

FINAL EXAMINATION

June 2025

**P-20(C)[ENTS]
Syllabus 2022**

ENTREPRENEURSHIP AND STARTUP

Time Allowed: 3 Hours

Full Marks: 100

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

All Sections are compulsory. Each section contains instructions regarding the number of questions to be answered within the section.

All working notes must form part of the answer.

Wherever necessary, candidates may make appropriate assumptions and clearly state them in the respective answer.

Section-A

This section contains Question No. 1. All parts of this question are compulsory.

1. (a) Choose the correct answer from the given alternatives: 2×10=20

(i) Which of the following is a mental barrier to entrepreneurship?

- (A) Lack of viable concept
- (B) Lack of technical knowledge
- (C) Lack of confidence in business
- (D) Legal constraints and regulations

(ii) Which of the following is not a macroeconomic factor influencing business?

- (A) Demographic environment
- (B) Technological environment
- (C) Legal environment
- (D) Marketing intermediaries

- (iii) _____ describes a situation in which an entrepreneur starts a company with little capital, relying on money other than outside investments.
- (A) Crowdfunding
 - (B) Bootstrapping
 - (C) Venture Capital
 - (D) Incubation
- (iv) Development of a new HR scheme for a business is an example of _____ innovation.
- (A) Product
 - (B) Process
 - (C) Marketing
 - (D) Organizational
- (v) _____ method of start-up valuation values a start-up by taking into quantitative consideration all risks associated with the business that can affect the return on investment.
- (A) Risk factor summation method
 - (B) Cost-to-duplicate method
 - (C) Comparable transaction method
 - (D) Discounted cash flow method
- (vi) Entering into a forward contract to mitigate risk is an example of _____ strategy.
- (A) Risk retention
 - (B) Risk avoidance
 - (C) Risk sharing
 - (D) Risk transfer

(vii) Which of the following is not a source of competitive advantage?

- (A) Access to low-cost input
- (B) Locational advantage
- (C) Low entry barriers
- (D) Access to new and sophisticated technology

(viii) Which of the following is an example of a healthcare start-up?

- (A) Simplelearn
- (B) Bijak
- (C) Practo
- (D) Alpha

(ix) When platforms like Facebook, Instagram and LinkedIn are used for marketing, it is known as:

- (A) Buzz marketing
- (B) Video Marketing
- (C) Voice Marketing
- (D) Social Media Marketing

(x) _____ is the process of breaking a data set into groups of similar data, often broken into a customer demographic.

- (A) Regression analysis
- (B) Time series analysis
- (C) Cohort analysis
- (D) Monte-Carlo simulation

- (b) Read the following Scenario (Case study) and answer the Question Nos. (xi) to (xv):** **2×5=10**

Mr. KEYON a young entrepreneur having leadership qualities is passionate about sustainability, ethics and wanted to revolutionize the footwear industry by creating an eco-friendly footwear brand. He realized that consumers were becoming more conscious of their environment impact but struggled to find stylish and durable shoes. Keyon Start-up named MJB Venture that used ethical labour practices and recycled materials. He started with a small personal investment and later secured funding from Angel Investor. He leveraged digital marketing and social media to build a Loyal Community around sustainable shoe fashion. Keyon also introduced a scheme of use and return where customers get benefits on new shopping by exchanging old shoes. After a period of four years MJB Venture gained significant traction. Keyon expanded his product line by including shoes for kids and senior citizens. Keyon Start-up MJB Venture remained profitable by building best customer relationships and following best marketing strategies.

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

- (xi) The term sustainability refers to

- (A) Personnel Goal
- (B) Social Goal
- (C) Marketing Goal
- (D) Personal Goal

- (xii) Ethics practice deals with

- (A) Good and Evil
- (B) True and False
- (C) Right and Good
- (D) All of the above

(xiii) The ability to influence people towards the attainment of organization goals is known as

- (A) Leadership
- (B) Motivation
- (C) Persuasion
- (D) Commitment

(xiv) _____ are received by Angel Investors in Exchange for their Investment in Start-up.

- (A) Variable Interest Rate
- (B) Government Aid
- (C) Company Shares
- (D) Debenture and Bonds

(xv) Traction is important for start-up because

- (A) it is tax efficient.
- (B) it helps in employee management.
- (C) it proves that business is working efficiently.
- (D) it provides competitors strategy in effective manner.

Section-B

Answer any five questions from Question No. 2 to Question No. 8.

Each question carries 14 marks.

14×5=70

2. (a) “Self-discipline is a practice, a habit, a skill, a philosophy and a way of life. Those who are disciplined make their lives easier as their skill sets increase.”— In the light of the above statement, **recommend** seven entrepreneurial disciplines of a successful entrepreneur. 7

(b) “Marketers are now able to filter their audience and reach out to a targeted segment with the new age marketing rather than the huge spill overs of the traditional ways.”— In this context, **Analyze** how the new age marketing strategies can prevent the spill over of traditional ways of marketing. 7

3. (a) "There is a close and continuous interaction between the business and its environment"— **In this context, critically assess** how the Micro-Economic conditions influence Entrepreneurship. 7

- (b) MONT Ltd. is commencing a new project for manufacture of electric Toys. The Company has applied to RBL Bank for the first time for financing its Working Capital requirements. The following cost information has been estimated for Annual production of 60000 units at full Capacity.

(Amount per unit)

			(₹)
Materials			20
Direct Labour			15
Manufacturing overheads:	(₹)		
Variable	15		
Fixed	10		25
Selling and Distribution overhead:	(₹)		
Variable	3		
Fixed	1		4
		Total Cost	64
Profit			16
Selling Price			80

In the first year of operations, expected Production and Sales are 40000 units and 35000 units respectively. All Sales are on credit basis only. The Company is required to give 3 months credit to customers. On the other hand the Company would enjoy 2½ months credit from its creditors for purchase of materials.

Stock of Materials has to be kept for 3 months consumption. There is a delay of two months before finished goods are sold.

Additional Information:

To assess the Maximum Permissible Bank Borrowings, the following are the holding norms accepted by the RBL Bank for this particular Industry :

Stock of Material	2½ months
Finished Goods	2 months
Receivable (Debtors) (Cost Cash Basis)	3 months
Payable (Trade Creditors)	2½ months

Assume that Production and Sales are carried on evenly throughout the year (12 months) and Labour and overheads accrue similarly.

(Ignore Taxation, Depreciation and Work-in-Progress)

Required:

- (i) **Analyze** and **evaluate** the Cost of Sales.
 - (ii) **Analyze** and **assess** the Maximum Permissible Bank (MPB) borrowings considering 25% of current Assets as Margin Money. 7
4. (a) What is Bootstrapping? **Align** the Advantages of Bootstrapping (any six). 7
- (b) “Data is everywhere and flows through every channel of our lives”— In this context, **append** the Data Analytics Methods and Techniques that can be used by Data Analysts to process data. 7
5. (a) **Summarize** five stages of Successful Innovation. 7
- (b) According to Naval Ravikant, the Co-Founder of Angel List, market traction is simply defined as “quantitative evidence of market demand”.— In this context, **align** the various ways of generating market traction. 7
6. (a) “Scaling a business means setting the stage to enable and support growth of a Company”— In this context, **analyze** the Five Critical Steps to be required to follow for Scaling Start-ups. 7
- (b) What do you mean by Financial Risk? **Suggest** various strategies to mitigate financial risks that an organization experiences. 7
7. (a) “Good and motivated teams are very important for any Organization.”— In this context, **critically assess** the effective ways to motivate a team. 7
- (b) “All family businesses have started their journey and Entrepreneurial venture of one or more individuals”— In this context, **align** the problems faced by family run business leading to Crisis. 7

8. Mr. RAHAN is an Engineering graduate with postgraduate diploma in Management from a reputed Management Institute in India. He has got about fifteen years of experience in soft skill development, training and placement of students of accredited Management Institutes. He had successfully placed in the past many Management graduates in various organisations. Due to his wide experience in training and placement of management graduates coupled with his long-time association with various organisations, Mr. Rahan could develop very good contacts with those organisations and has got a fairly good idea about their recruitment practice in the management cadre. Moreover Mr. Rahan could develop a directory of accredited Management Institutes with their approved intake and the various specializations (Marketing, Finance, HR, Operations and Project management) they offer. Mr. Rahan is not satisfied with his present full-time job as a Training and Placement Officer with a private Management Institute and rather wants to start his own venture based on his past experiences. He has got an idea of forming a start-up for providing various training and placement services to the students of Management Institutes like soft skill training to make students placement ready, campus interview and Job fairs where heads of HR Departments of reputed organisations will be invited to participate and select candidates of their choice. Further Mr. Rahan will provide valuable feedback to the authorities of the Management Institutes regarding the performance of their students in the interview and suggestions for development of curricula.

The idea is beneficial to both the students of the Management Institutes and also the Organisations who need the services of fresh Management graduates.

Based on the case study (Scenario) stated Supra, **you are required to:**

- (a) **Develop** a business model for the start-up Mr. Rahan is going to launch.
- (b) **Suggest** possible funding strategies for the start-up.
- (c) **Recommend** possible marketing solutions for the business.