



FINAL EXAMINATION
MODEL QUESTION PAPER
PAPER – 20C

SET 1
TERM – JUNE 2026
SYLLABUS 2022

ENTREPRENEURSHIP AND STARTUP

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

SECTION – A (Compulsory)

- 1. (a) Choose the correct option from the four alternatives given: [10 × 2 = 20]**
- (i) According to McClelland's Human motivation theory which of the following is not a main driving motivators.
- (A) Needs for Achievement
 - (B) Needs for Affiliation
 - (C) Needs for Power
 - (D) Needs for Consoling
- (ii) The Order -to- Cash is an integration point between
- (A) Finance and Accounts
 - (B) Finance and Sales
 - (C) Finance and Materials
 - (D) Finance and Factoring
- (iii) is a Funding model that lets you collect small contributions from many individuals
- (A) Angel Financing
 - (B) Incubators
 - (C) Crowdfunding
 - (D) Family and Friend Circle
- (iv) of the product is determined by some emotional consideration as well as by tangible elements.
- (A) Market Value
 - (B) Perceived Value
 - (C) Credible Value
 - (D) Psychological Value
- (v) Identification of in terms of products and services is an important task of an entrepreneur.
- (A) Gaps
 - (B) Size
 - (C) Partners
 - (D) Competitors
- (vi) The process of redefining problems, understanding the challenges faced by users and coming up with an innovative solution is known as
- (A) Design thinking



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- (B) Positioning
 - (C) Scalability
 - (D) Market traction
- (vii)are firms that are able to command a high market share in an industry dominated by low growth.
- (A) Cash cows
 - (B) Leverage buyout
 - (C) Milestone
 - (D) Critical mass
- (viii) is an important concept in supply chain management
- (A) Risk pooling
 - (B) Risk mitigation
 - (C) Risk monitoring
 - (D) Risk reduction
- (ix) Honesty, Integrity, Fairness and a host of other admirable qualities are example of
- (A) Ethical behaviour
 - (B) Sustainability
 - (C) Best practices
 - (D) Business ethics
- (x) has been formulated for enhancing agricultural productivity specially in rained area focusing on integrated farming, water use efficiency and soil health.
- (A) NMSA (National Mission for Sustainable Agriculture)
 - (B) E-NAM (National Agricultural Market)
 - (C) PMKSY (Pradhan Mantri Krishi Sinachai Yojana)
 - (D) PKVY (Paramparagat Krishi Vikas Yojana)

(b) Read the following Scenario (Case study) and answer the following Questions: [5×2=10]

MJK is a startup led by Mritunjay and Kartikay. Both are first generation Entrepreneur has an Idea for startup in sustainable tourism package at affordable rates. MJK wants to setup this venture with little capital, relying on money other than outside investments. MJK has been started and expanded only through the entrepreneur personal resources and revenue generation by startup itself. This helps avoid paying high interest to bank or percentage on profit sharing with venture capitalist. MJK provides curated trekking and cultural experience in the Himalayas for budget conscious eco-travels. MJK partnered with local villages and NGO's to offer authentic experience like village cooking classes, folk music evenings and nature conservation volunteering. MJK is compelling example how tourism startup can thrive without external funding by using smart bootstrapping strategies, while growth was slower, the business remained resilient, sustainable and deeply connected to its mission and community.



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Choose the Correct option from the given four alternatives based on the above Scenario:

- (i) One of the biggest disadvantage of Bootstrapping is
- (A) Ownership diluted
 - (B) Less control over decisions
 - (C) Limited capital for growth
 - (D) Complete loss of ownership
- (ii) Which of the following is not a stage of Bootstrapping
- (A) Beginner Stage
 - (B) Venture Stage
 - (C) Customer Funded Stage
 - (D) Credit Stage
- (iii) Bootstrapping is best suited for entrepreneurs who
- (A) What to scale rapidly using external funds.
 - (B) Are comfortable with giving up control to investors.
 - (C) Prefer financial independence and control.
 - (D) Have access to venture capital funding.
- (iv) Which of the following is not a Bootstrapping Strategy.
- (A) Reinvest net profit
 - (B) Make joint ventures
 - (C) Use network opportunities
 - (D) Attract a mentor
- (v) Bootstrapping is generally more feasible when
- (A) The business has high startup capital needs.
 - (B) The entrepreneur is not willing to take risks.
 - (C) The business model can generate quick cash flow.
 - (D) The product requires long R&D cycles.



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Section – B

[Answer any five questions out of Seven Questions given. Each Question carries 14 marks.]

[5×14 = 70]

2. (a) “Without the right mindset you might fail to make a crucial decision that can make or break your business”. In the light of this statement, critically assess the essential characteristics and how it can be further developed for a successful entrepreneur. [7]
- (b) Negligence of regulatory compliance can result in financial loss or loss of goodwill for the company. In the light of this statement, evaluate the concept of compliance audit and how regulatory compliance plan can be effectively implemented. [7]
3. (a) The Government of India has been adopting many policies to encourage the growth of entrepreneurship. In this context, demonstrate the Startup India initiative, Aspire, Mudra and Atal innovation mission. [7]
- (b) YOM Co. Ltd. is a pipe manufacturing Company. The Company has applied to RBN Bank for the first time for financing working capital requirements. Its production cycle indicates that materials are introduced in the beginning of the production cycle; wages and overhead accrue evenly throughout the period of the cycle. Wages are paid in the next month following the month of accrual. Work in process includes full units of raw materials used in the beginning of the production process and 50% of wages and overheads are supposed to be conversion costs. Details of production process and the components of working capital are as follows:

Production of Pipes	1200000 units
Duration of the production cycle	One month
Raw materials inventory held	One month consumption
Finished goods inventory held for	Two months
Credit allowed by creditors	One month
Credit given to debtors	Two months
Cost price of raw materials	Rs 60 per unit
Direct wages	Rs 10 per unit
Overheads	Rs 20 per unit
Selling price of finished pipes	Rs 100 per unit

Additional Information:

The following are the holding norms accepted by the bank for the particular Industry.

Stock of Raw Material	1 Month
Working Progress	½ Month
Receivables (Book Debts)	2 Months
Finished Goods	2 Months
Payables (Payments to suppliers)	1 month

Required:

Assess the need of working capital of YOM Co Ltd. (In terms of cash costs).

Calculate how much of above (i) the Bank is likely to finance (Permissible Bank Borrowings) considering 25% of current assets as Margin Money. [7]



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4. (a) There are two sides to every coin and so it is with Crowdfunding. In this context Assess the merits of Crowdfunding. [7]
- (b) Justify why data analytics is important for business. Recommend the different types of data analytics for your business. [7]
5. (a) Assess what you mean by design thinking in the context of a startup. Demonstrate the key mindsets that ensure a team can successfully implement design thinking. [7]
- (b) Demonstrate what a startup business model is and suggest how to choose the right startup business model. [7]
6. (a) Scalability is one of the very critical growth parameter for startup. In this context briefly demonstrate some strategies for scaling up a business while maintaining sustainability. [7]
- (b) Internal checks and controls are key elements of risk management and plays a vital role in mitigating risk. Assess the features of Internal control system and purpose of Internal checks. [7]
7. (a) A mission statement encapsulates the entire business and thus it is significant for a number of reasons. Assess these reasons. (Any Seven) [7]
- (b) “Although these two forms of Business – Social Entrepreneurs and Business Entrepreneurs can be similar, even there are some key differences between them”. In this context assess the said differences between Social Entrepreneurs and Business Entrepreneurs. [7]

8. Case study:

MJN is lead by First generation entrepreneurs Jai and Karti. MJN is a apparel startup dedicated to promoting sustainable and ethical practices, it is known for its high quality product and also for its strong environmental ethics and sustainability leadership. MJN uses recycled wool, cotton and polyester, it was one of the first company use organic cotton in all its products. MJN is performing well and establish their standard in every aspect of surrounding environment. Recently MJN decided to setup a unit in the rural area but due to its negative impact on the environment their native state rejected their proposal stating that industrial effluents from the unit will affect the land, water and crops in the area. It will also affect the rural people and their livestock. MJN is committed to the rural upliftment and are willing to change the site and ready to further enhance the technology up gradation in proposed unit to reduce pollution and environmental hazardous. MJN is dedicated to sustainability-doing business without negatively impacting the environment, community and society as a whole.

Based on the scenario (case study) stated supra

You are required to:

- (a) Demonstrate the challenges and sustainability issues in apparel startup MJN.
- (b) Suggest and Recommend the possible solutions and strategies for apparel startup MJN. [14]