

MOCK MCQ TEST

**SUBJECT: ENTREPRENEURSHIP
DEVELOPMENT (ED)**

PAPER CODE: MS 207

DELHI INSTITUTE OF ADVANCED STUDIES

FOR PRIVATE CIRCULATION

The Questions and Answers contained in this document have been prepared by the faculty of the Institute from the sources believed to be reliable. Neither the Institute nor the faculty gives any guarantee with respect to completeness or accuracy of the contents contained in the document and shall in no event be liable for any errors, omissions or damages arising out of use of the matter contained in the document. The Institute and the faculty specifically disclaim any implied warranty as to merchantability or fitness of the information for any particular purpose.

MOCK MCQ TEST

SUBJECT: ENTREPRENEURSHIP DEVELOPMENT

PAPER CODE: MS 207

1. Innovation can best be defined as _____.
 - A. the generation of new ideas.
 - B. the evolution of new ideas.
 - C. the opposite of creativity.
 - D. the successful exploitation of new ideas.

2. 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.

3. 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.

4. 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

5. According to sociological approach, entrepreneurship
 - A. Process of sensitivity
 - B. Process of role performance
 - C. Process of economic change
 - D. All of these

6. Which of the following attitudes Is not generally associated with successful entrepreneurship :
 - A. Competition and co-operation
 - B. Desire to influence others
 - C. Innovation and product improvement
 - D. Status quo in business

7. The function of entrepreneur are:
- A. To imagine a business idea
 - B. To study project feasibility
 - C. To setup enterprise
 - D. All the above
8. Which of the following sentence is not a characteristic of entrepreneurship:
- A. Risk taking
 - B. Innovation
 - C. Creative activity
 - D. Managerial training
9. An entrepreneur is:
- A. Born
 - B. Made
 - C. Bom and made both
 - D. All of these
10. Which of the following sentence is inconsistent in the context of entrepreneur:
- A. He is owner of the business
 - B. He is risk taker
 - C. He operates production activities
 - D. He searches out business opportunities
11. Maslow's Hierarchy of needs theory is governed by the fact that:
- A. People are universally motivated by needs
 - B. People are socially motivated by needs
 - C. People are politically motivated by needs
 - D. None of the above
12. In under developed countries, local mobile phone companies use the same technology used by big companies to manufacture their products. Which of the following type of Entrepreneurs is highlighted above:
- A. Trading Entrepreneurs
 - B. Imitative Entrepreneurs
 - C. First generation Entrepreneurs
 - D. Innovative Entrepreneurs
13. All but which of the following is considered to be a myth associated with entrepreneurship?
- A. Successful entrepreneurs are born not made
 - B. First ventures are always successful

- C. All entrepreneurs must willingly invest significant sums of money
 - D. Successful entrepreneurs must have a break-through invention
 - E. An entrepreneur faces extraordinary business risks
14. Entrepreneurial culture and growth orientation consists of all of the following except:
- A. Encouraging employees to generate ideas
 - B. Focusing on opportunities.
 - C. The desire to grow at a slow and controlled pace.
 - D. Being creative.
15. Intrapreneurship often takes the form of
- A. A semi-autonomous group (e.g. an internal venture team), operating within the overarching structure of the parent organization.
 - B. A spinout venture from a university to commercial a new invention.
 - C. A subsidiary of a large corporation developing a new product.
 - D. A semi-autonomous group operating outside the overarching structure of the parent organization.
16. 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
17. A business plan is important for all of the following reasons EXCEPT:
- A. a business plan forces a firm's founders to systematically think through each aspect of their new venture.
 - B. a business plan provides lenders and investors assurance that they will earn a decent return.
 - C. a business plan provides an investor with something to react to.
 - D. a business plan is a selling document that enables a company to present itself to potential suppliers and business partners.
18. 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.
19. 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.
20. _____ 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. Project.
 - D. Strategy
21. _____ 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
22. _____ 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.
23. _____ is a favorable set of circumstances that creates a need for a new product, service, or business.
- A. A niche
 - B. A venture
 - C. A trend
 - D. An opportunity
24. Each of the following are ways to identify an opportunity EXCEPT:
- A. observing trends.
 - B. solving a problem.

- C. trying out alternative uses of existing products.
 - D. finding gaps in the marketplace.
25. Entrepreneurs can recognize problems and find ways to solve them through each of the following EXCEPT:
- A. recognizing problems in emerging trends.
 - B. identifying a currently available product or service and then building a business around a better version.
 - C. framing a problem differently than it's been thought of before, and then proposing an appropriate solution.
 - D. experiencing a problem in one's own life, and then realizing the solution represents a business opportunity.
26. All of the following are characteristics shared by those who excel at recognizing opportunities EXCEPT:
- A. brainstorming.
 - B. prior experience.
 - C. entrepreneurial alertness.
 - D. social contacts and ties with others.
27. All of the following are suitable questions to ascertain Product/Service Desirability EXCEPT:
- A. Does it make sense?
 - B. Is the product or service financially feasible?
 - C. Is this a good time to introduce the product or service in the market?
 - D. Are there any fatal flaws in the product or service's basic design or concept?
28. All of the following are characteristics of attractive industries EXCEPT:
- A. the industry is young.
 - B. the industry is fragmented.
 - C. the industry is crowded.
 - D. the industry has high operating margins.
29. _____ is conducted to determine whether a proposed business has sufficient management expertise, organizational competence, and resources to successfully launch its business.
- A. A marketing plan
 - B. Financial feasibility analysis
 - C. Industry/market feasibility analysis
 - D. Organizational feasibility analysis

30. Why is the executive summary perhaps the most important section of the business plan?
- A. This section of the plan provides in-depth discussion of the major trends in the industry in which the firm intends to compete.
 - B. This section of the plan summarizes the firm's key executives.
 - C. If this section of the plan fails to attract an investor's interest, he or she is unlikely to read the remainder of the plan.
 - D. This section of the plan deals with the day-to-day operations of the company.
31. Which of the following might be termed a disadvantage faced by the small business?
- A. Greater flexibility
 - B. Greater ability to serve specialized markets
 - C. Extreme personal commitment of the owner
 - D. More personal service
32. The financial assistance to small business provided by the Small Business Administration takes the form of:
- A. direct loans
 - B. guidance in locating lenders
 - C. loan guarantees
 - D. assistance in filling out paperwork
33. Key features of a well written business plan would include all of the following except:
- A. financial plan
 - B. qualifications of the owner
 - C. an analysis of the market
 - D. a review of the advertising firms analyzed
34. EDPs course contents contain _____.
- A. General introduction to entrepreneurs.
 - B. Motivation training.
 - C. Managerial skills.
 - D. All the above
35. MSME is defined under which act?
- A. MSMED Act 2006
 - B. MSMED Act 2001
 - C. MSMED Act 1999
 - D. MSMED Act 2004
36. MSMEs are important for the Nation's Economy because they significantly contribute to
- A. Industrial Production

- B. Exports
- C. Employment
- D. All of the above

37. Investment Limit of a Micro Enterprise under manufacturing sector does not exceed _____ lakhs.

- A. 10
- B. 20
- C. 25
- D. 50

38. The manufacturing enterprises are defined in terms of investment in _____.

- A. Furniture
- B. Stock
- C. Plant & machinery
- D. None of these

39. Which of the following is not considered while selecting the region?

- A. Law and order
- B. Price of land
- C. Availability of raw materials
- D. Proximity to the product market

40. Which one of the following is the step involved in setting up a new enterprises?

- A. Creating a business plan
- B. Making a product choice
- C. Selecting the location
- D. Setting up infrastructure

41. Which of the following is the key factor for choosing the type of financing?

- A. Availability of funds
- B. Assets of the venture
- C. Prevailing interest rates
- D. All of the given options

42. Following is not involved in EDP

- A. Identification of entrepreneurs for training
- B. Selection of entrepreneurs for training
- C. Developing entrepreneurial capabilities
- D. Arranging infrastructural facilities

43. The distinction between an "entrepreneur" and "small business owner" , if made, revolves around:
- A. really nothing; they are truly one and the same
 - B. the Small Business Administration definitions
 - C. whether the business is an Internet based one or not
 - D. the risk taking or re-invention of a business vs. someone who "simply" starts a business or buys an existing one
44. Which of the following is not a main element of the project management process?
- A. Estimation.
 - B. Schedule.
 - C. Monitor.
 - D. Systems design.
45. SBA stands for:
- A. Small business accountants
 - B. Small business administration
 - C. Small business adequacy
 - D. Small business advisors
46. EDPs course contents contains _____.
- A. General introduction to entrepreneurs.
 - B. Motivation training.
 - C. Managerial skills.
 - D. All the above
47. EDII was developed by the
- A. Government of India
 - B. State Government
 - C. All India Financial Institutions
 - D. Public sector banks
48. NIESBUD was established in
- A. 1980
 - B. 1983
 - C. 1986
 - D. 1989
49. _____ is the first development bank of the country.
- A. ICICI.
 - B. IDBI.
 - C. SFC.

D. IFCI

50. State Industrial corporations engage in the development of _____.
- A. industrial estates.
 - B. institutional estates.
 - C. individual investors.
 - D. agricultural entrepreneurs.
51. SIDBI was set up as a subsidiary of _____.
- A. IDBI.
 - B. IFCI.
 - C. ICICI.
 - D. SFC
52. 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
53. A provisional SSI registration certificate is valid for a period of _____.
- A. four Years.
 - B. three Years.
 - C. two Years.
 - D. one year.
54. DGTD stands for _____.
- A. Directorate General of Technical Development.
 - B. District General of Technical Development.
 - C. District General of Taxation Deduction.
 - D. Directorate General of Taxation Deduction
55. 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.
56. The application for registration of a small scale unit should be submitted to the _____ .
- A. General manager, DIC.
 - B. Director, DIC.
 - C. General manager. NSIC.

D. Director, NSIC.

57. District Industries Centres are located _____.

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

58. The purpose of soft loan scheme is to encourage units to undertake _____.

- A. modernization of plant and machinery.
- B. replacement of plant and machinery.
- C. renovation of plant and machinery.
- D. all the above

59. EXIM bank is a _____.

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

60. DIC is headed by General Manager in the rank of _____.

- A. Joint Director of industries.
- B. Assistant Director of industries
- C. Non-departmental officer.
- D. Departmental officer.

Answer Key of QUESTIONS

1	A	11	C	21	A	31	B	41	D	51	A
2	C	12	B	22	D	32	D	42	D	52	D
3	D	13	D	23	D	33	B	43	B	53	D
4	A	14	C	24	C	34	D	44	D	54	A
5	B	15	A	25	B	35	A	45	B	55	D
6	D	16	A	26	A	36	D	46	D	56	A
7	D	17	B	27	B	37	C	47	C	57	A
8	D	18	C	28	C	38	C	48	B	58	D
9	D	19	D	29	D	39	B	49	D	59	C
10	C	20	C	30	C	40	D	50	A	60	A