model?	Launch, Marketing, Expansion	Planning, Execution, Review	Traction, Transition, Growth	Idea, Prototype, Sales
206	What is the main purpose of product positioning?	To increase production speed	To create a specific image of a brand and its products in consumers' minds	To lower product prices	To develop new product features
207	What is the first step in the product positioning process?	Analyzing customers	Competition identification	Measuring and evaluating	Executing marketing plan
208	_____ is often used for competitor positioning process	SWOT analysis	Perceptual mapping or brand mapping	Financial forecasting	Market segmentation
209	What is the final step in the positioning process?	Analyzing Customers	Comparative Qualitative Analysis	Execute Marketing Plan	Measure & Evaluate
210	How many main steps should an entrepreneur focus on while preparing an elevator speech?	2	3	4	5
211	What is the formula for calculating <i>Pre-Money Valuation</i> ?	Investment Amount + Post-Money Valuation	Post-Money Valuation - Investment Amount	Pre-Money Valuation + Investment Amount	Total Revenue - Expenses
212	Which of the following is the correct formula for calculating <i>Anticipated Return on Investment (ROI)</i> ?	Post-Money Valuation ÷ Terminal Value	Terminal Value × Post-Money Valuation	Terminal Value ÷ Post-Money Valuation	Terminal Value - Post-Money Valuation
213	How is <i>Post-Money Valuation</i> calculated?	Terminal Value ÷ Anticipated ROI	Anticipated ROI × Terminal Value	Terminal Value × Investment Amount	Terminal Value ÷ Investment Amount
214	A brief, persuasive speech used by a start-up entrepreneur to spark interest in a business idea is called a(n):	Product Demonstration	Financial Report	Elevator Pitch	Board Presentation
215	Start-up valuation done before an investment round from a Venture Capital firm is known as:	Post-money Valuation	Exit Valuation	Pre-money Valuation	Milestone Valuation



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
216	Which framework is applied for Risk-Enabled Performance Management in a start-up?	ISO 9001	CRISIL	COSO Framework	GAAP
217	Which technique provides subjective outcomes and relies more on the knowledge, experience, and intuition of the expert?	Time Series Analysis	Regression Analysis	Qualitative Technique	Box-Jenkins Model
218	What is one example of a Qualitative Forecasting technique?	Moving Averages	Delphi Technique	Differencing	Auto Regression
219	A company's ability to produce goods or services faster, more efficiently, or for less money than its competitors is known as a:	Strategic Alignment	Competitive Edge	Market Dominance	Brand Equity
220	What does <i>access to low-cost input</i> refer to?	Using resources that are of the highest quality regardless of price	Using resources with a lower-than-average cost to produce output	Reducing the selling price without reducing production cost	Using resources that are of the Lowest quality At cheap price
221	Which change management strategy is based on redefining and reinterpreting people's norms and values?	Power-Coercive Strategy	Empirical-Rational Strategy	Educative Strategy	Participative Strategy
222	What is a benefit of a motivated team related to operational costs?	Increased competition	Better utilization of resources	Higher employee turnover	Faster regulatory approval
223	What is a significant outcome of higher employee motivation related to job seeking?	Increased external networking	Reduction in employee turnover	Desire for job rotation	Increased salary negotiations
224	What is the primary focus of a Social Entrepreneur?	Maximizing profit	Developing technology	Solving social or environmental problems	Selling virtual goods
225	Which economist argued that the innovation and technological change of a nation come from the entrepreneurs or "wild spirits"?	Alfred Marshall	Schumpeter	John Keynes	Adam Smith
226	A business starts with customers and ends with___	Product launch	Customers' satisfaction	Fund raising	Regulatory approval
227	What is defined as a limiting belief or assumption that we have about ourselves in regards to our ability, potential, self-worth, etc.?	Regulatory Barrier	Organizational Barrier	Mental Barrier	Financial Barrier
228	What is the significance of the prefix '3Ps' in the Entrepreneurial Discipline module?	Product, Price, Place	Plan, Process, People	Practice, Patience, Perseverance	Potential, Profit, Purpose
229	The Procurement to Pay (P2P) process provides the organization visibility and control over the entire life cycle of a:	Product development	Sales cycle	Transaction	Marketing initiative
230	The step in P2P where the purchasing officer verifies the Purchase Requisition is followed by forwarding it for approval or generating a:	Invoice	Purchase Order	Goods Receipt	Payment Voucher
231	'Order to Cash' (O2C) is the process cycle that begins with receiving a customer order and ends with:	Production	Cash realization	Delivery	Marketing
232	What is one factor that contributes to Competitive Advantage?	High-cost input	Intellectual property	Generic branding	Complex distribution system
233	The Educative Strategy for organizational change is based on redefining and reinterpreting people's:	Financial incentives	Job descriptions	Norms and values	Technical skills
234	What is the major disadvantage of the Participative Strategy for organizational change?	Lack of commitment	High cost	Takes longer to implement	Causes immediate resistance



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
235	What does FinTech stand for?	Final Technology	Financial Technology	Future Technology	Fiscal Technology
236	What is a core concept of Agropreneurship?	Urban farming	Financial modeling	Entrepreneurship in the agriculture sector	Space exploration
237	What does the term ESG primarily stand for in the context of CMLOs?	Economic, Strategic, Growth	Efficiency, Sales, Goodwill	Environmental, Social, Governance	Enterprise, Stability, Goals
238	What does AgriTech stand for in the context of New Age Business?	Agricultural Trading	Agricultural Technology	Agro-Tourism	Agribusiness Training
239	Which marketing strategy involves creating a 'word-of-mouth publicity' through interactive events or influences?	Email Marketing	Brand Marketing	Buzz Marketing	Social Media Marketing
240	Which measure of risk is used to calculate Systematic Risk?	Standard Deviation	Variance	Beta	Alpha
241	How is <i>Unsystematic Risk</i> calculated?	Systematic Risk $\times$ Beta	Total Risk + Systematic Risk	Total Risk – Systematic Risk	Systematic Risk $\div$ Total Risk
242	Security Beta : 1.2 Risk-free rate : 4% Expected market return : 12% Calculate expected rate of return on the security.	13.6%.	0.128	0.15	0.1
243	Which term refers to providing possible revenue values for different target audiences in an advertising campaign?	Diagnostic Analysis	Predictive Modeling	Statistical Modeling	Regression Analysis
244	In the P2P process, who can either approve the request or send it back to the initiator with specific comments if the value exceeds the spending limit?	Purchasing Officer	Finance Team	Requester's Manager	Accounts Payable
245	What is the full form of GEM?	Global Economic Monitor	General Entrepreneurship Model	Global Entrepreneurship Monitor	Geographic Ecosystem Mapping
246	Which organization implements the eNAM scheme?	NABARD	NITI Aayog	SFAC	FSSAI
247	What is the objective of Pradhan Mantri Fasal Bima Yojana (PMFBY)?	To promote organic farming	To insure farmers against crop loss	To provide irrigation coverage	To create digital agri markets
248	The slogan 'More Crop per Drop' is associated with which scheme?	Pradhan Mantri Krishi Sinchai Yojana	National Mission for Sustainable Agriculture	Paramparagat Krishi Vikas Yojana	Gramin Bhandaran Yojna
249	In the subjective estimate of risk, when the forecast returns are likely to vary widely, the risk level is described as:	Low	Moderate	High	Stable
250	What are internal checks and controls primarily used for in an organization?	To increase production levels	To assess, mitigate, and monitor risks	To improve customer relations	To enhance marketing activities
251	Which New Age Marketing strategy focuses on attracting customers by creating content that resonates with the target audience?	Outbound Marketing	Video Marketing	Inbound Marketing	Buzz Marketing
252	Which type of marketing involves promoting products to consumers without them knowing they are being marketed to?	Guerrilla Marketing	Partner Marketing	Customer Marketing	Stealth Marketing
253	An athlete wearing a specific brand's clothing without directly advertising it is an example of:	Customer Marketing	Brand Marketing	Stealth Marketing	Partner Marketing



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
254	What is the main focus of Word-of-Mouth Marketing?	Launching TV advertisements	Creating viral content and referral chains	Offering discounts only to new users	Cold-calling potential customers
255	Under the Companies Act 2013, how many persons are required to form a Public Company?	One	Two	Seven or more	Ten or more
256	Which business form is most suitable for a single individual who wants full control and minimal regulation?	Public Company	Partnership	Sole Proprietorship	Co-operative Society
257	A Private Company under the Companies Act 2013 must have at least:	One person	Two or more persons	Seven or more persons	No limit
258	Which of the following companies is formed by a special act of Parliament or state assembly?	Registered Company	Private Company	Statutory Company	Public Limited Company
259	Which of the following is an example of a Statutory Company?	Reliance Industries	Infosys Ltd.	Reserve Bank of India	TATA Motors
260	Under a company limited by guarantee, when is a member liable to pay?	At the time of registration	When the company makes a profit	Only during loss or winding up	At the time of share issue
261	What is DPIN in the context of LLP registration?	Digital Partner Identification Number	Designated Partner Identification Number	Department Partner Identification Number	Director Profile Identification Number
262	Which form is used for the reservation of name of the proposed LLP?	Form-5	Form-1	Form-4	Form-A
263	How many name choices can be proposed for an LLP in Form-1?	2	3	5	6
264	In the designated partners of a proposed LLP, how many must be residents of India?	At least one	At least Two	At least Three	None Of the Above



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### ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
1	Barriers to entrepreneurship are :	All of the above
2	Characteristics of an entrepreneur :	All of the above
3	The Law of Patience and Perseverance is applicable for -----	All of the above
4	Entrepreneurs can follow the rules :	All of the above
5	A good decision maker should not be -	Negative thinker
6	Which of the following factors affect the capital structure?	All of the above
7	The pillar of inbound marketing is -	All of the above
8	When platforms like Facebook, Instagram and LinkedIn are used for marketing it is known as?	Social Media Marketing
9	Entrepreneurship involves –	All of the above
10	Entrepreneurship is a -	Both (1) and (2)
11	Entrepreneurship involves a	Human talent
12	Entrepreneurship is equally applicable to -	All of the above
13	Entrepreneurship is the attitude of mind to	All of the above
14	Which one of the following is not driving force for entrepreneurship development?	Talent
15	What has dramatically lowered the cost of starting a digitally enabled business in the last decade ?	Ubiquitous high-speed connectivity with inexpensive,powerful and remote computing
16	Michael Dertouzos estimates that how many US white-collar jobs will migrate to India ?	50 million
17	How much does Michael Dertouzos estimate these migrated jobs will add to India's GDP ?	\$1 trillion
18	What is considered the biggest opportunity that has come to India via the West ?	Information Technology
19	Which of the following is NOT mentioned as a feature of Information Technology in the passage ?	Enhancing creative design capabilities
20	What benefit does IT provide regarding data repositories ?	it reduces the physical size of data repositories
21	What effect does IT have on the accuracy of work compared to human-based businesses ?	IT provides high and constant accuracy
22	Which of the following is a key advantage of using IT in business operations ?	Reducing labour time and increasing productivity
23	Which of the following macroeconomic condition is beneficial for entrepreneurship?	All of the above
24	Stratup India was launched in the year	2016
25	Which of the following is a pillar of Start-up India?	All of the above
26	SAMRIDH scheme was launched on	25th August 2021
27	Full form of ASPIRE is	A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship
28	ATAL Innovation Mission was launched in	2016
29	Permanent working capital is alternatively known as –	All of the above
30	Temporary working capital is also known as –	All of the above
31	Payables or Trade Credits may be expressed in -	All of the above
32	As per Section 3 (2) of the Companies Act, A company formed under sub-section (1) may be either -	All of the above
33	Nine principles of entrepreneurial ecosystem are suggested by -----	Isenberg (2010)
34	The Geographical Indications of Goods (Registration and Protection) Act passed in India in –	1999
35	CGPDTM stands for -	Controller General of Patent, Trademark and Design
36	What happens when a business has too high an amount of working capital ?	It increases liquidity but reduces profitability
37	Which of the following is a danger of having too high an amount of working capital ?	Unnecessary accumulation of Inventories
38	What is a consequence of having idle funds due to excess working capital ?	Loss of Potential Profits



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SL NO	QUESTIONS	CORRECT ANSWER
39	What does excess working capital indicate about a company's credit policy ?	The Credit policy is defective,resulting in higher bad debts
40	What is one of the results of having overall inefficiency due to high working capital ?	Increased Pilferage and theft
41	What is identified as a Critical driver for the startup boom in india ?	Social Media and digital marketing
42	What additional opportunity does digitization provide for entrepreneurs ?	Expanded opportunities for digital marketing
43	What advantage do social media platforms offer in terms of	They provide actual data and detailed
44	What is a benefit of endorsing products on Social media platforms ?	Reduction in marketing costs
45	The important guidelines for monetizing of the product are outlined below:	All of the above
46	----- describes a situation in which an entrepreneur starts a company with little capital, relying on money other than outside investments	Bootstrapping
47	Important features of bootstrapping are mentioned below:	all of the above
48	Which one of the following is not Angel Investor in India?	Angel Kolkata
49	Preparation of project report by the entrepreneur is -	both (1) and (2)
50	A project report is ----- document.	an operating
51	Data analytics is the science of integrating ----- data from diverse sources, drawing inferences, and making predictions to enable innovation, gain competitive business advantage, and help strategic decision-making	Heterogeneous
52	----- entails analyzing the relationship between dependent variables to determine how a change in one may affect the change in another.	Regression analysis
53	----- takes a large data set and shrinking it to a smaller data set. The goal of this technique is to attempt to discover hidden trends that would otherwise have been more difficult to see.	Factor analysis
54	----- is the process of breaking a data set into groups of similar data, often broken into a customer demographic. This allows data analysts and other users of data analytics to further dive into the numbers relating to a specific subset of data.	Cohort Analysis
55	----- tracks data over time and solidifies the relationship between the value of a data point and the occurrence of the data point. This data analysis technique is usually used to spot cyclical trends or to project financial forecasts.	Time Series Analysis
56	What is the Primary consideration when looking for startup financing ?	How much money you need and when you will need it
57	At which stage does an entrepreneur work on bringing an idea to life with a usually small amount of funds ?	Idea Generation stage
58	What does bootstrapping a startup involve ?	Receiving investments from incubators
59	Which source of funding is commonly utilized by entrepreneurs due to the inherent level of trust between the parties involved ?	Friends & Family
60	What is the primary goal at the Validation Stage of a Startup ?	To validate the potential demand of the product / Service
61	Which stage involves conducting field trials and building a formal team ?	Seed stage
62	What do incubators provide to startup besides funding ?	Value- added service like office space, Utilities and legal assistance
63	Which government schemes are mentioned as providing collateral-free debt to aspiring entrepreneurs ?	Startup India seed fund scheme and SIDBI Fund of funds
64	What is typically conducted at the Validation stage to test the startup's product / service ?	Proof of concept
65	Who are considered stakeholders in a business plan ?	Promoters of the business
66	What does a sustainable business model aim to achieve ?	Creating value without depleting natural, social or economic resources



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### ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
67	What are the three pillars of sustainability mentioned in the passage ?	Economic, Environmental and Social
68	Which concept encourages firms to engage in profitable activities that benefit society and the environment ?	Triple Bottom Line
69	Which benefit of a business plan helps in evaluating the business's worth ?	Helps in the valuation of the business
70	A lean startup is a strategy used ----- on behalf of a present entrepreneur.	to initiate a new company or launch a new product
71	----- is a powerful blend of structured meetings, strategic tools, and experienced leadership.	Marketing Traction
72	----- is the act of designing a company's offering and image to occupy a distinctive place in the minds of the target market	Positioning
73	Product positioning is the process of determining new products' position in the minds of consumers.	Product Positioning
74	Innovative ideas come from several sources, including -	Unreasonable demands or goals and time pressures
75	An ----- process is a set of steps between an idea's conception and its implementation.	Innovation
76	Organization for Economic Cooperation and Development called four types of innovations. Which one is not included in these four types of innovations?	Price innovation
77	Through the design thinking process, what we do?	Something else
78	In startup world, ----- is a powerful tool for honing in on a real consumer need and bypassing costly hours and resources hypothesizing and experimenting with different solutions.	Design thinking
79	Most entrepreneurs are inherent -----	Design thinkers
80	A lean startup attempts to solve the problem scientifically by using specific -----	principles and processes both
81	The benefits of product positioning are	All of the above
82	Positioning Process is the ----- process which companies do to ensure strong, positive & stable positioning in a consumer's mind.	continuous and reiterative
83	----- is used by wholesalers and by manufacturers, businesses that deals with direct sales	Disintermediation Model
84	Examples of Brand Positioning	Both of the above
85	What is one way innovation can help solve customer service problems ?	By operating a virtual office where customers needs can be attended quickly
86	Why is innovation important for adjusting with change ?	It ensures that the business remains relevant and profitable
87	What is a direct benefit of solving customer problems through innovation ?	Increased sales
88	What is the main focus of characteristics - based positioning ?	Brand Image and product characteristics
89	Which automobile brand is likely to be chosen by a customer who prioritizes safety, according to characteristics-based positioning ?	Volvo
90	What strategy involves associating a company with competitive pricing ?	Pricing-based positioning
91	Which of the following is NOT considered a product according to definition given ?	Weather
92	Why is packaging referred to as a " five-second commercial "	Because it is the first encounter a buyer has with the product
93	Which of the following is NOT a function of packaging ?	Cleaning
94	Why is packaging important for start-ups ?	It helps gain trust and market the business
95	Which type of packaging might be used by a manufacturing industry that produces juice ?	Cans
96	What is a key component that should be clear and at the center of discussion when building a business model ?	Value proposition
97	The viability of a business needs a conceptual structure that includes	Purpose, aims and plans for attaining them
98	What is the role of the communication channel in a business model ?	To translate the value proposition



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SL NO	QUESTIONS	CORRECT ANSWER
99	What is a fundamental requirement for creating a business according to the text ?	Creating an effective business model
100	----- is the example of crowdfunding.	All of the above
101	Scaling strategies includes –	All of the above
102	Steps of Elevator Speech consists of	All of the above
103	Scaling up people is not including –	Vendors
104	----- includes in steps to Scaling the Business.	All of the above
105	Berkus Method is created by American venture capitalist and angel investor -----	Dave Berkus
106	What are the two main categories that sustainability in business generally addresses ?	The effect on the environment and the effect on Society
107	What is the goal of sustainability management in business ?	To minimize enviromental impact and maximize resource conservation and reuse
108	Which of the following is one of the branches of sustainability	The Economy
109	What does sustainability management synthesize with the concepts of management ?	Concepts from sustainability
110	Which exit strategy involves selling shares to existing partners upon requirement ?	Sell shares to existing partners
111	Which exit strategy involves a company becoming publicly traded ?	Initial public offer ( IPO)
112	Which sector saw the highest number of mergers and acquisitions with in the Indian Eco-system ?	Enterprise tech
113	What primarily drove late-stage startups to engage in mergers and acquisition in 2022, according to Inc42 Survey ?	Expanding market share or entering new verticals
114	According to Don A. Moore's research, what effect do deadlines have on negotiations ?	They spur concessions and creative thinking from both sides
115	What is the purpose of a shut-down move in negotiations ?	To limit competition from competitors during negotiations
116	How can taking a break during negotiations be beneficial ?	It provides time and space to unwind and reflect
117	What does setting up a contingent contract allow parties to do ?	Agree to disagree on key issues
118	In what way can mergers and acquisitions contribute to programme / service expansion ?	By achieving critical mass, capability or competitive
119	What purpose do reinforced entrance barriers serve in mergers and acquisitions ?	Preventing competitors from entering a market
120	Credit risks typically arise because -----	customers fail to pay for goods supplied on credit.
121	Choose the one which is not a type of Risk Monitoring –	Interest rate risk
122	Choose which is related to Unsystematic Risk from the options –	All of the above
123	A project can be divided into five phases, which is not related with this from the followings	Risk Analysing
124	Which is not a Benefits of Audit of Startups	Carrying out the activities defined in the planning phase
125	Select which one is the Component of The COSO ERM framework, like the internal control framework	All of the above
126	----- is an example of Systematic Risk.	Interest Rate Risk
127	Market Risk is not including –	Credit Risk
128	Enterprise risk management includes	All of the above
129	Enterprise risk management is the process of, and controlling the activities of an organization to minimize the deleterious effects of risk on its capital and earnings.	All of the above
130	Risk is managed through one of the alternative strategies mentioned below:	All of the above
131	Market risks include:	All of the above
132	Which one of the following is the benefit of Enterprise Risk Management?	All of the above
133	Which one of the following is the challenge of Enterprise Risk Management?	ERM initiatives increase emphasis on governance, requiring business units to invest a significant amount of time and cost.



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SL NO	QUESTIONS	CORRECT ANSWER
134	What is one of the key benefits of internal audits for startups ?	Enhancing employee satisfaction
135	Which organization released the Global Innovation Index ( GII ) for 2021-2022 ?	World Intellectual Property organisation
136	What does an audit primarily examine in a Business ?	Financial records and statements
137	What significant role does an audit play for startup seeking funding ?	It provides a comprehensive view of the company's business to potential investors
138	What is the primary focus when framing internal controls in a business ?	High-risk areas of the business
139	Which of the following is NOT a characteristics of internal control systems ?	Extensive
140	----- views that moral or ethical systems, may vary from culture to culture, but no one system is better than other.	Cultural relativism
141	Organization Change can be	Both A & B
142	Why is it important to have an environmental business objective?	To address government targets
143	Who in an organisation has responsibility for working towards the vision / mission / goals?	who works for the organization
144	Firms try to achieve competitive advantage by competing on -----	Both a and b
145	Hierarchy of Strategic Intent:	Vision > Mission > Goals > Objectives > Plans
146	An organisation strategy -----	Generally forms over a period of time as events unfold
147	Competitive advantage can be best described as	Increased efficiency
148	What is the Primary purpose of a mission statement ?	To explain the organisation's purpose and Intention
149	How should a good mission statement communicate the direction and values of an organisation ?	Clearly and concisely
150	What is the impact of a mission statement on a company's culture ?	It helps shape and define the organisational culture
151	What has come under scrutiny in light of the current global crisis ?	The legitimacy of capitalism
152	Which of the following is NOT mentioned as an example of possibly unethical activity contributing to the crisis ?	Transparent financial products
153	What is business ethics primarily concerned with ?	Business policies and practices concerning corporate governance and CSR
154	What is forecasting primarily used for in business ?	Using history to make predictions about trends in business
155	What is the main purpose of planning ?	knowing what to do and how to execute it in advance
156	Which of the following is NOT mentioned as an area where forecasting is required ?	Marketing strategies
157	What strategy do low-cost producers use to complete ?	Cost leadership strategy
158	Which is one method low-cost producers use to gain a competitive edge ?	Getting inexpensive inputs
159	Fintech companies mainly provides -----	Financial services
160	Dynamatic Technologies is a ----- startups.	Defence
161	Which problem is solved by Agro Entrepreneurship?	All of the above
162	Which one of these is not the scheme launched by the government to support the Agri-business?	None of these
163	which of the following scheme is not launched by the government for supporting women entrepreneurship	Pradhan Mantri Ujjawala Yojna (PMUY)
164	What is the percentage of women entrepreneurs of the total entrepreneurs?	13.76%
165	In a family business ----- share are controlled by the members of family.	More than 50%
166	Which of the following is not a family run business.	None of these
167	Micro enterprise should have the investment in plant and Machinery or Equipment	Less than 1 Crore
168	MSME sector contributes in export about	40%
169	The main important considerations for transaction transfer are	All of these
170	A social entrepreneur is a person who explores	Business Opportunities



## THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

### ENTREPRENEURSHIP AND START UP (PAPER - 20C)

### ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
171	Which business model sells social services	Free for Service
172	Import- Export is the example of	Market linkage
173	What percentage of shares are controlled by family members in a family run business ?	More than half
174	How do family businesses typically begin ?	As small entities
175	What is one reason for the overall stability in family run businesses ?	Loyalty to the principles of the founder and top leadership
176	What is the role of Private equity in a family business ?	To inject strategic elements and drive growth
177	Which traditional alternative of transfer transaction involves making the company publicly traded ?	Public offering
178	What has become a preferred career path for many people in recent years ?	Entrepreneurship
179	Which initiative has been launched by the Indian government to support startups ?	Startup India
180	What is characterised by fast economies and offers opportunities for SMEs to operate ?	Emerging markets
181	Who defined the term 'entrepreneur' as a person who pays a certain price for a product and resells it at an uncertain price, accepting the risk of enterprise?	Richard Cantillon
182	Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties in order to make a:	Profit
183	Peter F. Drucker stated that entrepreneurship is neither a science nor an art. It is a:	Practice
184	Which of the following is NOT one of the four key concepts of entrepreneurship mentioned ?	Management
185	Start-up entrepreneurs differ from traditional small business owners through their ambition to create something new and substantially:	Grow their business
186	Which New Age Marketing strategy involves leveraging smart speakers like Amazon Alexa and Google Home?	Voice Marketing
187	Lack of viable concept' is classified as which type of barrier to entrepreneurship?	Other Barrier
188	The process of 'Procurement to Pay (P2P)' integrates the purchasing department with the:	Accounts department
189	The Protection of Plant Varieties and Farmers' Right Act was enacted in India in which year?	2001
190	Which is Not in the list of classes of copyrights, in India?	methods
191	Preparing a detailed document that serves as a blueprint for the proposed venture, covering financial and operational aspects, is known as the preparation of a:	Project Report
192	What is the general term of every patent granted?	20 years from the date of filing
193	For applications filed under the national phase of the Patent Cooperation Treaty (PCT), the term of the patent is counted from which date?	The international filing date accorded under PCT
194	According to the Designs Act, 2000, what features does the term 'Design' include?	Features of shape, configuration, pattern, or ornament
195	Which type of Data Analytics is broken down into optimization and random testing?	Prescriptive Analytics
196	Which methodology emphasizes the Build-Measure-Learn loop?	Lean Start-Up
197	Which type of data analytics uses Machine Learning (ML) to help suggest new variables that offer a higher chance of generating a positive outcome?	Prescriptive Analytics
198	Which of the following is NOT one of the five stages of design thinking?	Implement
199	Which start-up model is for the online sale of virtual goods and commonly used by video game developers and social media platforms?	Virtual Business Model



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200	Who is known as the creator of design thinking and founder of Stanford University Design School?	David Kelley
201	What is the main goal of the 'Empathize' stage in design thinking?	To understand the perspective of the target audience by setting aside assumptions
202	During which stage do designers generate innovative solutions by looking at the problem from different perspectives?	Ideate
203	The traditional production system is driven by a sales forecast which is referred to as _____	Push System
204	What does traction indicate for a startup?	That the product or service is viable and gaining market momentum
205	What are the three phases a startup goes through according to the traction model?	Traction, Transition, Growth
206	What is the main purpose of product positioning?	To create a specific image of a brand and its products in consumers' minds
207	What is the first step in the product positioning process?	Competition identification
208	_____ is often used for competitor positioning process	Perceptual mapping or brand mapping
209	What is the final step in the positioning process?	Measure & Evaluate
210	How many main steps should an entrepreneur focus on while preparing an elevator speech?	3
211	What is the formula for calculating <i>Pre-Money Valuation</i> ?	Post-Money Valuation - Investment Amount
212	Which of the following is the correct formula for calculating <i>Anticipated Return on Investment (ROI)</i> ?	Terminal Value ÷ Post-Money Valuation
213	How is <i>Post-Money Valuation</i> calculated?	Terminal Value ÷ Anticipated ROI
214	A brief, persuasive speech used by a start-up entrepreneur to spark interest in a business idea is called a(n):	Elevator Pitch
215	Start-up valuation done before an investment round from a Venture Capital firm is known as:	Pre-money Valuation
216	Which framework is applied for Risk-Enabled Performance Management in a start-up?	COSO Framework
217	Which technique provides subjective outcomes and relies more on the knowledge, experience, and intuition of the expert?	Qualitative Technique
218	What is one example of a Qualitative Forecasting technique?	Delphi Technique
219	A company's ability to produce goods or services faster, more efficiently, or for less money than its competitors is known as a:	Competitive Edge
220	What does <i>access to low-cost input</i> refer to?	Using resources with a lower-than-average cost to produce output
221	Which change management strategy is based on redefining and reinterpreting people's norms and values?	Educative Strategy
222	What is a benefit of a motivated team related to operational costs?	Better utilization of resources
223	What is a significant outcome of higher employee motivation related to job seeking?	Reduction in employee turnover
224	What is the primary focus of a Social Entrepreneur?	Solving social or environmental problems
225	Which economist argued that the innovation and technological change of a nation come from the entrepreneurs or "wild spirits"?	Schumpeter
226	A business starts with customers and ends with _____	Customers' satisfaction
227	What is defined as a limiting belief or assumption that we have about ourselves in regards to our ability, potential, self-worth, etc.?	Mental Barrier
228	What is the significance of the prefix '3Ps' in the Entrepreneurial Discipline module?	Practice, Patience, Perseverance
229	The Procurement to Pay (P2P) process provides the organization visibility and control over the entire life cycle of a:	Transaction
230	The step in P2P where the purchasing officer verifies the Purchase Requisition is followed by forwarding it for approval or generating a:	Purchase Order
231	'Order to Cash' (O2C) is the process cycle that begins with receiving a customer order and ends with:	Cash realization
232	What is one factor that contributes to Competitive Advantage?	Intellectual property



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SL NO	QUESTIONS	CORRECT ANSWER
233	The Educative Strategy for organizational change is based on redefining and reinterpreting people's:	Norms and values
234	What is the major disadvantage of the Participative Strategy for organizational change?	Takes longer to implement
235	What does FinTech stand for?	Financial Technology
236	What is a core concept of Agropreneurship?	Entrepreneurship in the agriculture sector
237	What does the term ESG primarily stand for in the context of CMLOs?	Environmental, Social, Governance
238	What does AgriTech stand for in the context of New Age Business?	Agricultural Technology
239	Which marketing strategy involves creating a 'word-of-mouth publicity' through interactive events or influences?	Buzz Marketing
240	Which measure of risk is used to calculate Systematic Risk?	Beta
241	How is <i>Unsystematic Risk</i> calculated?	Total Risk – Systematic Risk
242	Security Beta : 1.2 Risk-free rate : 4% Expected market return : 12% Calculate expected rate of return on the security.	13.6%.
243	Which term refers to providing possible revenue values for different target audiences in an advertising campaign?	Predictive Modeling
244	In the P2P process, who can either approve the request or send it back to the initiator with specific comments if the value exceeds the spending limit?	Requester's Manager
245	What is the full form of GEM?	Global Entrepreneurship Monitor
246	Which organization implements the eNAM scheme?	SFAC
247	What is the objective of Pradhan Mantri Fasal Bima Yojana (PMFBY)?	To insure farmers against crop loss
248	The slogan 'More Crop per Drop' is associated with which scheme?	Pradhan Mantri Krishi Sinchai Yojana
249	In the subjective estimate of risk, when the forecast returns are likely to vary widely, the risk level is described as:	High
250	What are internal checks and controls primarily used for in an organization?	To assess, mitigate, and monitor risks
251	Which New Age Marketing strategy focuses on attracting customers by creating content that resonates with the target audience?	Inbound Marketing
252	Which type of marketing involves promoting products to consumers without them knowing they are being marketed to?	Stealth Marketing
253	An athlete wearing a specific brand's clothing without directly advertising it is an example of:	Stealth Marketing
254	What is the main focus of Word-of-Mouth Marketing?	Creating viral content and referral chains
255	Under the Companies Act 2013, how many persons are required to form a Public Company?	Seven or more
256	Which business form is most suitable for a single individual who wants full control and minimal regulation?	Sole Proprietorship
257	A <b>Private Company</b> under the Companies Act 2013 must have at least:	Two or more persons
258	Which of the following companies is formed by a special act of Parliament or state assembly?	Statutory Company
259	Which of the following is an example of a Statutory Company?	Reserve Bank of India
260	Under a company limited by guarantee, when is a member liable to pay?	Only during loss or winding up
261	What is DPIN in the context of LLP registration?	Designated Partner Identification Number
262	Which form is used for the reservation of name of the proposed LLP?	Form-1
263	How many name choices can be proposed for an LLP in Form-1?	6
264	In the designated partners of a proposed LLP, how many must be residents of India?	At least one