

## Entrepreneurship Management

**1.** Which one of the following theory has the attribute of moderate risk taking as a function of skill, not chance?

- A. Need for independence
- B. Need for achievement
- C. Need for affiliation
- D. Need for authority

View answer

Correct answer: (B)

Need for achievement

**2.** Foundation companies are formed from:

- A. Fashion
- B. Research and development
- C. Most popular business
- D. winding up company

View answer

Correct answer: (B)

Research and development

**3.** All of the following are the broad categories of External forces EXCEPT:

- A. Economic forces
- B. S Socioeconomic forces
- C. Technological forces
- D. Competitive forces

View answer

Correct answer: (B)

S Socioeconomic forces

**4.** A \_\_\_\_\_ is a professional money manager who makes risk investment from a pool of equity capital to obtain a high rate of return on investments.

- A. venture capitalist
- B. entrepreneur
- C. businessman
- D. buyer

View answer

Correct answer: (A)  
venture capitalist

**5. Members of distribution channels are excellent sources for new ideas because:**

- A. They are familiar with the needs of the market
- B. They earn a handsome profit from new business
- C. They do not bother if entrepreneur bears a loss
- D. They have well-developed sales force

View answer

Correct answer: (A)

They are familiar with the needs of the market

**6. Which of the following geographical area is having least interest to U.S. entrepreneurs?**

- A. Europe
- B. The Far East
- C. Central Asia
- D. Transition economies

View answer

Correct answer: (C)

Central Asia

**7. Andrew Carnegie is an example of entrepreneur of which century:**

- A. Earliest period
- B. 19<sup>th</sup> and 20<sup>th</sup> century
- C. Middle ages
- D. 17<sup>th</sup> century

View answer

Correct answer: (B)

19th and 20th century

**8. The activity which occurs when the new venture is started are called:**

- A. Business skills
- B. Motivation
- C. Departure point
- D. Goal orientation

View answer

Correct answer: (C)

Departure point

**9.** The business plan should be prepared by:

- A. Entrepreneurs
- B. Consultants
- C. Engineers
- D. Small business administration services

View answer

Correct answer: (A)

Entrepreneurs

**10.** What is the primary concern of founders who trade equity for capital for their growing venture?

- A. Capitalization
- B. Control
- C. Valuation
- D. Investor capabilities

View answer

Correct answer: (A)

Capitalization

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**11.** The importance of intellectual property should be understood by entrepreneur even before:

- A. Hiring a manager
- B. Engaging an attorney
- C. Developing a product
- D. Establishing new venture

View answer

Correct answer: (B)

Engaging an attorney

**12.** A patent is granted for a specified amount of time because of the assumption:

- A. That during this time firm will cover its development costs
- B. That firm will earn a sufficient profit during this period
- C. To limit the monopoly of the firm

D. That it will stimulate idea and development of a better product

View answer

Correct answer: (D)

That it will stimulate idea and development of a better product

**13.** External forces directly affect all of the following EXCEPT:

- A. Market segmentation strategies
- B. Types of products/services offered
- C. Management structure of organization
- D. Choice of businesses to acquire or sell

View answer

Correct answer: (C)

Management structure of organization

**14.** Which of the following is alternatively called corporate venturing?

- A. Intrapreneurship
- B. Entrepreneurship
- C. Act of stating a new venture
- D. Offering new products by an existing company

View answer

Correct answer: (A)

Intrapreneurship

**15.** Following are the types of non equity arrangements EXCEPT:

- A. Licensing
- B. T turnkey project
- C. Direct export
- D. Management contracts

View answer

Correct answer: (C)

Direct export

**16.** Government can help in forming new venture by providing:

- A. finance
- B. technology
- C. infrastructure
- D. funds

View answer

Correct answer: (C)

infrastructure

**17.** The longest lasting trade agreement with the objective of liberalizing trade by eliminating or reducing tariffs, subsidies and quotas is:

- A. Free trade area - FTA
- B. European community - EC
- C. General agreement on tariffs and trade - GATT
- D. The North American free trade agreement - NAFTA

View answer

Correct answer: (C)

General agreement on tariffs and trade - GATT

**18.** Entrepreneurial success has been significant because of the culture and the political and economic systems in \_\_\_\_\_.

- A. Asian countries
- B. European countries
- C. Transition economies
- D. Middle East

View answer

Correct answer: (A)

Asian countries

**19.** The transitional disturbance and lack of reform has led to boom black market in:

- A. China
- B. Hungary
- C. Singapore
- D. Poland

View answer

Correct answer: (D)

Poland

**20.** Which of the following factors has allowed small companies to act like they are big ones?

- A. Customers
- B. Competition
- C. Economic development

D. Technology

View answer

Correct answer: (D)

Technology

**21.** Gazelles are the firms with:

- A. High growth rate
- B. Moderate growth rate
- C. Zero% growth rate
- D. Low growth rate

View answer

Correct answer: (A)

High growth rate

**22.** Professional support network includes following EXCEPT:

- A. Personal affiliations
- B. Mentor
- C. Friends
- D. Trade associations

View answer

Correct answer: (C)

Friends

**23.** The period in which the money person entered into a contract with the government to sell his goods is known as

- A. Middle ages
- B. 18th century
- C. 17th century
- D. Earliest period

View answer

Correct answer: (D)

Earliest period

**24.** Which one of the Following is not the way by which an entrepreneur can enter into international business?

- A. Export
- B. Non equity arrangements

- C. Direct foreign investment
- D. Communication

View answer

Correct answer: (D)

Communication

**25.** \_\_\_\_\_ viewed the entrepreneur as a risk taker who "buy(s) at an uncertain price, therefore operating at a risk".

- A. Eli Whitney
- B. Edward hariman
- C. Richard cantillon
- D. Thomas Edison

View answer

Correct answer: (C)

Richard cantillon

**26.** Female entrepreneurs differ from male entrepreneurs in terms of all of the following EXCEPT:

- A. Motivation
- B. business skills
- C. Departure point
- D. Goal orientation

View answer

Correct answer: (D)

Goal orientation

**27.** An entrepreneur into the hosiery business found out the reason his hosiery was not selling was due to its color. What could be the best source of this information?

- A. Supplier
- B. Retailer
- C. Competition
- D. Government bureau

View answer

Correct answer: (B)

Retailer

**28.** Which of the following factors does not affect a person for being an entrepreneur?

- A. Gender
- B. Education
- C. Family background
- D. values

View answer

Correct answer: (C)

Family background

**29.** Which of the following factors does not affect a person for being an entrepreneur?

- A. Work history
- B. Nationality
- C. Education
- D. Personal values

View answer

Correct answer: (B)

Nationality

**30.** The former USSR received technology and syrup from Pepsi and provided it with Soviet vodka and rights to distribute it in the US. This is an example of:

- A. Economic development
- B. Balance of payment
- C. Barter system
- D. International trade

View answer

Correct answer: (C)

Barter system

**31.** Which one of the following is NOT a condition of a contract?

- A. An offer is made
- B. Consideration is given
- C. An acceptance of offer
- D. Contract must be illegal

View answer

Correct answer: (D)

Contract must be illegal

**32.** Government can help in forming new venture by providing:



- A. Finance
- B. Technology
- C. Infrastructure
- D. Subsidiaries

View answer

Correct answer: (C)

Infrastructure

**33.** A contract must be signed by:

- A. At least one party
- B. Both the parties
- C. Not necessary to sign
- D. By third party

View answer

Correct answer: (B)

Both the parties

**34.** Which of the following areas are preferred by women entrepreneurs?

- A. Administration
- B. Organization
- C. Utilities
- D. Manufacturing

View answer

Correct answer: (A)

Administration

**35.** A typical inventor is usually \_\_\_\_\_.

- A. Highly creative & in love with the invention
- B. Does not encourage change
- C. Willing to modify the invention
- D. Not enthusiastic

View answer

Correct answer: (A)

Highly creative & in love with the invention

**36.** Which one of the following is the fourth step in the entrepreneurial process?

- A. Developing successful business ideas

- B. Initiating New rules
- C. Deciding to become an entrepreneur
- D. Growing the entrepreneurial firm

View answer

Correct answer: (D)

Growing the entrepreneurial firm

**37.** The commitment of administrative domain to the resources is for:

- A. Periodic intervals
- B. Total amount needed
- C. For certain tasks
- D. For long time

View answer

Correct answer: (B)

Total amount needed

**38.** Developing a new idea through inquiry and testing is called:

- A. Forced relationship
- B. Heuristics
- C. Scientific method
- D. Value analysis

View answer

Correct answer: (C)

Scientific method

**39.** Which of the following is not a source of idea generation?

- A. Consumers
- B. Federal government
- C. Brain storming
- D. Training

View answer

Correct answer: (D)

Training

**40.** Which of the following cannot be covered under the copyright protection?

- A. Computer software
- B. Poems and songs

- C. Computer hardware
- D. Models and sculpture

View answer

Correct answer: (D)

Models and sculpture

**41.** An individual who initiates, creates and manages a new business can be called \_\_\_\_\_.

- A. A leader
- B. A manager
- C. A professional
- D. An entrepreneur

View answer

Correct answer: (D)

An entrepreneur

**42.** Intellectual Property laws can protect \_\_\_\_\_.

- A. Trademarks.
- B. Copyright.
- C. Patents.
- D. All the above.

View answer

Correct answer: (D)

All the above.

**43.** A new venture's business plan is important because \_\_\_\_\_.

- A. It helps to persuade others to commit funding to the venture.
- B. Can help demonstrate the viability of the venture.
- C. Provides a guide for business activities by defining objectives.
- D. All the above.

View answer

Correct answer: (D)

All the above.

**44.** Which of the following are described as one of the Big Five personality traits?

- A. tolerance of others.
- B. need for achievement.

- C. propensity to leadership.
- D. locus of control.

View answer

Correct answer: (B)  
need for achievement.

**45.** Someone legally appointed to resolve the financial difficulties of an insolvent firm is called \_\_\_\_\_.

- A. an administrator.
- B. a predator.
- C. an auditor.
- D. a turnaround consultant.

View answer

Correct answer: (A)  
an administrator.

**46.** IFCI stands for \_\_\_\_\_.

- A. Industrial finance corporation of India.
- B. Institutional finance corporation of India.
- C. Industrial funding corporation of India.
- D. Indian finance corporation and institution.

View answer

Correct answer: (A)  
Industrial finance corporation of India.

**47.** SIPCOT's financial assistance is in the form of \_\_\_\_\_.

- A. term loan.
- B. seed capital scheme.
- C. underwriting the capital issues.
- D. All of the above.

View answer

Correct answer: (D)  
All of the above.

**48.** EDPs course contents contains \_\_\_\_\_.

- A. General introduction to entrepreneurs.
- B. Motivation training.

- C. Managerial skills.
- D. All the above.

View answer

Correct answer: (D)

All the above.

**49.** \_\_\_\_\_ is a form of financing especially for funding high technology, high risk and perceived high reward projects

- A. Fixed capital.
- B. Current capital.
- C. Seed capital.
- D. Venture capital.

View answer

Correct answer: (D)

Venture capital.

**50.** \_\_\_\_\_ is primarily concerned with the identification of the project demand potential and the selection of the optimal technology.

- A. Techno-economic analysis.
- B. Feasibility analysis.
- C. Input analysis.
- D. Financial analysis.

View answer

Correct answer: (A)

Techno-economic analysis.

**51.** EST stands for \_\_\_\_\_.

- A. Earliest Start Time.
- B. Event Start Time.
- C. Effective Start Time.
- D. Essential Start Time.

View answer

Correct answer: (A)

Earliest Start Time.

**52.** \_\_\_\_\_ may be defined as the excess of present value of project cash inflows over that of out flows.

- A. Net present value technique.
- B. Average rate of return.
- C. Benefit-Cost ratio.
- D. Internal rate of return

View answer

Correct answer: (A)

Net present value technique.

**53.** \_\_\_\_\_ implies the availability or otherwise of plant and machinery and technical know how to produce the product.

- A. Economic viability.
- B. Financial feasibility.
- C. Technical feasibility.
- D. Managerial competence

View answer

Correct answer: (C)

Technical feasibility.

**54.** Which of the list below does not form Intellectual Property?

- A. Trade marks.
- B. Patents.
- C. Tangible assets.
- D. Copyright.

View answer

Correct answer: (C)

Tangible assets.

**55.** Idea of new product is tested in potential consumers to determine consumer acceptance at \_\_\_\_\_ stage.

- A. Concept.
- B. Product development.
- C. Test marketing.
- D. Commercialization.

View answer

Correct answer: (C)

Test marketing.

**56.** Strategic entrepreneurial marketing has been summarised as the 4Is, identification of target markets, interactive marketing methods, informal intelligence gathering and - what is the fourth?

- A. independence.
- B. instructiveness.
- C. innovation.
- D. internet.

View answer

Correct answer: (C)  
innovation.

**57.** LOB stands for\_\_\_\_\_.

- A. Line of Business.
- B. Line of Balance.
- C. Loss of Business.
- D. Loss of Balance

View answer

Correct answer: (B)  
Line of Balance.

**58.** Decisions which are non-repetitive and novel nature and required to solve unstructured problem is called as \_\_\_\_\_.

- A. Programmed decisions.
- B. Non - programmed decisions.
- C. Routine decisions.
- D. Strategic decisions.

View answer

Correct answer: (B)  
Non - programmed decisions.

**59.** When a firm enters into some business which is related with its present business in terms of technology, marketing or both it is called as \_\_\_\_\_.

- A. conglomerate diversification.
- B. horizontal integration.
- C. vertical integration.
- D. concentric integration.

View answer

Correct answer: (D)  
concentric integration.

**60.** EXIM bank is a \_\_\_\_\_.

- A. State-level institution.
- B. Regional - level institution.
- C. All India institution.
- D. International institution.

View answer

Correct answer: (C)  
All India institution.

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**61.** The policy which stressed the role of cottage and small-scale industries for balanced industrial development of the country is \_\_\_\_\_.

- A. IPR 1940.
- B. IPR 1948.
- C. IPR 1956.
- D. IPR 1977.

View answer

Correct answer: (B)  
IPR 1948.

**62.** Under-capitalization arises due to \_\_\_\_\_.

- A. excess of assets over the liabilities.
- B. excess of liabilities over the assets.
- C. actual capitalization is higher than the proper capitalization.
- D. actual capitalization is lower than the proper capitalization.

View answer

Correct answer: (D)  
actual capitalization is lower than the proper capitalization.

**63.** A public corporation means \_\_\_\_\_.

- A. public company.
- B. government company.



- C. statutory corporation.
- D. department of union government

View answer

Correct answer: (C)  
statutory corporation.

**64.** A project, which may not add to the existing profits, should be financed by \_\_\_\_\_

- A. debentures.
- B. preference share capital.
- C. equity capital.
- D. public deposits.

View answer

Correct answer: (A)  
debentures.

**65.** The charter of a company is its \_\_\_\_\_.

- A. prospectus.
- B. statement lieu of prospectus.
- C. memorandum of association.
- D. articles of association.

View answer

Correct answer: (A)  
prospectus.

**66.** As a new company grows, the entrepreneur will need to \_\_\_\_\_.

- A. be responsive to changes in the market.
- B. ensure financial controls are maintained.
- C. build a management team.
- D. all the above.

View answer

Correct answer: (D)  
all the above.

**67.** The minimum amount of \_\_\_\_\_ irrespective of such private participation, could be specified at a minimum 17.5 per cent of project costs by lending institutions.

- A. bank loans

- B. promoters contribution
- C. fixed capital
- D. working capital

View answer

Correct answer: (B)

promoters contribution

**68.** The content of the final report typically includes the following topics \_\_\_\_\_.

- A. Executive summary
- B. review and analysis
- C. recommendations
- D. If all the above are correct.

View answer

Correct answer: (D)

If all the above are correct.

**69.** \_\_\_\_\_ describes the direction, the enterprise is going in, what its goals are, where it wants to be, and how it is going to get there.

- A. project report
- B. technical analysis
- C. market analysis
- D. financial analysis

View answer

Correct answer: (A)

project report

**70.** Someone who improves an existing business can be called \_\_\_\_\_.

- A. A changeling.
- B. A professional.
- C. A co-worker.
- D. An intrapreneur.

View answer

Correct answer: (D)

An intrapreneur.

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**71.** The UK government has implemented a number of policies to encourage Entrepreneurship in schools. One such initiative is \_\_\_\_\_.

- A. Young Enterprise.
- B. Youth venture.
- C. Young Business.
- D. Young Initiative.

View answer

Correct answer: (A)

Young Enterprise.

**72.** Innovation can best be defined as \_\_\_\_\_.

- A. the successful exploitation of new ideas.
- B. the evolution of new ideas.
- C. the opposite of creativity.
- D. the generation of new ideas.

View answer

Correct answer: (A)

the successful exploitation of new ideas.

**73.** Which of the following statements is false?

- A. Market segmentation is a useful process for small businesses to undertake.
- B. Selling is essentially a matching process.
- C. A benefit is the value of a product feature to a customer.
- D. It is a good idea for small businesses to compete solely on price.

View answer

Correct answer: (D)

It is a good idea for small businesses to compete solely on price.

**74.** To provide financial assistance to entrepreneurs the government has set up a number of \_\_\_\_\_.

- A. financial advisors.
- B. financial intermediaries.
- C. Industrial estates.
- D. financial institutions.

View answer

Correct answer: (D)

financial institutions.

**75.** IFCI has been converted into a \_\_\_\_\_.

- A. joint stock company.
- B. co-operative society.
- C. partnership firm.
- D. sole proprietorship.

View answer

Correct answer: (A)

joint stock company.

**76.** TIIC is sponsored by the \_\_\_\_\_.

- A. Government of Karnataka.
- B. Government of Andhra Pradesh.
- C. Government of Kerala.
- D. Government of Tamil Nadu.

View answer

Correct answer: (D)

Government of Tamil Nadu.

**77.** \_\_\_\_\_ can be defined as a specifically evolved work plan designed to achieve a specific objective within a specific period of time

- A. Idea generation.
- B. Opportunity Scanning.
- C. Strategy
- D. Project.

View answer

Correct answer: (D)

Project.

**78.** The term \_\_\_\_\_ denotes bonus or financial aid which is given by a government to an industry to help it compete with other units

- A. Incentive.
- B. Subsidy.
- C. Concession
- D. Bounty.

View answer

Correct answer: (D)

Bounty.

**79.** \_\_\_\_\_ is a graphical representation of the various activity and event relating to a project.

- A. Network analysis.
- B. Scheduling technique.
- C. Logical Model.
- D. Network Diagram

View answer

Correct answer: (D)

Network Diagram

**80.** \_\_\_\_\_ is an event-oriented approach.

- A. CPM.
- B. GERT.
- C. WASP.
- D. PERT.

View answer

Correct answer: (D)

PERT.

**81.** Additional time which a non-critical activity can consume without increasing the project duration is called \_\_\_\_\_.

- A. Total Float.
- B. Free Float
- C. Independent Float.
- D. Dependant Float

View answer

Correct answer: (A)

Total Float.

**82.** Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as \_\_\_\_\_.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions.

View answer

Correct answer: (D)

Strategic decisions.

**83.** \_\_\_\_\_ is granted to small scale units under section 33B of the Income tax act, 1961.

- A. Depreciation Allowance.
- B. Development Debate.
- C. Investment Allowance.
- D. Rehabilitation Allowance.

View answer

Correct answer: (D)

Rehabilitation Allowance.

**84.** National Alliance of Young Entrepreneurs (NAYE) Sponsored an Entrepreneurial Development scheme with Bank of India in \_\_\_\_\_.

- A. January 1920.
- B. August 1920.
- C. January 1972.
- D. August 1972.

View answer

Correct answer: (D)

August 1972.

**85.** What is the role of a Business Ange?

- A. To provide small business advice.
- B. To provide capital for business development in exchange for a stake in the Business ownership.
- C. To set up a franchise business.
- D. To assist an entrepreneur to open a lifestyle business.

View answer

Correct answer: (B)

To provide capital for business development in exchange for a stake in the Business ownership.

**86.** New entrepreneurs entering the field of medium industry for the first time can have market studies with the subsidiary of \_\_\_\_\_.

- A. 75% of the cost or Rs.15000 whichever is less.
- B. 75% of the cost or Rs.15000 whichever is high

- C. 50% of the cost or Rs.15000 whichever is less.
- D. 50% of the cost or Rs.15000 whichever is high

View answer

Correct answer: (A)

75% of the cost or Rs.15000 whichever is less.

**87.** The type of diversification in which the company adds complementary to the existing product or service line is \_\_\_\_\_.

- A. conglomerate diversification.
- B. horizontal integration.
- C. vertical integration.
- D. concentric integration.

View answer

Correct answer: (C)

vertical integration.

**88.** District Industries Centres are located \_\_\_\_\_.

- A. in each district.
- B. in each state.
- C. only in selected districts.
- D. only in selected states.

View answer

Correct answer: (A)

in each district.

**89.** Institutional agencies grant financial assistance to small scale industries for \_\_\_\_\_.

- A. participation in equity capital only.
- B. acquisition of fixed assets.
- C. working capital assistance.
- D. all of the above.

View answer

Correct answer: (D)

all of the above.

**90.** The expenses incurred on the setting up of the enterprise are called as \_\_\_\_\_.

- A. Cost of financing.
- B. Cost of promotion.
- C. Cost of fixed assets.
- D. Cost of current assets.

View answer

Correct answer: (B)

Cost of promotion.

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**91.** Which of the following leads to under-capitalization?

- A. raising of more money by issue of shares.
- B. acquiring fixed assets on excessive amounts.
- C. over-estimation of earnings for enterprise.
- D. under-estimation of initial rate of earnings.

View answer

Correct answer: (D)

under-estimation of initial rate of earnings.

**92.** The term Capitalization is used in relation to \_\_\_\_\_.

- A. sole-proprietorship.
- B. Partnership.
- C. joint stock companies.
- D. co-operative societies

View answer

Correct answer: (C)

joint stock companies.

**93.** O & M refers to \_\_\_\_\_

- A. overall efficiency of business.
- B. efficiency of office and administrative work.
- C. office work measurement.
- D. office and management study.

View answer

Correct answer: (D)

office and management study.



**94.** Which of the following is a characteristic typical of \_\_\_\_\_? Most entrepreneurs

- A. Choose high risk ventures.
- B. Choose low risk ventures.
- C. Choose moderate (or calculated) risk ventures.
- D. Choose no risk ventures.

View answer

Correct answer: (C)

Choose moderate (or calculated) risk ventures.

**95.** Entrepreneurship can best be described as \_\_\_\_\_.

- A. a process that requires setting up a business.
- B. taking a significant risk in a business context.
- C. having a strong vision.
- D. a process involving innovation, new products or services, and value creation.

View answer

Correct answer: (D)

a process involving innovation, new products or services, and value creation.

**96.** Project management is ideally suited for a business environment requiring all of the following except \_\_\_\_\_.

- A. Flexibility
- B. Innovation
- C. speed
- D. Repetability

View answer

Correct answer: (D)

speed

**97.** what are the components of then project report \_\_\_\_\_.

- A. requirement of funds
- B. location
- C. manpower
- D. all the above

View answer

Correct answer: (D)

all the above

**98.** Today, many companies are using managerial techniques that are designed to encourage \_\_\_\_\_.

- A. Ethical behaviour
- B. legal compliances
- C. increasing profits
- D. shareholders value

View answer

Correct answer: (A)

Ethical behaviour

**99.** Which could provide an individual with the motivation to start a new business venture?

- A. The financial rewards.
- B. A desire to be independent.
- C. Risk taking
- D. All the above.

View answer

Correct answer: (D)

All the above.

**100.** Which of the following is the reason for business failure \_\_\_\_\_.

- A. Lack of market research.
- B. Poor financial control.
- C. Poor management.
- D. All the above.

View answer

Correct answer: (D)

All the above.

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**101.** Good sources of information for an entrepreneur about competitors can be Obtained from \_\_\_\_\_.

- A. Websites.
- B. Product information leaflets.
- C. Company reports and published accounts.
- D. All the above.

View answer

Correct answer: (D)

All the above.

**102.** The purpose of all good small business strategy is \_\_\_\_\_.

- A. to increase turnover.
- B. to increase profitability.
- C. to achieve competitive advantage.
- D. to achieve stated objectives.

View answer

Correct answer: (D)

to achieve stated objectives.

**103.** State Industrial corporations engage in the development of \_\_\_\_\_.

- A. industrial estates.
- B. institutional estates.
- C. individual investors.
- D. agricultural entrepreneurs.

View answer

Correct answer: (A)

industrial estates.

**104.** Which of the following is a function of SIDBI?

- A. Extension of seed capital.
- B. Discounting of bills.
- C. Providing factoring services.
- D. All of the above.

View answer

Correct answer: (D)

All of the above.

**105.** A commercial banker would prefer a \_\_\_\_\_ debt- equity ratio over the years as it indicates financial strength of a unit.

- A. Declining.
- B. Increasing.
- C. Stable.
- D. Fluctuating.

View answer

Correct answer: (A)

Declining.

**106.** PERT stands for \_\_\_\_\_.

- A. Programme Evaluation and Research Techniques.
- B. Project Evaluation and Review Techniques.
- C. Programme Evaluation and Review Techniques.
- D. Project Evaluation and Research Techniques.

View answer

Correct answer: (C)

Programme Evaluation and Review Techniques.

**107.** New Small Scale industries are exempted from the payment of income tax under section 80J is called \_\_\_\_\_.

- A. Investment Allowance.
- B. Development Rebate.
- C. Rehabilitation Allowance.
- D. Tax Holiday

View answer

Correct answer: (A)

Investment Allowance.

**108.** \_\_\_\_\_ is an activity-oriented approach.

- A. CPM
- B. PERT
- C. GERT
- D. WASP

View answer

Correct answer: (A)

CPM

**109.** \_\_\_\_\_ is the systematic development of a project idea for the eventual purpose of arriving at an investment decision.

- A. Project identification.
- B. Project formulation.
- C. Project feasibility.
- D. Project evaluation.

View answer

Correct answer: (B)

Project formulation.

**110.** A provisional SSI registration certificate is valid for a period of \_\_\_\_\_.

- A. four Years.
- B. three Years.
- C. two Years.
- D. one year.

View answer

Correct answer: (D)

one year.

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**111.** Which of the following factors would not be included in a PESTLE analysis?

- A. Government re-cycling policy.
- B. Proposed reduction in interest rates.
- C. Demographic changes.
- D. Competitor activity.

View answer

Correct answer: (D)

Competitor activity.

**112.** The use of informal networks by entrepreneurs to gather information is known as \_\_\_\_\_.

- A. Entrepreneurial networking.
- B. Secondary research.
- C. Informal parameters.
- D. Marketing

View answer

Correct answer: (A)

Entrepreneurial networking.

**113.** Entrepreneurs are motivated by \_\_\_\_\_.

- A. money.
- B. personal values.

- C. pull influences.
- D. All the above.

View answer

Correct answer: (D)

All the above.

**114.** \_\_\_\_\_ is the first development bank of the country.

- A. ICICI.
- B. IDBI.
- C. SFC.
- D. IFCI.

View answer

Correct answer: (D)

IFCI.

**115.** The business development department of SIPCOT guides entrepreneurs in \_\_\_\_\_.

- A. applying for licences.
- B. approval on collaboration.
- C. allocation of scarce raw materials.
- D. All the above.

View answer

Correct answer: (D)

All the above.

**116.** \_\_\_\_\_ is used to accomplish the project economically in the minimum available time with limited resources

- A. Project Scheduling.
- B. Network Analysis.
- C. Budget Analysis.
- D. Critical Planning.

View answer

Correct answer: (A)

Project Scheduling.

**117.** The granting of cash subsidy on the capital investment is called \_\_\_\_\_.

- A. Concessional finance.

- B. Quantum of Subsidy.
- C. Interest Subsidy.
- D. Central Investment Subsidy.

View answer

Correct answer: (D)

Central Investment Subsidy.

**118.** Activities which must be finished before a given event can occur are termed as \_\_\_\_\_.

- A. Preceding Activities.
- B. Succeeding Activities
- C. Concurrent Activities
- D. Dummy Activities.

View answer

Correct answer: (A)

Preceding Activities.

**119.** Decisions taken by an entrepreneur on behalf of his enterprise are known as \_\_\_\_\_.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions

View answer

Correct answer: (A)

Organizational decisions.

**120.** CPM stands for \_\_\_\_\_.

- A. Continuous Path Method.
- B. Clear Path Method.
- C. Critical Probabilistic Method.
- D. Critical Path Method.

View answer

Correct answer: (D)

Critical Path Method.

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**121.** The 'T' in a PESTLE analysis refers to \_\_\_\_\_.

- A. Technology.
- B. Time.
- C. Training.
- D. Talent.

View answer

Correct answer: (A)

Technology.

**122.** Which one of the following describes unemployment?

- A. The number of people who voluntarily choose not to work.
- B. The number of people who are jobless and are actively seeking work.
- C. The number of people who are not actively seeking work.
- D. The number of people actively seeking work who find work.

View answer

Correct answer: (B)

The number of people who are jobless and are actively seeking work.

**123.** Which of the following factors does the macro-environment not include?

- A. political and regulatory factors.
- B. customer needs in a given market.
- C. social and demographic factors.
- D. technological changes.

View answer

Correct answer: (B)

customer needs in a given market.

**124.** Industries producing complete articles for direct consumption & also processing industries is called as \_\_\_\_\_.

- A. Manufacturing industries.
- B. Feeder Industries.
- C. Service Industries.
- D. Mining or Quarrying.

View answer

Correct answer: (A)

Manufacturing industries.



**125.** Section 80 HHB provides for a deduction of \_\_\_\_\_ of profits and gains earned by a resident Indian company.

- A. 65%.
- B. 60%.
- C. 55%.
- D. 50%

View answer

Correct answer: (D)

50%

**126.** The type of diversification in which the company adds up same type of products at the same level of production is \_\_\_\_\_.

- A. conglomerate diversification.
- B. horizontal integration.
- C. vertical integration.
- D. concentric integration.

View answer

Correct answer: (B)

horizontal integration.

**127.** Seed capital assistance \_\_\_\_\_.

- A. a long-term assistance.
- B. initial assistance
- C. a help for the purchase of seeds.
- D. a short-term assistance.

View answer

Correct answer: (B)

initial assistance

**128.** The policy which emphasized the need of promoting small-scale industries through integrated industrial development is \_\_\_\_\_.

- A. IPR 1948.
- B. IPR 1956.
- C. IPR 1977.
- D. IPR 1980.

View answer

Correct answer: (C)  
IPR 1977.

**129.** A valid definition of a business purpose is to \_\_\_\_\_.

- A. create a customer.
- B. maximize profits.
- C. serve the society.
- D. increase the wealth of the firm.

View answer

Correct answer: (B)  
maximize profits.

**130.** Which of the following securities proves a burden on finances of the company, when company is not earning profits?

- A. Equity shares.
- B. Preference shares.
- C. Redeemable preference shares.
- D. Debentures.

View answer

Correct answer: (D)  
Debentures.

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**131.** The oldest form of business organization is \_\_\_\_\_.

- A. Partnership.
- B. sole proprietorship.
- C. joint stock company.
- D. co-operative undertaking.

View answer

Correct answer: (B)  
sole proprietorship.

**132.** The UK government has implemented a number of policies to encourage Entrepreneurship in schools. One such initiative is \_\_\_\_\_.

- A. Young Enterprise.
- B. Youth venture.
- C. Young Business.

D. Young Initiative.

View answer

Correct answer: (A)

Young Enterprise.

**133.** The Markets and Competitors section of a business plan should contain \_\_\_\_\_.

- A. A statement of the target market.
- B. The size of each market segment.
- C. The key characteristics of buyers in each business segment.
- D. All the above.

View answer

Correct answer: (D)

All the above.

**134.** \_\_\_\_\_ set up for the purpose of financing, facilitating, and promoting foreign trade of India.

- A. Repco bank
- B. SBI
- C. EXIM bank
- D. HDFC

View answer

Correct answer: (C)

EXIM bank

**135.** Project mission and objectives, procedures and systems used, and organization resources used typically appear in the \_\_\_\_\_ section of the final project report.

- A. Analysis
- B. Recommendation
- C. lessons learned
- D. financial feasibility

View answer

Correct answer: (A)

Analysis

**136.** Entrepreneurial development is the key to achieve all-round \_\_\_\_\_ through acceleration of industrial and entrepreneurial activities.

- A. economic development
- B. increase in profits
- C. shareholders value
- D. business development

View answer

Correct answer: (A)

economic development

**137.** Which industrial sector tends to naturally promote small-scale businesses and Entrepreneurship, and generally has lower barriers to market entry?

- A. Agriculture
- B. Manufacturing.
- C. Distribution.
- D. Service.

View answer

Correct answer: (D)

Service.

**138.** Which of these statements best describes the context for entrepreneurship?

- A. Entrepreneurship takes place in small businesses.
- B. Entrepreneurship takes place in large businesses.
- C. Entrepreneurship takes place in a wide variety of contexts.
- D. Entrepreneurship does not take place in social enterprises.

View answer

Correct answer: (C)

Entrepreneurship takes place in a wide variety of contexts.

**139.** Goods or services reach the market place through \_\_\_\_\_.

- A. marketing channels.
- B. multilevel pyramids.
- C. monopolies.
- D. multiplication.

View answer

Correct answer: (A)

marketing channels.

**140.** Entrepreneurial Guidance Bureau(EGB) was set up by \_\_\_\_\_.

- A. SISI.
- B. SIPCOT.
- C. SIDCO
- D. IIC.

View answer

Correct answer: (D)

IIC.

**141.** \_\_\_\_\_ is a problem -solving technique designed to produce numerous ideas in a short period

- A. Synectics.
- B. Delphi technique.
- C. Brain storming.
- D. Nominal group technique.

View answer

Correct answer: (C)

Brain storming.

**142.** A business arrangement where one party allows another party to use a business Name and sell its products or services is known as \_\_\_\_\_.

- A. A cooperative.
- B. A franchise.
- C. An owner-manager business.
- D. A limited company.

View answer

Correct answer: (B)

A franchise.

**143.** Which one of the following is not considered as one of the Building blocks of the model entrepreneur?

- A. technical skills.
- B. management competencies.
- C. business awareness.
- D. personal attributes.

View answer

Correct answer: (C)

business awareness.

**144.** An entrepreneur who owns more than one business at a time is called \_\_\_\_\_.

- A. an intrapreneur.
- B. a corporate entrepreneur.
- C. a portfolio entrepreneur.
- D. None of the above.

View answer

Correct answer: (C)

a portfolio entrepreneur.

**145.** Decisions which are concerned with policy matters and exercise fundamental influence on the objectives of the organization are called as \_\_\_\_\_.

- A. Organizational decisions.
- B. Personal decisions.
- C. Routine decisions.
- D. Strategic decisions.

View answer

Correct answer: (D)

Strategic decisions.

**146.** When a firm enters into business which is unrelated to its existing business both in terms of technology and marketing \_\_\_\_\_.

- A. conglomerate diversification.
- B. horizontal integration.
- C. vertical integration.
- D. concentric integration

View answer

Correct answer: (A)

conglomerate diversification.

**147.** Under section 80J of the income tax act, 1961, small-scale industries are exempted from the payment of income tax on their profits at \_\_\_\_\_.

- A. 6% p.a.
- B. 6% p.m.
- C. 5% p.a.
- D. 5% p.a.

View answer

Correct answer: (A)

6% p.a.

**148.** Over - capitalization arises due to \_\_\_\_\_.

- A. excess of assets over the liabilities.
- B. excess of liabilities over the assets.
- C. actual earnings are lower than the expected earnings.
- D. actual earnings are higher than the expected earnings.

View answer

Correct answer: (C)

actual earnings are lower than the expected earnings.

**149.** Reserve bank of India is a/an \_\_\_\_\_.

- A. statutory corporation.
- B. company limited by guarantee.
- C. company limited by shares.
- D. unlimited company.

View answer

Correct answer: (A)

statutory corporation.

**150.** Which of the following sources is not use for medium term financing?

- A. Issue of equity shares.
- B. Issue of debentures.
- C. Term loans from banks.
- D. Sale of current asset.

View answer

Correct answer: (A)

Issue of equity shares.

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