



MBA-I / SEM-I

Subject: Entrepreneurship Development (109)

MCQs

Unit I: Entrepreneurship

1	Which of the following companies has been a successful start-up of the decade of 2000s in India? A. Tata Steel B. Crompton Engineering C. Ashok Leyland D. Flipkart
2	The government of India has launched the following initiative a few years ago to drive the start-up movement in India: A. Production Linked Incentive (PLI) B. Special Economic Zone (SEZ) C. Startup India D. Technology Development Board
3	A working model of the start-up product, prior to commercialisation, is usually called: A. Industrial design B. Consumer design C. Prototype D. None of the above
4	Which is the most important source of idea generation due to their familiarity with the needs of market? A. Distribution channels B. Government C. Consumer groups D. Existing products & services
5	A corporate manager who starts a new initiative for their company which entails setting up a new distinct business unit and board of directors A. Technopreneur B. Ecopreneur C. Intrapreneur D. Social Entrepreneur
6	An entrepreneur is the person who takes _____ A. High risk



	<p>B. Low risk C. Moderate risk D. No risk</p>
7	<p>Corporate venturing is one of the prime characteristics of</p> <p>A. Intrapreneurship B. A start-up or new venture C. Entrepreneurship D. An established business</p>
8	<p>Entrepreneurship can be best described as</p> <p>A. An act of taking significant risk in the context of a business B. An act of having a strong vision C. The process of setting-up a business D. The process that involves innovation & value creation</p>
9	<p>An entrepreneur can _____ the business risk involved</p> <p>A. Avoid B. Reduce C. Erase D. Ignore</p>
10	<p>Which of the following statements describing Entrepreneurship is TRUE?</p> <p>A. It takes place only in small businesses B. It doesn't take place in social enterprises C. It takes place only in large businesses D. It takes place in a wide variety of context</p>
11	<p>Which of the following statements is conflicting with respect to the entrepreneurs?</p> <p>A. An entrepreneur is the risk taker B. An entrepreneur operates production function C. An entrepreneur have an eye for business opportunities D. An entrepreneur is the owner of business</p>
12	<p>Which of the following is one of the major problems for an entrepreneur in the initial stage of creating a new venture?</p> <p>A. Lack of resources B. Lack of experience C. Lack of education D. Lack of time</p>
13	<p>Which of the following is NOT one of the economic factors affecting entrepreneurial growth?</p> <p>A. Market B. Raw material C. Social mobility D. Labour</p>
14	<p>The word 'Entrepreneur' is derived from a _____ word that means 'To undertake'</p> <p>A. Greek</p>



	B. French C. German D. Roman
15	Which of the following factors won't affect a person from being an entrepreneur? A. Gender B. Education C. Family background D. Personal values
16	Intrapreneurs perform their activities A. Personally B. Dependently C. Independently D. reluctantly

Answers

1	2	3	4	5	6	7	8
D	C	C	A	C	C	A	D

9	10	11	12	13	14	15	16
B	D	B	B	C	B	A	B





UNIT – II Theories of Entrepreneurship

1	Who proposed that the economic growth is a product of social and political change? A. Everette Hagen B. Harvey Leibenstein C. David McClelland D. Frank Knight
2	According to Knight's theory, profit is the reward of an entrepreneur effort for _____ A. Uncertainty bearing B. Investing time C. Cost bearing D. Innovating
3	Innovation theory of entrepreneurship was proposed by A. Joseph Schumpeter B. David McClelland C. Frank Knight D. Richard Cantillon
4	He tried to explain that high achievement motivation varies between societies and their classes and strata A. David McClelland B. Everette Hagen C. Harvey Leibenstein D. Frank Knight
5	Which of the following is NOT one of the needs of an entrepreneurial personality identified by David McClelland in his Imitating theory of high achievement? A. N-affiliation B. N-reward C. N-achievement D. N-power
6	In the Imitating theory of high achievement by David McClelland, 'the desire to do better, solve problems or master complex problems' reflects which need of an entrepreneurial personality? A. Need for affiliation B. Need for reward C. Need for achievement D. Need for power
7	According to McClelland's theory of high achievement, the desire for friendly and warm relationship with others reflects which of the following needs of an



	entrepreneurial personality? A. Need for recognition B. Need for reward C. Need for achievement D. Need for affiliation
8	'Desire to control others and influence their behaviour' shows which need of an entrepreneurial personality as described by David McClelland A. Need for power B. Need for reward C. Need for achievement D. Need for affiliation
9	x-Efficiency as proposed by Harvey Leibenstein is the degree of efficiency maintained by firms under conditions of _____ A. Perfect competition B. Oligopoly C. Monopolistic competition D. Imperfect competition
10	x-Efficiency measures the extent to which the firm fails _____ A. To manufacture maximum output B. To earn maximum profits C. To realize its productive potential D. To procure cheap and best quality raw material
11	Harvey Leibenstein who proposed X-Efficiency theory viewed entrepreneurs as _____ A. Gap fillers and input complementors B. Efficient managers and resource utilizers C. Good organizers and gap fillers D. Effective leaders and resourceful managers
12	According to Harvey Leibenstein, the gaps or X-inefficiency arises when there are inefficiencies in ____ A. The Management function B. Optimum utilization of resources C. The Leadership D. Organizing the operations
13	Business risks due to fire, theft, accidents etc. Are termed as _____ risks by Frank Knight A. Non-insurable risks B. Uncertain risks C. Non-calculable risks D. Calculable risks
14	Which of the following theories proposed that an entrepreneur has to cope with the various challenges which are at once unknown and predictable? A. X-Efficiency Theory of Harvey Leibenstein



	<p>B. Theory of Profit by Frank Knight C. Theory of Social Change by Everette Hagen D. Theory of High Achievement by David McClelland</p>
15	<p>According to this theory input completion and gap filling are the major roles of entrepreneurship</p> <p>A. Theory of Innovation by Joseph Schumpeter B. Theory of High Achievement by David McClelland C. Theory of Profit by Frank Knight D. Theory of X-Efficiency by Harvey Leibenstein</p>
16	<p>Who highlighted the distinction between 'Innovator' and 'Inventor'?</p> <p>A. Joseph Schumpeter B. Richard Cantillon C. David McClelland D. Harvey Leibenstein</p>

Answers

1	2	3	4	5	6	7	8
A	A	A	B	D	C	D	A
9	10	11	12	13	14	15	16
D	A	A	B	D	B	D	A





UNIT – III Entrepreneurship Development

1	The key benefit of Entrepreneurship Development is, achievement of A. Ever increasing profits B. Enhanced shareholders' value C. Economic development D. Business development
2	DIC's are located in A. Selected districts B. Each state C. Each district D. Selected states
3	An entrepreneur who wants to perform better requires A. Skills B. Advise C. Knowledge D. Training
4	National Institute for Entrepreneurship and Small Business Development (NIESBUD) is based in A. Mumbai B. Delhi C. Hyderabad D. Bangalore
5	Small Industries Service Institute (SISI) was set up in which year? A. 1960 B. 1956 C. 1958 D. 1952
6	Entrepreneurship Development Institute of India (EDII) was established in theyear _____ A. 1983 B. 1980 C. 1985 D. 1987
7	Which of the following institutions were jointly set up by Gujrat Government, State Bank of India and All India Financial Institutions? A. NIESBUD B. NEDB C. EDII D. SISI
8	Following are the highlights of the 'Design thinking' approach towards problemsolving, except _____



	<ul style="list-style-type: none">A. Learn from failureB. Embrace ambiguityC. Focus on human valuesD. Certainty is the key
9	Which of the following is NOT one of the stages of design thinking process? <ul style="list-style-type: none">A. EmpathizeB. DefineC. ImagineD. Prototype
10	In design thinking process, conducting extensive market research to understand your users' needs is done at which of the following stages? <ul style="list-style-type: none">A. IdeateB. EmpathizeC. DefineD. Prototype
11	'Ideate' in the process of design thinking means <ul style="list-style-type: none">A. Researching your users' needsB. Starting to create solutionsC. Challenging assumptions & conceiving solutionsD. Starting to create solutions
12	At this stage of design thinking the actual process of creating solution starts <ul style="list-style-type: none">A. IdeateB. EmpathizeC. PrototypeD. Define
13	Following are the infrastructural problems faced by entrepreneurs EXCEPT <ul style="list-style-type: none">A. TransportationB. CommunicationC. Poor inventory managementD. Irregular supply of raw material
14	Which of the following is NOT one of the Finance related problems faced by entrepreneurs? <ul style="list-style-type: none">A. Poor cash flow managementB. Decision of the employee remunerationC. Offering too many sales promotionD. Market credits & poor recovery mechanism
15	The movement of entrepreneurs from one location to another and from one occupation to another occupation is termed as <ul style="list-style-type: none">A. Entrepreneurial mobilityB. Entrepreneurial movementC. Entrepreneurial exodusD. Entrepreneurial transition
16	Movement of a son/daughter from the principal occupation of his/her father would be termed as



	<ul style="list-style-type: none">A. Generational mobilityB. Intra-generational mobilityC. Inter-generational mobilityD. Locational mobility
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Answers

1	2	3	4	5	6	7	8
C	C	D	B	B	A	C	D

9	10	11	12	13	14	15	16
C	B	C	C	C	B	A	C





UNIT IV: Role of state government & central government in promoting entrepreneurship

1	Which of the following is NOT one of the characteristics of SSI units? A. Low mortality B. Low capitalization C. High employment potential D. Balanced regional development
2	The Export Oriented Units (EOUs) Scheme was introduced in early _____ A. 1981 B. 1985 C. 1990 D. 1995
3	Which of the following is NOT one of the objectives of the Export Oriented Units (EOUs) Scheme A. Transfer of latest technologies B. To generate additional employment C. To stimulate foreign direct investment D. Import substitution
4	Business plan needs to be updated because A. Goals may not be measurable B. Environmental and internal factors can change the direction of plan C. Goals may not be specific D. Goals set by entrepreneurs may be unrealistic
5	SWOT Analysis is a _____ tool A. Modern B. Conceptual C. Traditional D. Scientific
6	Promoter is a person who A. Is a director B. Takes part in the incorporation of a company C. Works for the publicity of the company D. Is a relative of the managing director
7	After generation of idea what is the next step in promotion of venture? A. SWOT analysis B. Exploring the possibilities C. Information search D. Economic analysis
8	Idea of new product is tested with the potential consumers to determine consumer acceptance at this stage A. Product development



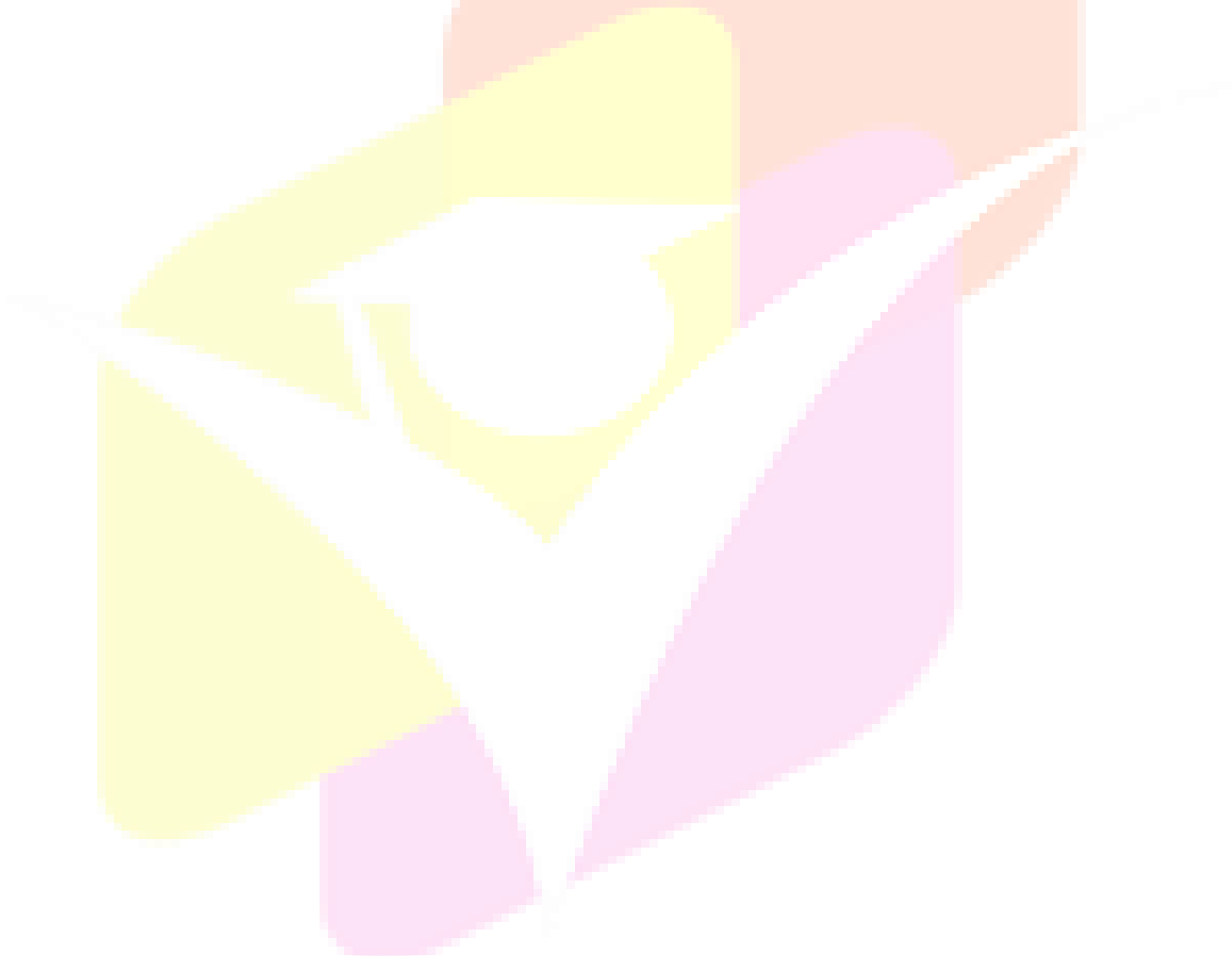
	<p>B. Test marketing C. Commercialization D. Concept</p>
9	<p>Atal Innovation Mission (AIM) was launched by the government in A. 2014 B. 2015 C. 2016 D. 2017</p>
10	<p>EOUs must have a minimum investment of Rs.____ A. 1 Cr B. 5 Cr C. 2 Cr D. 10 Cr</p>
11	<p>SIDO was set up in____ A. 2016 B. 1948 C. 1954 D. 1984</p>
12	<p>National Small Industries Corporation was set up in____ A. 2015 B. 1945 C. 1955 D. 1985</p>
13	<p>Which is below is turnaround strategy____ A. Cost Efficiency Strategies B. Asset Retrenchment Strategies C. Focus on Your Business core Activities D. All of the above</p>
14	<p>Steve Jobs left the Apple company in____ A. 1995 B. 1975 C. 2005 D. 1985</p>
15	<p>Startup India launched in____ A. 2014 B. 2015 C. 2016 D. 2017</p>
16	<p>Make in India launched in____ A. 2014 B. 2015 C. 2016 D. 2017</p>



Answers

1	2	3	4	5	6	7	8
A	A	D	B	B	A	B	B

9	10	11	12	13	14	15	16
C	A	C	C	D	D	C	A



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UNIT V: Enterprise Promotion

1	The process of creating something new is called A. Creative flexibility B. Management C. Business D. Innovation
2	Who is considered the father of entrepreneurship? A. Joseph Schumpeter B. Paul Reynolds C. Bill Gate D. Elon musk
3	Which of the below is NOT example of declining industries A. DVD B. EV dealership C. Internet café D. Recordable media manufacturing
4	BOP is____ A. Bank of Persia B. Bill of Process C. Balance of Payments D. Balance of Pyramid
5	Dalda ghee's preference over cow's milk ghee is an example of____ A. Bank of Persia B. Bill of Process C. Balance of Payments D. Balance of Pyramid
6	In franchising, ____ pay fees and royalties to a ____ in return for the right to sell its products or services under the franchiser's trade name and often to use its business format and system A. Franchiser, franchisee B. Franchisee, franchiser C. Franchise, business owner D. Business owner, parent company
7	Most franchise experts consider the most important factor in the success of a franchise to be: A. The simplicity of the idea. B. Location. C. Territorial protection. D. Financing
8	The failure rate for franchises is: A. Higher than the rate for all new businesses. B. No different from the rate for all new businesses.



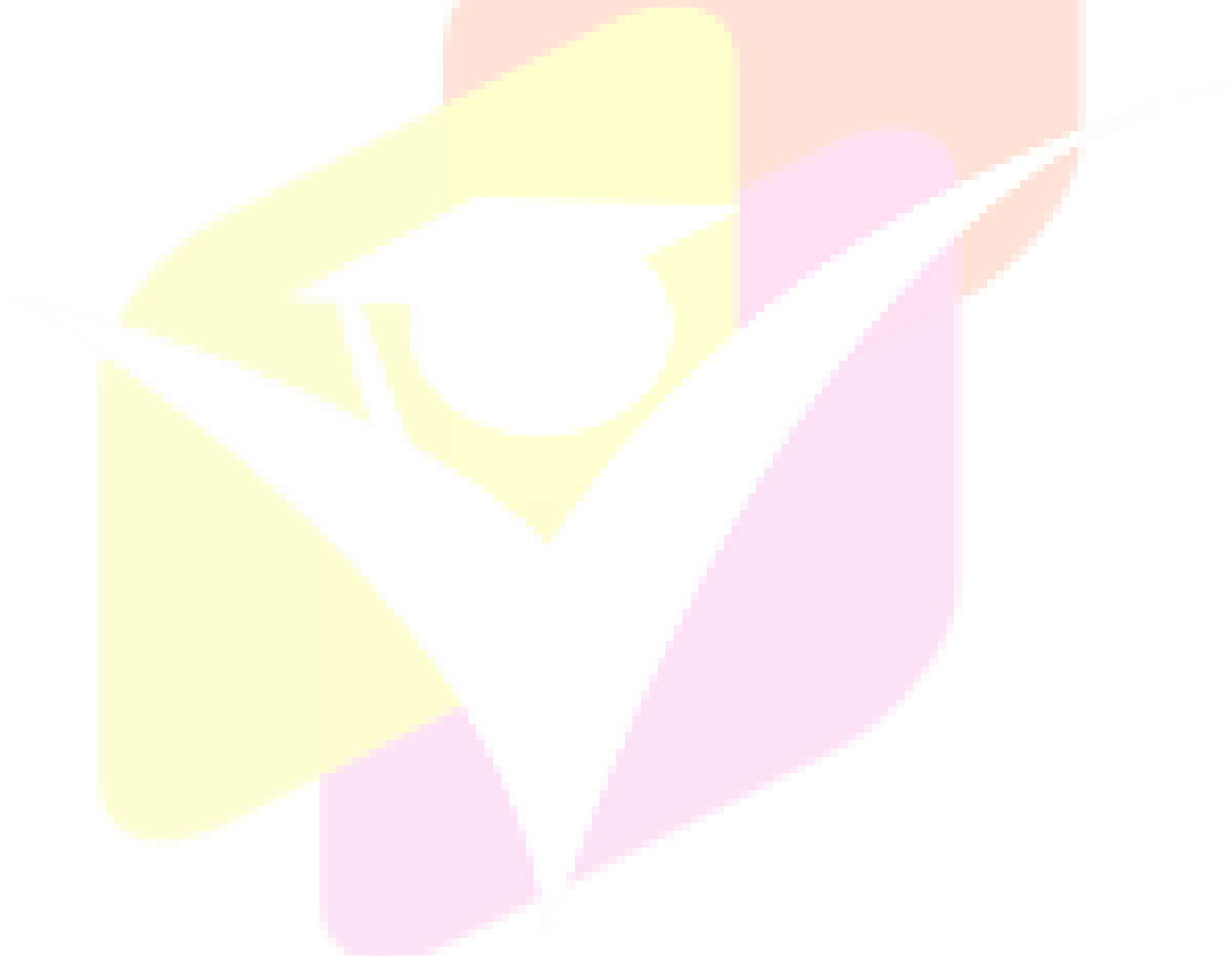
	<p>c. Lower than the rate for all new businesses. d. Indeterminable because of the Right to Privacy Act.</p>
9	<p>The commerce department reports that the most expensive franchises in terms of total investment are:</p> <ul style="list-style-type: none">A. retail franchiseeB. business service franchisesC. McDonald's franchises.D. Hotel and motel franchises.
10	<p>Which is not example of franchisee</p> <ul style="list-style-type: none">A. MonginisB. Naturals Ice creamC. McDonald'sD. SISI
11	<p>Which is not the advantage of franchising to franchisee</p> <ul style="list-style-type: none">A. Lower failure rateB. Access to the capitalC. Brand recognitionD. Business Assistance
12	<p>Which is not the advantage of franchising to franchisor</p> <ul style="list-style-type: none">A. Efficient growthB. Minimal employee supervisionC. Reduced riskD. Business Assistance
13	<p>Which is not the disadvantage of franchising to franchisee</p> <ul style="list-style-type: none">A. Restricting regulationsB. Initial costC. Increased brand awarenessD. Ongoing investment
14	<p>Which is not the disadvantage of franchising to franchisor</p> <ul style="list-style-type: none">A. Lack of financial privacyB. Initial investmentC. Increased potential for legal disputesD. Loss of complete brand control
15	<p>Which is not a type of strategic alliance</p> <ul style="list-style-type: none">A. Equity strategic allianceB. Non-equity strategic allianceC. Buying an existing businessD. Joint venture
16	<p>Which is not a business contingency</p> <ul style="list-style-type: none">A. terrorist attackB. fraudulent activityC. Covid 19D. Insurance



Answers

1	2	3	4	5	6	7	8
D	A	B	D	D	B	D	C

9	10	11	12	13	14	15	16
D	D	B	D	C	A	C	D



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