



Registration No.:

School of Entrepreneurship Skills

Session: 2020-21 (Summer Semester)

B. Voc. Program, III Semester

End-Sem. Examination

Course Code: SES1301

Set A

Time: 2 Hours

Course Name: Foundational Course in Entrepreneurship

Max. Marks: 50

Section – A

10X01 = 10 Marks

10 objective type questions, each question carries 01 mark.

Q.1. According to the Bird-in-Hand Principle, what should you do?

- a) You should look at your available resources and wait till you have sufficient resources in hand.
- b) You should look at the resources available with you and plan accordingly.
- c) You should leverage your contingencies and turn your contingencies into your strengths.
- d) All of the above

Q.2 According to Ash Maurya, which two of the following channels are more suited for startups?

- a) Direct sales
- b) Automated sales
- c) Sales through strategic partners
- d) Calling

Q.3 Which of the following questions are best suited for a Solution Demo interview?

- a) What do you think should be the price for this product?
- b) What kind of product do you need to solve your problem?
- c) What part of the demo resonated with you the most?
- d) None of the above

Q.4 Rachael starts an online lending library. A large number of readers who sign up for the library are teenagers who get monthly allowances from parents. Which of the following categories do these teenagers fall into?

- a) Consumer
- b) Customer
- c) Both Consumer and Customer
- d) Partner

Q.5 Customers can rent designer clothes, shoes, bags, and other accessories for a maximum of 5 days at a time. Her charges depend and differ from product to product. What type of revenue stream can she target?

- a) Advertising fee
- b) Renting fee
- c) Usage fee
- d) Subscription fee

Q.6 Ryan wants to launch a new online makeup store. Which of the following is not a Key Metric that Ryan should plan to track for the first 6 months?

- a) The number of makeup brands he wants to include.
- b) The number of followers on his company's Facebook page.
- c) The number of returning customers.
- d) Customer feedback score on product, quality and delivery.



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Q.7 Though Lucy's smoothies were tasty, customers complained that they were too filling and spoiled their appetite for lunch or dinner. Lucy then got together with a Nutritionist friend to make smoothies that were complete meals in themselves. She started selling these as meal replacements for people trying to lose weight. Her business started soaring in a few months.

- a) Lemonade principle
- b) Pilot-in-the-Plane principle
- c) Crazy Quilt principle
- d) Affordable Loss principle

Q.8 Russel designs expensive and fashionable clothes for models and celebrities across the globe. He is a sought-after fashion designer with his own unique style. He quotes high-end prices for his newly launched collection, but reduces his price periodically as the collection gets older. What pricing strategy has Russel adopted?

- a) Market Maximization
- b) Market Penetration
- c) Market Skimming
- d) Market Minimization

Q.9 Eileen wants to set up an online retail store for selling lifestyle products and daily living aids for elderly citizens. Her products include living aids such as walking sticks, shower chairs, shower handles, and anti-slip shoes. What are some of the expenses she should keep in mind to complete an initial, back-of-the-envelope calculation of her business?

- a) Cost of setting up brick and mortar stores as an expansion plan.
- b) Cost of developing the website.
- c) Cost of hiring professionals such as therapists for elderly people.
- d) None of the above

Q.10 Sunny wants to open a brick & mortar as well as an online store to sell goods for left-handed people, such as left-handed school supplies, sports goods, gardening tools, and kitchen appliances. While only 10 percent of human beings are left-handed, Sunny intends to increase his customer base by shipping his products across the country and internationally as well. What type of market is Sunny targeting?

- a) Existing market
- b) Niche market
- c) Re-segmented market
- d) New market

Section – B

04X04 = 16 Marks

04 short answer type questions, each question carries 04 marks.

Q.1 Outline what need to be done to find fit between Value Proposition Map and Customer profile.

Q.2 What does design thinking mean?

Q.3 Best practices to ensure that customers buy your product:

Q.4 Why Business Plans needs to be kept up-to-date? What are the variable aspects of business plan?

Section – C

04X06 = 24 Marks

04 long type questions, each question carries 06 marks.

Q.1 What is the lean business model, and what are its benefits?

Q.2 Write a short note on The Founder's Dilemma.

Q.3 What are the common Funding Sources for Startup?

Q.4. The 5 styles of Entrepreneurs: Discuss Wadhvani 5M Model.



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Ans Key
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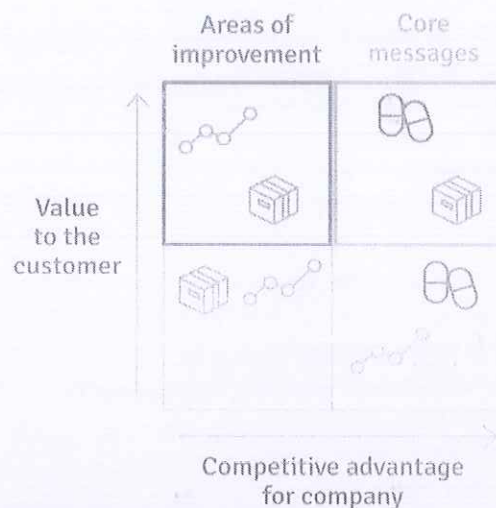
Q.1 Outline what need to be done to find fit between Value Proposition Map and Customer profile.

Ans: After listing gain creators, pain relievers and products and services, each point identified can be ranked from nice to have to essential in terms of value to the customer. A fit is achieved when the products and services offered as part of the value proposition address the most significant pains and gains from the customer profile.

Identifying the value proposition on paper is only the first stage. It is then necessary to validate what is important to customers and get their feedback on the value proposition. These insights can then be used to go back and continually refine the proposition.

An additional step is to investigate the extent to which a company has a competitive advantage in those areas to ensure that the value proposition is unique and sufficiently differentiated.

A matrix can be used to plot each aspect of the value proposition with respect to its value to the customer and the competitive advantage the company has in offering that product or service.



Q.2 What does design thinking mean?

Ans: Design thinking is a non-linear, iterative process that teams use to understand users, challenge assumptions, redefine problems and create innovative solutions to prototype and test. Involving five phases—Empathize, Define, Ideate, Prototype and Test—it is most useful to tackle problems that are ill-defined or unknown.

Design thinking can help your team or organization:

- Better understand the unmet needs of the people you're creating for (customers, clients, students, users, etc...).
- Reduce the risk associated with launching new ideas, products, and services.
- Generate solutions that are revolutionary, not just incremental.
- Learn and iterate faster.

Q.3 Best practices to ensure that customers buy your product:

Ans:

Establish trust - Trust is a special ingredient in the selling process. One slip, and the entire relationship is broken not only for one customer but for many other customers who could potentially be your prospects. If customers trust you, they will tell you their needs and what they really want. One satisfied customer will get 10 more customers, but one dissatisfied customer pulls away 100 customers from you.

Know your customers' pains very well – Knowing your customers' pains will help you address the issues at an early stage and make those little tweaks in your product/service, if required.

Acknowledge that customers buy solutions, not products/services – Customers are always on the lookout for solutions to their problems. They are not interested in how great your product looks or how inexpensive it is. End of the day all that matters is: "What job is it doing for them" and "How is your product/service going to make their life easier?"

Make your product unique - Customers will always have another choice, an alternative to your product/service. How you differentiate your product and make it unique compared to your competitors is upto you. Some key differentiators could be quality, price, convenience, timeliness, etc. A good promotional strategy could also be a great differentiator.

Q.4 Why Business Plans needs to be kept up-to-date? What are the variable aspects of business plan?

Ans: Nowadays, businesses evolve rapidly and unexpectedly due to advances in technology, diversified products and changing marketing techniques. Thus, it is recommended that you keep your business plan as current and relevant as you would any other aspect of your business.



A well written business plan will accommodate dynamic changes. The variable parameters are those which connect to the market and include the entering of new competitors, advances in the relevant technology, marketplace and shifting consumer preferences with regards the general market and your specific product/service. Also, any changes to your promotion, marketing and advertising budgets, changes in predicted revenues or expenditure, and even global macro – economic shifts such as significant adjustments in exchange and interest rates are all good reasons to update the business plan.

Section – C

04X06 = 24 Marks

04 long type questions, each question carries 06 marks.

Q.1 What is the lean business model, and what are its benefits?

Ans: A lean business model means making continuous improvements in a business operation, and the implementation of processes to guarantee optimum business efficiency. This can be achieved by changing or removing ineffective practices, identifying and getting rid of unprofitable products and measuring and improving the productivity of teams. Sometimes recognized as operational excellence or continuous improvement strategies, the model is centered around identifying the areas which are not aiding business growth and addressing them effectively. Doing so offers significant benefits to both the business and their customers – with improved operation affording increased growth and better-quality output. The lean business model offers a series of benefits to businesses of all sizes in both the short term and long term.

- Improved leadership skills: From top-level directors to middle managers and shift supervisors, lean encourages a more pro-active and considered approach to management, demanding that non-beneficial practices scrapped.
- Engaged employees: Within the lean model, employees can see their value to the wider team, engaging their attention and encouraging increased participation.
- Continuous growth: Because lean businesses are concerned with the essentials, any business using this methodology functions almost holistically. That is to say, it shines a more well-rounded spotlight on the business.
- Put customers first: It allows you to get into your customers' shoes in order to find out what matters to them. By valuing their feedback and thoughts, and acting on it, it puts the customer journey at the heart of everything a business does.
- It's easy to implement: Even if you don't go entirely lean, elements of the model can easily be introduced through small, continuous improvements to your business.

Q.2 Write a short note on The Founder's Dilemma.

Ans: Every would-be entrepreneur wants to be a Bill Gates, a Phil Knight, or an Anita Roddick, each of whom founded a large company and led it for many years. However, successful CEO-cum-founders are a very rare breed.

The Founder's Dilemma actually refer to those early decisions by entrepreneurs that can make or break a startup and its team.

Founders' choices are straightforward: Do they want to be rich or king? Few have been both.



		FINANCIAL GAINS	
		WELL BELOW POTENTIAL	CLOSE TO POTENTIAL
CONTROL OVER COMPANY	LITTLE	Failure	Rich
	COMPLETE	King	Exception

One factor affecting the founder's choices is the perception of a venture's potential. Founders often make different decisions when they believe their start-ups have the potential to grow into extremely valuable companies than when they believe their ventures won't be that valuable.

Choosing between money and power allows entrepreneurs to come to grips with what success means to them. Founders who want to manage empires will not believe they are successes if they lose control, even if they end up rich. Conversely, founders who understand that their goal is to amass wealth will not view themselves as failures when they step down from the top job. Once they realize why they are turning entrepreneur, founders must, as the old Chinese proverb says, "decide on three things at the start: the rules of the game, the stakes, and the quitting time."

Q.3 What are the common Funding Sources for Startup?

Ans: Many entrepreneurs looking to start a business get confused on the best source of funding to seek for their startup. With the many options there are, choosing the ideal source of financing can be an overwhelming process. Listed below are some common funding sources, with a brief explanation of each.

Personal Savings: This is the most appealing source of financing, because you use your own money to jumpstart your business and don't owe anyone else in the process.

Family and Friends: You can request your friends, family or close associates to help fund your business. This type of funding has more to do with the relationship itself, rather than the assessment of a feasible business plan.

Crowdfunding: This involves funding a business by taking small amounts of capital from a large number of people, usually via the internet

Angel Investors: Angel investors are wealthy individuals who will provide funding in exchange for a share of equity in the business. Some investors work in groups and screen deals together before providing funds, while most work on their own.

Venture Capital: Venture capitalists are investors who put in a considerable amount of money in exchange for equity in the business, and get returns when the business goes public or is acquired by another company.

Bank Loans: Bank loans are a popular source of funding for many startups. Before applying for a bank loan, it's important to ensure that you are well educated about the various options available, and the interest rates that come with each option.

Q 4. The 5 styles of Entrepreneurs: Discuss Wadhvani 5M Model.

Ans:

MAKER: Makers bring ideas to life through tangible plans. A maker sees the big picture and the smallest details, simplifies complex problems- their strength lies in execution. Simply put, they're great at getting things done. Makers Prefer processes and systems over people, and apply their organizational skills across fields.

Core Desire

Solve problems efficiently

Core Fear

Losing Control

Core Priority

Process

MERCHANT: Merchants are often on the lookout for the next big thing—they quickly spot a market opportunity, an unmet need, and identify how to match demand with supply. They often tweak or improvise on existing ideas, and innovatively apply concepts from other industries.



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Core Desire

Capitalize on Opportunities

Core Fear

Losing Money

Core Priority

Profit

MAGICIAN: Often Challenging the status quo, the Magician dreams of what can be. He or She takes risks that aren't always calculated, navigates uncharted territory, and stays ahead of the market. Magicians are the ones creating the future, surprising their customers and competitors. These are the visionaries and rule-breakers who ask- "why not?"

Core Desire

To innovate

Core Fear

Running out of Creative
Ideas

Core Priority

Ideas

MOBILIZER: Mobilizers are the connecting thread – they connect ideas, people, and are resources and are great at building relationships and high-energy teams. They are often involved at the grassroots level, and tend to focus on large-scale social problems and act as catalysts to bring about systemic change.

Core Desire

To help others

Core Fear

Conflict

Core Priority

People

MASTER: Experts in their own right, Masters are highly skilled and knowledgeable individuals with great passion for their chosen field. They adhere to high quality standards and expect the same of others. An expert is often looked up to as a role model, thought leader, or influencer in their industry.

Core Desire

To be an Expert

Core Fear

Being Average

Core Priority

Knowledge



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10 objective type questions, each question carries 01 mark.

Q.1 Ruby is about to start a fresh-food venture for pets. She has brought a gas oven, utensils, and some other kitchen utensils, such as a meat mincing machine and a blender. What type of costs can these be labeled as?

- a) License costs
- b) Fixed costs
- c) Startup costs
- d) Variable costs

Q.2 Which of the following methods can help validate that your problem is indeed worth solving? Select the two correct answers.

- a) Effectuation
- b) JTBD
- c) Problem Interviews
- d) Brainstorming

Q.3 Jenny has started a venture that sells lifestyle products and everyday living aids for the elderly. Her products are meant for senior citizens aged over 65 years. Where in the customer acquisition funnel would you place these individuals?

- a) Leads
- b) Target market
- c) Opportunities
- d) Referrals

Q.4 Pablo's Gourmet Grocery Store is a successful online venture. In this store, customers can view recipes from multiple cuisines and buy ingredients listed in the recipes. Which of the factors listed below can be an example of real unfair advantages for Pablo's business?

- a) Pablo and his co-founder have set aside a good amount of savings to invest in their business.
- b) Pablo and his co-founder have found a startup team who are passionate about what they do.
- c) Pablo started his career as a trainee chef in gourmet restaurant.
- d) Pablo's co-founder is a chef hosting a famous cookery show on television.

Q.5 Elton is a passionate cook and wants to start a Brazilian restaurant. Which of the two ways will help him manage the costs of his venture?

- a) Take a loan from the bank to buy specialized kitchen equipment and ingredients.
- b) Talk to some market suppliers and sign up for a two-month credit period.
- c) Invest part of his savings in sharing a kitchen with another restaurant in an upscale location.
- d) None of the above



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Q.6 Vanessa often heard from her friends and colleagues that it was hard to get fashionable large-sized clothing online. She decided to open an online, designer clothing store, especially for larger sizes. Her idea was to ship her products internationally as well. What kind of customer segmentation is Vanessa using for her clothing store?

- a) Psychographics
- b) Geography
- c) Behaviour
- d) Demographics

Q.7 Which of the following statements best describes Flow? Select the correct option.

- a) Any activity that you pursue to make money
- b) Any leisure activity that can help you become an entrepreneur
- c) Any hobby or interest that you pursue
- d) Any activity/task that is of immense interest or passion to you and that you can pursue endlessly

Q.8 Why is Flow important for entrepreneurship? Select the correct option.

- a) Flow or passion helps you persuade people to invest in your business
- b) Flow helps you discover your passion and helps you invest in new business
- c) Flow helps you do tasks and take up work that you generally dislike, thus helping you succeed in business
- d) Flow helps you take risks and explore new opportunities

Q.9 Which of the following statements best describe Effectuation? Select the two correct options.

- a) It is a set of common-sense principles that entrepreneurs apply to face challenges.
- b) It is a formula that you can apply to your business to bring it success.
- c) It discourages entrepreneurs from planning ahead and asks them to only focus on the present.
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Section – B

04X04 = 16 Marks

04 short answer type questions, each question carries 04 marks.

- Q.1 How to get better at 'Back of the Envelope' calculations?
- Q.2 Describe Customer Profile and Value Map in Value Proposition Canvas?
- Q.3 What are the common reasons why customers do not buy?
- Q.4 Briefly describe each of the components of a formal marketing plan.

Section – C

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- Q.1 Outline the basic principles of effectuation. How it helps entrepreneur to build his/her startup?
- Q.2 What is bootstrapping in financing entrepreneurship venture? What are the advantages and disadvantages of bootstrapping?
- Q.3 For a larger outreach and to attain whopping sales numbers, it is important to use a mix of channels. Justify the statement.
- Q.4 Write a short note on pricing strategies. What are the different types of pricing strategies?



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Ans keys
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Q.1 How to get better at 'Back of the Envelope' calculations?

Ans: A back-of-the-envelope calculation is an informal mathematical computation, often performed on a scrap of paper, such as an envelope. A back-of-the-envelope calculation uses estimated or rounded numbers to develop a ballpark figure quickly. The result should be more accurate than a guess, as it involves putting thought to paper, but it will be less accurate than a formal calculation performed using precise numbers and a spreadsheet or calculator.

A back-of-the-envelope calculation might be used to determine whether further research and more detailed calculations are warranted. The writing medium is meant to emphasize how little preparation goes into attacking the problem. The estimator can't even take the time to find a clean sheet of paper. But these calculations aren't just for fun, they are also useful.

Q.2 Describe Customer Profile and Value Map in Value Proposition Canvas?

Ans: The Value Proposition Canvas is formed around two building blocks – customer profile and a company's value proposition.

Customer Profile

Gains – the benefits which the customer expects and needs, what would delight customers and the things which may increase likelihood of adopting a value proposition.

Pains – the negative experiences, emotions and risks that the customer experiences in the process of getting the job done.

Customer jobs – the functional, social and emotional tasks customers are trying to perform, problems they are trying to solve and needs they wish to satisfy.

A customer profile should be created for each customer segment, as each segment has distinct gains, pains and jobs.

Value Map

Gain creators – how the product or service creates customer gains and how it offers added value to the customer.



Pain relievers – a description of exactly how the product or service alleviates customer pains.
Products and services – the products and services which create gain and relieve pain, and which underpin the creation of value for the customer.

Q.3 What are the common reasons why customers do not buy?

Ans: Some common reasons are:

1. Failure to understand the customer's buying process.
2. Failure to listen to customers' needs.
3. Not focusing on after-sales service.
4. Pushing too hard for a sale.
5. Inability to answer all questions. Making exaggerated claims.
6. Calling too often, sometimes at odd hours and harassing the customers.
7. Customers don't like salespeople who waste time by calling without a clear purpose.

Q.4 Briefly describe each of the components of a formal marketing plan.

Ans: Here are the essential components of a marketing plan that needs to be kept while devising the marketing plan.

Market research: MR is the backbone of the marketing plan. Identify consumer buying habits in the industry, market size, market growth or decline, and any current trends.

Target market: A well-designed target market description identifies your most likely buyers. In addition, you should discuss at least two or three levels of segmentation.

Marketing mix: The marketing mix component of a marketing plan describes the specific strategies you will implement to reach your target audience, entice the target audience to spend their money, and create a desire in them to return to your enterprise.

Competitive analysis: You need to know who your competitors are and how your products and services are different.

Contingency plan: The contingency plan describes possible adjustments to make to your strategies if your marketing tactics are more or less effective than originally planned.

Market strategy: It is the path to sales goals of the business.

Marketing budget: This component of a marketing plan consists of developing a marketing budget, which will allow you to plan for marketing expenditures.

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04X06 = 24 Marks

04 long type questions, each question carries 06 marks.

Q.1 Outline the basic principles of effectuation. How it helps entrepreneur to build his/her startup?

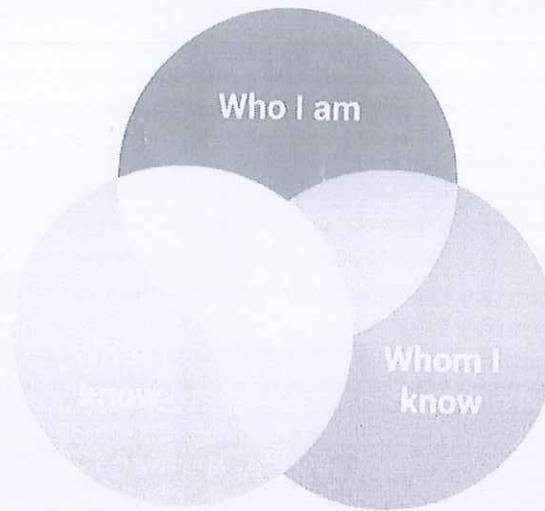
Ans: Author and associate professor in entrepreneurship Saras D. Sarasvathy has done extensive research on what makes successful entrepreneurs entrepreneurial—determining that they are innovative and action-oriented. She found that a large number of entrepreneurs use a type of thinking that she termed 'effectual reasoning'. With effectual reasoning, your starting point is that the future is unpredictable—so, rather than defining a specific plan to reach a specific goal, you focus on what means are available to you right now.

Sarasvathy describes three resources or means that are available to everyone that you can use as a starting point:

1. Who you are?
2. What you know?
3. Whom you know?

She calls this the Bird in Hand Principle. According to the Bird in Hand Principle, you should focus on what means are readily available to you rather than on where you want to end up.

Who I am, What I know, Whom I know



Who I am: Who I am relates to your identity: your values, attributes and abilities. This is not what we usually think about when we consider our means in a professional setting.

What I know: Defining what you know is somewhat more straightforward than defining who you are, in so far as it relates to your professional competencies.

Whom I know: Whom I know refers to the people in your network. According to Sarasvathy, you should think of the people you know as one of your means and create new opportunities by collaborating with people in your network.

The Take Away

When you are faced with a difficult creative problem, or if you want to become more innovative, you should stop planning and start acting with whatever means are available to you.

Q.2 What is bootstrapping in financing entrepreneurship venture? What are the advantages and disadvantages of bootstrapping?

Ans: Bootstrapping is building a company from the ground up with nothing but personal savings, and with luck, the cash coming in from the first sales. The term is also used as a noun: A bootstrap is a business an entrepreneur with little or no outside cash or other support launches.

The word bootstrapping has come to be used for a variety of other self-starting processes. It describes the creation of complex software programs in successive and interdependent stages. The term "booting up" for starting up a computer's operating system may come from bootstrapping.

Bootstrapping has its origin in the early 19th century with the expression "pulling up by one's own bootstraps." Initially, it implied an obviously impossible feat. Later, it became a metaphor for achieving success with no outside assistance.

Advantages of bootstrapping are:

- You don't have to spend time hunting out investment
- You control the company and are not answerable to investors
- With no funding you learn to manage the company's money efficiently very quickly

Disadvantages of bootstrapping are:

- It is not always practical for businesses that need a large investment such as manufacturers or importers
- It can take much longer to grow a company without investment
- You will likely not be earning any money for quite a while

Q.3 For a larger outreach and to attain whopping sales numbers, it is important to use a mix of channels. Justify the statement.

Ans: Deciding which channel, or the combination of channels to use, is not very easy. It depends on what you want your channel to do for you. While there are many channel options available, some channels may not be applicable to your venture, while others may be more viable during the later stages of your business. So, you must choose your channels meticulously to meet either of the two objectives, communicating to the customers or delivering your product to your customers.



An exhaustive list of channels and the descriptions of each provided:

Public Relations (PR)	You can promote your brand by reaching out to a large mass via media coverage, e.g. newspapers, news outlets, Magazines, T.V.
Search Engine Marketing (SEM)	Placing advertisements on search engines like Google and DuckDuckGo, where online marketers spend more than \$100 million each day
Affiliate Marketing	This is also done extensively these days where you outsource your product marketing efforts by paying people or other companies to promote your product/service, get leads, or even make a sale. For example, Zappos, Amazon, EBay, Netflix use these channels to churn out a larger chunk of business.
Trade Shows	Trade shows are a great way to showcase your product/service which gives an opportunity to meet your end customer in-person. In early stages, you could use this channel to generate interest. Later on, this channel can open doors for major deals or partnerships with high net-worth clients/customers.
Cold calls/Tele calling	In today's virtual world, cold calling has been taken over by other newer technologies, platforms, apps, etc. However, this traditional channel is still used by many to contact prospects either through phone calls (tele-calling) or drop-in visits, such as door-to-door selling (Personal selling).
Leaflets/Flyers/Pamphlets	Printing pamphlets, flyers, or leaflets and distributing them along with newspapers, or announcing the launch of your product/service on hoardings at signals are another great way of attracting target customers.
Website	Website is a collection of related web pages, typically identified with a common domain name, and published on at least one web server. A website can be accessed via an IP network, such as the Internet, or a private local area network (LAN), by entering a URL address. The first page, called the Home Page, usually contains text, graphics, and hyperlinks to other web pages and files. In today's time, it is crucial that you maintain a version of your website that works well on mobile devices too. For example, Blogpost.com, Khanacademy.com, Alibaba.com, etc.

Q.4 Write a short note on pricing strategies. What are the different types of pricing strategies?

Ans: Price is the value that is put to a product or service and is the result of a complex set of calculations, research and understanding and risk-taking ability. The term "pricing strategy" encompasses all the methods that a business owner uses to determine how much to charge for a product or service. In order to put a great strategy into action, you'll typically end up doing some math, performing market research, or collecting consumer insights first.

There are several pricing strategies:

Premium pricing: high price is used as a defining criterion. Such pricing strategies work in segments and industries where a strong competitive advantage exists for the company. Example: Porche in cars and Gillette in blades.



Penetration pricing: price is set artificially low to gain market share quickly. This is done when a new product is being launched. It is understood that prices will be raised once the promotion period is over and market share objectives are achieved. Example: Mobile phone rates in India; housing loans etc.

Economy pricing: no-frills price. Margins are wafer thin; overheads like marketing and advertising costs are very low. Targets the mass market and high market share. Example: Friendly wash detergents; Nirma; local tea producers.

Skimming strategy: high price is charged for a product till such time as competitors allow after which prices can be dropped. The idea is to recover maximum money before the product or segment attracts more competitors who will lower profits for all concerned. Example: the earliest prices for mobile phones, VCRs and other electronic items where a few players ruled attracted lower cost Asian players. These are the four basic strategies, variations of which are used in the industry.



School of Entrepreneurship Skills
Session: 2020-21 (Summer Semester)
B. Voc. Program, 3rd Semester,
End-Sem. Examination

(A)

Course Code: SES1302

Set - A

Time: 02 Hour

Course Name: Govt. Schemes & Institutional Support

Max. Marks: 50

Section - A

Answer following objective type questions, each question carries 01 mark.

1. Full form of the acronym NABARD is-
 - a) National Bank for Agriculture & Rural Development
 - b) National Bank of India for Agriculture & Rural Development
 - c) National Bank for Agriculture & Rural Disaster Management
 - d) None of the above

2. Which one of the following is a women organization helping women entrepreneurs-
 - a) KSWDC
 - b) FIWE
 - c) CWEI
 - d) All of the above

3. The acronym NITI in the NITI Aayog stands for-
 - a) National Institution for Transforming India
 - b) National Institutional Transformation commission of India
 - c) National Industrial Transformation commission of India
 - d) None of the above

4. Gramin Vikas banks take measures towards-
 - a) Institution building for improving absorptive capacity of the credit delivery system
 - b) Monitoring and formulation of rehabilitation schemes
 - c) Restructuring of credit institutions and training of personnel
 - d) All of the above

5. The Govt Schemes are designed to-
 - a) Foster Entrepreneurship development
 - b) Create culture of Innovation
 - c) Raise entrepreneurs and Create employment opportunities
 - d) All of the above

6. Tool Rooms are engaged in-
 - a) Conducting surveys and studies to identify the tooling and related skill requirements
 - b) Providing consultancy to existing engineering industries
 - c) Providing specialized tailor-made training courses
 - d) All of the above

7. Through the Startup India initiatives, entrepreneurship is promoted by-
 - a) Mentoring Startups
 - b) Nurturing Startups
 - c) Facilitating Startups
 - d) All of the above



8. Which one of the following is a functions of Pollution control Board-
- a) Freedom from water pollution
 - b) Treatment of polluted water
 - c) Action against breach of pollution laws
 - d) All of the above
9. The Make in India Program has helped-
- a) To procure Investment from abroad
 - b) Foster innovation and develop Skills
 - c) Protect Intellectual Property
 - d) All of the above
10. Bharatiya Mahila Bank (BMB) was merged with-
- a) SBI
 - b) SBBJ
 - c) OBC
 - d) PNB

Section - B

Answer following short answer type questions, each question carries 04 marks.

- Q.1 What different types of private organizations help support Entrepreneurs?
- Q.2 What are the different initiatives of Gramin Vikas Bank for supporting entrepreneurs?
- Q.3 How NABARD help support Entrepreneurs? Discuss briefly.
- Q.4 Describe the main objectives and functions of Pollution control Board.

Section - C

Answer following essay type questions, each question carries 06 marks.

- Q.1 For what different purposes funding organizations provide financial assistance to entrepreneurs?
- Q.2 Name some of the Training & Capacity Building Institutions and discuss the role of such institutions in entrepreneurial training and development.
- Q.3 What is the role of Industrial and Development institutions in supporting and developing Entrepreneurs?
- Q.4 Discuss the different Role of the Central and State Chapters of the Confederation of Indian Industry in Promotion of Internal Trade.



School of Entrepreneurship Skills
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Course Code: SES1302

Course Name: Govt. Schemes & Institutional Support

Answer key

Time: 02 Hour

Max. Marks: 50

Answer key
(11)

Section - A

Answer following objective type questions, each question carries 01 mark.

1. The initiatives take under Atal Innovation Mission are-
 - a) Atal Tinkering Labs
 - b) Atal Incubation Centers
 - c) Atal Community Innovation Centers
 - d) All of the above

2. The funding organizations provide-
 - a) Raw materials and equipment
 - b) Licenses and certifications
 - c) Working capital
 - d) All of the above

3. The STEP program was launched by-
 - a) Ministry of Women and Child Development
 - b) Ministry of Skill Development and Entrepreneurship
 - c) Ministry of Agriculture & Farmers Welfare
 - d) None of the above

4. PHD Chamber of Commerce and Industry was established in-
 - a) 1905
 - b) 1995
 - c) 1975
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5. Bharatiya Mahila Bank (BMB) was merged on-
 - a) 01 April 2017
 - b) 11 April 2017
 - c) 01 August 2016
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6. Full form of the acronym SIDBI is-
 - a) Small Industries Development Bank of India
 - b) Small Industrial Development Bank of India
 - c) Small Scale Industries Development Bank of India
 - d) None of the above

7. Which one of the following is the correct option related to the examples of Industries Associations in India-
 - a) FICCI
 - b) CIMSME
 - c) ASSOCHAM
 - d) All of the above



8. The full form of the acronym ICAR is-
- Indian Council of Agricultural Research
 - International Council of Agricultural Research
 - Indian Center for Allied Research for Innovations
 - None of the above
9. The type of support Banks provide to Entrepreneurs is related to-
- Normal lending by way of Term Loan Assistance
 - Normal lending by way of Working Capital Loan Assistance
 - business advisory, guaranty and other consultancy services
 - All of the above
10. Which one of the following is a Financial institution-
- RIICO
 - RFC & IFC
 - HSIIDC
 - None of the above

Section – B

Answer following short answer type questions, each question carries 04 marks.

Q.1 What do you mean by Govt. Schemes and Institutional Support to entrepreneurs?

Answer- The emergence of Entrepreneurship in a society depends on several influencing factors. The most important among them are considered to be the individual, environment, Socio-economic support system and institutional setup. The environment and the institutional setup are considered to be exerting direct influence on entrepreneurship. That's why the Eco-system for entrepreneurship development and inspiring, guiding and supporting the potential entrepreneurs through the viable support system becomes essential. In our country, there is well-established and robust support system available for Entrepreneurs and Enterprises at the National, State, District, Block Development and Village level.

National & State level Support System to Entrepreneurs is provided to the Entrepreneurs in the form of Institutional support like Banking, Financial, Industrial & Development Institutions help and support Entrepreneurs to foster Entrepreneurship Development in the country.

Govt. Policies, Programs & Development Schemes like Startup India, Make-in-India, Atal Innovation Mission, STEP, Digital India, PMKVY, PMEGP, SEED, WEP, ASPIRE & Pradhan Mantri Mudra Yojna.

Legal Support to new and existing entrepreneurs through different Govt/Semi-Govt agencies and NGOs & Industrial associations at Local/State & National Level in the form of Legal awareness campaigns, Counselling, Training Programs, EDPs, Seminars etc.

Q.2 Briefly describe the institutional support system to help and support Entrepreneurs.

Answer- The support system and institutional setup would include Entrepreneurship Development Organizations, Financial Institutions, Network of Banks, Industrial development organizations and different Govt agencies engaged in the implementation of the Govt Policies and development programmes. This institutional support system has been designed at following four levels: Central Government, State Government, Non-Government Support System, District Industries Centers (DIC), District Rural Development Authority (DRDA).

National & State level Institutional Support to Entrepreneurs is provided to the Entrepreneurs in the form of Banking Institutions like Nationalised commercial Banks (Public & Private Sector), Small Finance Banks, Payment Banks and Co-operative Banks, RRBs etc.

Financial Institutions like SIDBI, IDBI, ICICI, IFCI, IRCI, SFCs like RFC in Rajasthan etc.

Industrial & Development Institutions like Agricultural Development Bank, National Bank for Agriculture & Rural Development (NABARD), State level SIDCs like RIICO in Rajasthan etc

Govt. Ministries/Departments/Agencies

The above institutional support system help and support Entrepreneurs to foster Entrepreneurship Development in the country.



Q.3 Write some of the initiatives by Bharatiya Mahila Bank (BMB) to help support women entrepreneurs.

Answer- **Bharatiya Mahila Bank (BMB)** was an Indian financial services banking company based in Mumbai, India. Former Indian Prime Minister Manmohan Singh inaugurated the system on 19 November 2013 on the occasion of the 96th birth anniversary of former Indian Prime Minister Indira Gandhi. As part of the Modi government's banking reforms and to ensure greater banking outreach to women, the bank merged with State Bank of India on 1 April 2017. Mahila Bank played instrumental role in helping and supporting women entrepreneur in the country specially the rural women.

Bhartiya Mahila Bank Business Loans offered under CGTMSE Scheme

- BMB Shringaar – Loan For Beauty Parlour/Saloon/Spa
- BMB Annapurna Loan – Loans for Food Catering
- BMB SME Easy – Loans For Small and Medium Enterprises
- BMB Parvarish – Loan For Day Care Centre

Q.4 Briefly describe the Services Offered by Tool Rooms and Testing Labs.

Answer- The Government of India in its endeavor to provide the right stimulus for growth of industry in country – particularly with the objective of helping SMEs has established ten Tool Rooms at Aurangabad, Ahmedabad, Bhubaneshwar, Guwahati, Hyderabad, Indore, Jamshedpur, Kolkata, Jalandhar and Ludhiana. These Tool Rooms provide invaluable service to the Indian industry by way of precision tooling and providing skilled manpower in the area of the tool and die making. The setting up of these Tool Rooms led to the dawn of a new era in the field of tooling and co-related activities in India. Today these Tool Rooms are highly proficient in mould and die making technology and promote precision and quality in development and manufacture of sophisticated moulds, dies and tools. Each Tool Room has achieved the apex position in its respective region.

Facilities of the Tool Rooms- Tool Rooms are equipped with state-of-the-art machinery and support facilities.

- Not only are the Tool Rooms equipped with the best technology, they are also abreast with the latest advancements in the field and periodically add new technology like CAD/CAM, CNC machining for Tooling, Vacuum Heat Treatment, Rapid Prototyping, etc.
- The Tool Rooms are equipped with different ranges of mechanical & hydraulic presses and microprocessor controlled injection molding machines. These machines are being used for tryout purposes of the tools, dies and moulds and also for component production.
- The facilities of the Tool Rooms allow for the design and manufacture of sophisticated medium and small-size tools.
- These tools are in conformity with international standards. The latest hardware and software ensure the professional design of tools and 3D solid modeling.

Section – C

Answer following essay type questions, each question carries 06 marks.

Q.1 What type of support Banks provide to Entrepreneurs? Discuss different initiatives of the banking institutions.

Answer- National & State level Financial Support to Entrepreneurs is provided to the Entrepreneurs in the form of Banking Institutions like Nationalised commercial Banks (Public & Private Sector), Small Finance Banks, Payment Banks and Co-operative Banks, RRBs, Mahila Bank etc.

Financial Institutions like SIDBI, IDBI, ICICI, IFCI, IRCI, SFCs like RFC in Rajasthan etc. Industrial & Development Institutions like National Bank for Agriculture & Rural Development (NABARD)/ Grameen Vikas Bank, State level SIDCs like RIICO in Rajasthan etc.

The above institutional support system help and support Entrepreneurs to foster Entrepreneurship Development in the country. National & State level Institutional Support to Entrepreneurs is provided to the Entrepreneurs in the form of Banking Institutions like Nationalised commer-



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cial Banks (Public & Private Sector), Small Finance Banks, Payment Banks and Co-operative Banks, RRBs etc.

- Banks meet the need of financial assistance of a new startup company in the form of short term and long term loans.
- Banks provide working capital assistance to help entrepreneurs meet their day to day needs of available fund
- Banks advise entrepreneurs on sustainable lines of investment by analyzing the pro and cons of each investment.
- In addition to the normal lending and other service, banks now also engage in business advisory, guaranty and other consultancy services which help entrepreneurs in the promotion and financing of entrepreneurship activities.

SIDBI: stand for Small Industries Development Bank of India. This acts as the Principal Financial Institution for Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector.

IDBI: Stand for Industrial Development Bank of India. This provide credit and other financial facilities for the development of the MSMEs

ICICI: Stand for Industrial Credit and Investment Corporation of India. Earlier this was a development financial institution but now as a Bank offering only project finance to a diversified financial services group.

Q.2 What are diffeent promotional agencies? Discuss the Institutional Support by Promotional Agencies to Entrepreneurs.

Answer- Promotional agencies are agencies that are set up to help or assist entrepreneurs to start their enterprise. They basically promote the business through various strategies so that the entrepreneur can survive the initial hiccups any business faces. Also, most of the strategies the promotional agencies use, are all tried and tested methods and hence ensure to benefit the entrepreneurs.

Promotional Agencies include Entrepreneurship Development Organizations, Financial Institutions, Network of Banks, Industrial development organizations and different Govt agencies engaged in the implementation of the Govt Policies and development programmes.

- The different Promotional Agencies has been setup at four levels like at the Central Government, State Government level, Non-Government Support System, District Industries Centers (DIC) and District Rural Development Authority (DRDA)
- The government has set up many agencies to help, promote, train and support entrepreneurs. They also impart training to entrepreneurs to improve their business and market knowledge, to develop their skill set and build a businessman attitude.

Entrepreneurship development is important for any national economy to grow and boom. Hence the government has set up many agencies to help, promote, train and support entrepreneurs. They also impart training to entrepreneurs to improve their business and market knowledge, to develop their skill set and build a businessman attitude.

The various promotional agencies set up by the central government include:-

1. Small industries development organization
2. Management development institution
3. Entrepreneurship development institute of India
4. All India small scale industries board
5. National Institution of Entrepreneurship and small business development
6. National Institute of Small Industries Extension Training
7. National Small Industries Corporation Limited

Entrepreneurship development is very important and hence governments spend a lot of money to extend their support for the same. They also encourage entrepreneurs in rural and backward areas to ensure regional development. They set up various programs to help entrepreneurs in the field of marketing, finance, technique and skill development to help entrepreneurs to accelerate and adapt to changing industry trends.



Apart from the above stated the main objective of promotional agencies include:-

1. Establishment- promotional agencies help entrepreneurs to set up and establish their business.
2. Funding- promotional agencies help businesses to get the necessary funds or investment to help establish their venture. Financial assistance is essential for any business to get established and the agencies help in the same.
3. Market research and availability- promotional agencies via their market research programs can help new entrepreneurs to gain control over the changing market trends. This is very important especially during the initial stages.
4. Market trends- promotional agencies through their network and experience can help new-age entrepreneurs to get full knowledge about the latest market trends and ever-growing demand for better products and services.

Q.3 What do you mean by Women organizations which have played a pivotal role in growth and development of women entrepreneurs?

Answer- Women Organizations in India have emerged for support of women entrepreneurs. Such organizations provide financial and management supports that can guide female entrepreneurs with the proper guidance and advice on various aspects of entrepreneurship. Women Entrepreneur Associations In India are completely dedicated to help budding women entrepreneurs and help them build a successful career.

The followings are some of associations or institutions which have played a pivotal role in growth and development of women entrepreneurs:

1. **WE Mission-Lateral-** To build more women entrepreneurship in Kerala, this mission helps to identify, promote and support women entrepreneurs.
2. **KSWDC-** The Kerala State Women's Development Corporation encourages women to be ambitious and confident about their success and dreams.
3. **FIWE-** Federation of Indian Women Entrepreneurs is a platform for women to help them with, Industry research & expertise, Skill development & training.
4. **CWEI-** The consortium of women entrepreneurs of India is a voluntary organization consisting of Non-Governmental Organisation (NGO). It was formed with the basic objective of providing technological up gradation facilities for female entrepreneurs.
5. **Women Biotechnology Incubator:** To encourage women to take the tech entrepreneurship route, the Women Biotech incubator was started. This incubation facility is supported by BIRAC (Biotechnology Industry Assistance Council).
6. **Womenovator:** Womenovator was started in 2014 as a virtual incubator to help women entrepreneurs manifest their entrepreneurial ideas. Their uniqueness lies in the fact that they are not just a virtual incubation facility, but they also aim at building a supportive community of women.
7. **The Women Entrepreneurship Platform (WEP):** NITI Aayog has launched a Women Entrepreneurship Platform (WEP) for providing an ecosystem for budding & existing women entrepreneurs across the country. SIDBI has partnered with NITI Aayog to assist in this initiative. As an enabling platform, WEP is built on three pillars- Iccha Shakti, Gyaan Shakti & Karma Shakti
 - Iccha Shakti represents motivating aspiring entrepreneurs to start their business
 - Gyaan Shakti represents providing knowledge and ecosystem support to women entrepreneurs to help them foster entrepreneurship
 - Karma Shakti represents providing hands-on support to entrepreneurs in setting-up and scaling up businesses

Q.4 Describe the role of RIICO and RFC in the state of Rajasthan to help support entrepreneurs and boost industrialization.

Answer- RFC stands for Rajasthan Financial Corporation.

RFC is the apex State Financial Corporation (SFC) in the state for providing long term financial support to tiny, small and medium scale industries in the State of Rajasthan.

RFC has network of 21 Branch offices and one Facilitation Center in the State . You may discuss your project with our Branch Managers and submit your application to the concerned Branch in whose jurisdiction you propose to set up your industrial unit.

RFC have launched Youth Entrepreneurship Development Programme in the state of Rajasthan



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to help support the educated youth to start their own Micro & Small level industry or service enterprises in the state. Through this scheme Loan is provided at cheaper rate of interest.

RIICO stands for Rajasthan State Industrial Development & Investment Corporation Limited.

Started working from 1st January, 1980, RIICO is the apex agency of the State of Rajasthan for industrial development. RIICO provides industrial infrastructure as well as term loan to projects. RIICO has so far established 347 Industrial Areas across Rajasthan, where 3500 acres land is available for allotment and 3200 acres of land will be shortly available for allotment.

Focus Areas of RIICO- Focus on development of sector specific industrial areas / zones as one of the strategies to achieve synergistic industrial development.

RIICO has also laid emphasis on creating industrial infrastructure for Export Oriented Units (EOUs). Gem & Jewellery SEZ at Sitapura by RIICO and Mahindra World City, a Multi Product SEZ at Jaipur, a Joint Sector project of RIICO with Mahindra Group are functional.

RIICO is also providing term loan to industrial as well as commercial and infrastructure projects in the State.

Financial Assistance Schemes of RIICO Includes the following-

- Project Loan
- Credit Scheme for Builders/Commercial Complex/ Residential Complexes
- Financing of Industrial Land (Download Form)
- Scheme for Financing against Immovable Property
- Multi Purpose Medium Term Loan for Good Borrowers
- Working Capital Term Loan
- Scheme for Financing Service Sector
- Scheme for Corporate Loan
- Equipment Finance Scheme (EFS)
- Flexi Loan for Hotels, Hospitals & Nursing Homes
- Hotel and Tourism Related Activities
- Loan Scheme for Young/First Generation Entrepreneurs



School of Entrepreneurship Skills
Session: 2020-21 (Summer Semester)
B. Voc. Program, 3rd Semester,
End-Sem. Examination

(B)

Course Code: SES1302

Set-B

Time: 02 Hour

Course Name: Govt. Schemes & Institutional Support

Max. Marks: 50

Section – A

Answer following objective type questions, each question carries 01 mark.

1. The initiatives take under Atal Innovation Mission are-
 - a) Atal Tinkering Labs
 - b) Atal Incubation Centers
 - c) Atal Community Innovation Centers
 - d) All of the above
2. The funding organizations provide-
 - a) Raw materials and equipment
 - b) Licenses and certifications
 - c) Working capital
 - d) All of the above
3. The STEP program was launched by-
 - a) Ministry of Women and Child Development
 - b) Ministry of Skill Development and Entrepreneurship
 - c) Ministry of Agriculture & Farmers Welfare
 - d) None of the above
4. PHD Chamber of Commerce and Industry was established in-
 - a) 1905
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8. The full form of the acronym ICAR is-
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 - a) Normal lending by way of Term Loan Assistance
 - b) Normal lending by way of Working Capital Loan Assistance
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 - d) All of the above
10. Which one of the following is a Financial institution-
 - a) RIICO
 - b) RFC & IFC
 - c) HSIIDC
 - d) None of the above

Section - B

Answer following short answer type questions, each question carries 04 marks.

- Q.1 What do you mean by Govt. Schemes and Institutional Support to entrepreneurs?
- Q.2 Briefly describe the institutional support system to help and support Entrepreneurs.
- Q.3 Write some of the initiatives by Bharatiya Mahila Bank (BMB) to help support women entrepreneurs.
- Q.4 Briefly describe the Services Offered by Tool Rooms and Testing Labs.

Section - C

Answer following essay type questions, each question carries 06 marks.

- Q.1 What type of support Banks provide to Entrepreneurs? Discuss different initiatives of the banking institutions.
- Q.2 What are different promotional agencies? Discuss the Institutional Support by Promotional Agencies to Entrepreneurs.
- Q.3 What do you mean by Women organizations which have played a pivotal role in growth and development of women entrepreneurs?
- Q.4 Describe the role of RIICO and RFC in the state of Rajasthan to help support entrepreneurs and boost industrialization.



School of Entrepreneurship Skills
Session: 2020-21 (Summer Semester)
B. Voc. Program, 3rd Semester,
End-Sem. Examination

Ans keys
A

Course Code: SES1302

Course Name: Govt. Schemes & Institutional Support

Section - A

Answer key

Time: 02 Hour

Max. Marks: 50

Answer following objective type questions, each question carries 01 mark.

1. Full form of the acronym NABARD is-
 - a) **National Bank for Agriculture & Rural Development**
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 - c) National Bank for Agriculture & Rural Disaster Management
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2. Which one of the following is a women organization helping women entrepreneurs-
 - a) KSWDC
 - b) FIWE
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 - d) **All of the above**
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 - c) Providing specialized tailor-made training courses
 - d) **All of the above**
7. Through the Startup India initiatives, entrepreneurship is promoted by-
 - a) Mentoring Startups
 - b) Nurturing Startups
 - c) Facilitating Startups
 - d) **All of the above**
8. Which one of the following is a functions of Pollution control Board-
 - a) Freedom from water pollution
 - b) Treatment of polluted water
 - c) Action against breach of pollution laws
 - d) **All of the above**



9. The Make in India Program has helped-
- To procure Investment from abroad
 - Foster innovation and develop Skills
 - Protect Intellectual Property
 - All of the above
10. Bharatiya Mahila Bank (BMB) was merged with-
- SBI
 - SBBJ
 - OBC
 - PNB

Section - B

Answer following short answer type questions, each question carries 04 marks.

Q.1 What different types of private organizations help support Entrepreneurs?

Answer- Overview of the Role of Private Organizations in Entrepreneurship Development and Supporting Entrepreneurs in India- Entrepreneurship and private sector engagement are key drivers of regional industrial diversification and future competitiveness.

- The private sector has a far bigger and critical role to play in pulling up smaller entrepreneurs from the shadow culture.
- The Private Sector has been observed Enforcing right social behavior by engaging with entrepreneurs, assisting them with capacity building, and aiding them with compliance, particularly with environmental standards, and help facilitate local businesses integrate sustainable development thinking into their production processes and operations.
- The private sector in India plays a major role in the entrepreneurial growth of India. It generates employment opportunities, promotes innovation, drives competitiveness and facilitates entrepreneurship across the industry.

A good number of Private Women Organizations in India have emerged for support of women entrepreneurs. Such organizations provide financial and management supports that can guide female entrepreneurs with the proper guidance and advice on various aspects of entrepreneurship. Women Entrepreneur Associations In India are completely dedicated to help budding women entrepreneurs and help them build a successful career. The followings are some of associations or institutions which have played a pivotal role in growth and development of women entrepreneurs:

- WE Mission-Lateral- To build more women entrepreneurship in Kerala, this mission helps to identify, promote and support women entrepreneurs.
- KSWDC- The Kerala State Women's Development Corporation encourages women to be ambitious and confident about their success and dreams.
- FIWE- Federation of Indian Women Entrepreneurs is a platform for women to help them with, Industry research & expertise, Skill development & training.
- CWEI- The consortium of women entrepreneurs of India is a voluntary organization consisting of Non-Governmental Organisation (NGO). It was formed with the basic objective of providing technological up gradation facilities for female entrepreneurs.

Q.2 What are the different initiatives of Gramin Vikas Bank for supporting entrepreneurs?

Answer- Grameen Vikas Banks provides investment and production credit for promoting various developmental activities in rural areas.

These banks take measures towards institution building for improving absorptive capacity of the credit delivery system, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions and training of personnel.

Further such banks support and coordinate the rural financing activities of all institutions engaged in developmental work at the field level and liaison with the Government of India, the State Governments, the Reserve Bank and other national level institutions concerned with policy formulation.



A few Grameen Vikas Banks in the country has launched "Vikas Yuva Prerana", a special scheme to encourage students of polytechnics and Industrial Training Institutes (ITI) to take up entrepreneurial activities. This move is expected to help students explore career opportunities in the field of entrepreneurship and take up self-employment. Under this initiative, awareness programmes are held for outgoing students and in the second stage, candidates interested in taking up self-employment are short-listed and finally the bank provide them with necessary training and in the third stage, the bank is likely going to extend credit support up to ₹ 10 lakh to selected candidates.

Q.3 How NABARD help support Entrepreneurs? Discuss briefly.

Answer- NABARD- The full form of this is National Bank for Agriculture & Rural Development and this Promote sustainable and equitable agriculture and rural development through participative financial and non-financial interventions, innovations, technology and institutional development for Agro-preneurship and Rural Entrepreneurship Development.

This Bank provide appropriate skills with adequate credit for promoting entrepreneurship among rural youth. The bank has been entrusted with "matters concerning policy, planning, and operations in the field of credit for agriculture and other economic activities in rural areas in India. NABARD has been instrumental in grounding rural, social innovations and social enterprises in the rural hinterlands.

NABARD also gives guidelines for promotion of group activities under its programs and provides 100% refinance support for them. It is setting linkages between Self-help Group (SHG) which are organized by voluntary agencies for poor and needy in rural areas. It is a refinancing agency for those institutions that provide investment and production credit for promoting the several developmental programs for rural entrepreneurship development.

Q.4 Describe the main objectives and functions of Pollution control Board.

Answer- Though industries play an important role in growth of nation yet many industrial wastes coming out from various industries are polluting environment extensively. If pollution caused due to industrial wastes is not controlled then this industrial growth may prove in vain. Hence for controlling the pollution a need was felt by Central government and state government. Main objectives and functions of Pollution control Board are as follows:

1. Freedom from water pollution
2. Treatment of polluted water
3. Limitation of polluted industries
4. Declaration of pollution control areas
5. Action against breach of pollution laws

The working of pollution control board is not limited up to controlling the pollution as per rules and regulation laid down. The board also gives incentives to the industries who have effectively controlled the pollution.

Functions of the Central Board at the National Level

- Advise the Central Government on any matter concerning prevention and control of water and air pollution and improvement of the quality of air.
- Plan and cause to be executed a nation-wide programm for the prevention, control or abatement of water and air pollution;
- Co-ordinate the activities of the State Board and resolve disputes among them;
- Provide technical assistance and guidance to the State Boards, carry out and sponsor investigation and research relating to problems of water and air pollution, and for their prevention, control or abatement;
- Plan and organise training of persons engaged in programme on the prevention, control or abatement of water and air pollution;
- Organise through mass media, a comprehensive mass awareness programme on the prevention, control or abatement of water and air pollution;



Section - C

Answer following essay type questions, each question carries 06 marks.

Q.1 For what different purposes funding organizations provide financial assistance to entrepreneurs?

Answer- Funding is an extremely significant aspect in line with meeting the vision of a business. Funding and fundraising, both are fundamental modern business scenarios that support the growth of a startup. The first round of funding, popularly known as seed funding forms the basis of fundraising.

Funding' refers to the money required to start and run a business. It is a financial investment in a company for product development, manufacturing, expansion, sales and marketing, office spaces, and inventory. Many startups choose to not raise funding from third parties and are funded by their founders only (to prevent debts and equity dilution). Most startups do raise funding, especially as they grow larger and scale their operations. The funding organizations support and provide fund for one, a few, or all of the following purposes-

- Prototype creation, product development, website/app development
- Team hiring
- Legal and consulting services for your startup
- Raw materials and equipment
- Licenses and certifications
- Working capital
- Marketing and Sales
- New Startups Funding
- Term loan and Working Loan Funding
- Credit Guarantee fund for Micro and Small enterprises
- Funding for Procurement of Plant & Machinery, Tools & Equipment

Q.2 Name some of the Training & Capacity Building Institutions and discuss the role of such institutions in entrepreneurial training and development.

Answer- Training & Capacity Building Institutions- These are the Skill Training & Development and capacity building institutions for Entrepreneurship Development in the country to Enhance the motivation, knowledge and skills of the potential entrepreneurs. The name of some of the institutions imparting training & build capacity includes IIE, EDII, NIESBUD, NITCON, Educational Institutions, NSDC, Sector Skill Councils, MSME-DI, NEN, NIE, NSIC, DIC, DRDA, RSETI, NI-MSME, NAYA and National Skill Network etc.

Following are the some of the important role of such institutions-

- Providing Motivational training and building capacity of the potential candidates to transform from job seekers to job creators.
- Training the candidates to acquire technical and managerial skills to become an entrepreneur. Organizing Short-term training programmes and management development programmes for entrepreneurs and managers to equip them with skills to offer productivity and quality improvement solutions across the value chain.
- Acting as a catalyst in building an individual's skills and knowledge base to a greater capacity towards entrepreneurial success. Our main aim is to reach various target groups and provide value added services and build their capacity and help them set up independent enterprise.

Training is one of the major tools institute applies for capacity building of youth, entrepreneurs, personnel, and organizations. Through training, Training & Capacity Building Institutions helps people to change attitude, update knowledge and acquire specific skills, in turn increase their efficiency, employability, effectiveness and productivity.

Training & Capacity Building Institutions designs need-based and customized training for the organizations, theme-based training for the professionals and entrepreneurs while entrepreneurship development and vocational skill-based training for the potential entrepreneurs and unemployed youth. Institute organizes these programs at head office level as well as other districts of the state.



A few of these training are indicated here:

- Motivation and Policy Orientation for Officials
- Cluster Development and Industrial Policy
- Management Development for Small, Micro Entrepreneurs and SHGs
- Theme based Programs for Entrepreneurs and professionals, such as Intellectual Property Rights, Cluster Approach etc
- Export Promotion Policy and Procedures
- Training Design and Management Program for government officials and NGOs
- Entrepreneurship Development for NGO representatives
- Entrepreneurship Development Program for potential entrepreneurs and youth
- Entrepreneurial and Vocational Skills Development for unemployed youth
- Specialized internship programs for students of different educational and professional courses.

Q.3 What is the role of Industrial and Development institutions in supporting and developing Entrepreneurs?

Answer- National & State level Institutional Support to Entrepreneurs is provided to the Entrepreneurs in the form of Industrial & Development Institutions like Agricultural Development Bank, National Bank for Agriculture & Rural Development (NABARD), State level SIDCs like RIICO in Rajasthan etc.

1. NABARD- The full form of this is National Bank for Agriculture & Rural Development and this Promote sustainable and equitable agriculture and rural development through participative financial and non-financial interventions, innovations, technology and institutional development for Agro-preneurship and Rural Entrepreneurship Development.

2. SIDCs: Stand for State Industrial Development Corporations like RIICO in Rajasthan. RIICO stand for Rajasthan State Industrial Development & Investment Corporation Limited. Lets develop a better understanding about RIICO as to how this is actually playing significant role for industrialization in the sate and in the growth and development of MSMEs.

NABARD provide appropriate skills with adequate credit for promoting entrepreneurship among rural youth. The bank has been entrusted with "matters concerning policy, planning, and operations in the field of credit for agriculture and other economic activities in rural areas in India.

NABARD has been instrumental in grounding rural, social innovations and social enterprises in the rural hinterlands. This also gives guidelines for promotion of group activities under its programs and provides 100% refinance support for them. It is setting linkages between Self-help Group (SHG) which are organized by voluntary agencies for poor and needy in rural areas. It is a refinancing agency for those institutions that provide investment and production credit for promoting the several developmental programs for rural entrepreneurship development.

Small Industries Development Bank of India (SIDBI) is promoting the spirit of entrepreneurship across the nation and has touched over one lakh enterprising lives in the year 2019. SIDBI also launched a campaign to create entrepreneurship awareness in 115 aspirational districts across 28 states. Under this initiative over 18,000 youths including about 35 per cent women were touched.

Since its formation in 1990, SIDBI has been impacting the lives of citizens across various strata of the society through its integrated, innovative and inclusive approach.

Be it traditional domestic industry, small units, bottom-of-the-pyramid entrepreneurs, medium enterprises to high-end knowledge-based industries and export promotions, SIDBI has directly or indirectly touched the lives of more than 360 lakh people through various credit and developmental measures.

Q.4 Discuss the different Role of the Central and State Chapters of the Confederation of Indian Industry in Promotion of Internal Trade.

Answer- Industry Associations are non-government, not-for-profit, industry organization for micro and Small & Medium Enterprises (SMEs). Examples of such Associations in India are Indian Industries Association, FICCI, Chamber of Indian Micro Small & Medium Enterprises "CIMSME", ASSOCHAM, The Confederation of Indian Industry (CII) etc. The usual role of indus-



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try associations is to further the interests of and respond to external events of their members and present business viewpoints and interests to governments and lobby them on the enabling environment.

These brings together policy makers, experts, academics, researchers and MSME entrepreneurs from around the world and use this platform to share their experience, knowledge and expertise in their respective fields. These further builds synergies between the activities of SMEs support institutions across the world and the enabling framework and programmes of governments and Non-Government Organisations working for the promotion of the sector. These play a crucial role in building an effective policy framework, useful support measures and arrangements for the growth and development of small businesses.

Role of the Central and State Chapters of the Associated Chambers of Commerce and Industry in Promotion of Internal Trade- Since its establishment in 1920, it has represented the interests of the commerce and the internal trade industries of India. It provides a platform for policy discussions and formulating plans for the safety and the growth of the industry. ASSOCHAM also represents the interests of professionals involved with trade and industries, such as Chartered Accountants, Lawyers, Consultants etc.

They cooperate with the central and state government and other government agencies to remove some of the barriers to trade. They even assist in the policy-making to ensure that all interests are looked after.

ASSOCHAM conducts seminars and lectures and surveys to educate the businessmen on GST procedures. This represent the voice of the industry and also voice there collective complaints and concerns. They are the main source of communication between the government and the individual businessmen.

Role of the Central and State Chapters of the PHD Chamber of Commerce and Industry in Promotion of Internal Trade- Since its inception in 1905, it has represented itself as a proactive National Apex Chamber working at the grass-root level and with strong national and international linkages.

The Chamber acts as a catalyst in the promotion of industry, trade and entrepreneurship. PHD Chamber, through its research-based policy advocacy role, positively impacts the economic growth and development of the nation.

PHD Chamber operates through various Expert Committees / Task Forces comprising of representatives of member companies and experts. Views of the Chamber are formulated on topical issues through deliberations in these Committees / Task Forces.

With the in-house expertise at PHD Chamber, this gives business advice to Indian companies on most aspects of their business. These include, apart from national and regional economic and industry related issues, corporate affairs, taxation, finance and banking, capital markets, infrastructure and energy, labour and industrial relations, human resources and skill development, tourism, agri-business, environment, etc.



School of Entrepreneurship Skills
Session: 2020-21 (Summer Semester)

(A)

B. Voc. Program Third Semester,
End-Sem. Examination

Course Code: SES1303

Set-A

Time: 2 Hours

Course Name: Business Accounting and Finance

Max. Marks: 50

All questions are compulsory.

Section – A

10X01 = 10 Marks

Answer the following objective type questions, each question carries 01 mark.

Q1. The debts which are to be repaid within a short period (a year or less) are referred to as:

- (a) Current Liabilities (b) Fixed liabilities
(c) Contingent liabilities (d) All the above

Q2. Net profit is computed in the

- (a) Balance Sheet (b) P & L Account
(c) Trail Balance (d) All of the above

Q3. The charges of placing commodities into a saleable condition should be charged to

- (a) Balance Sheet (b) P & L Account
(c) Trail Balance (d) Trading Account

Q4. The next step after recording of transaction in accounts is:

- (a) Classifying (b) event (c) Summarizing (d) None of Above

Q5. Causes of depreciation is:

- (a) Wear & Tear (b) Obsolesce (c) Reduced usage (d) All of above

Q6. Written Down Value Method is for calculating:

- (a) Sales value (b) Depreciation (c) Business value (d) All of above

Q7. Cause of Profit for a business entity is

- (a) Excess Expenses (b) Excess Finance
(c) Excess Revenues (d) None of above

Q8. Accounting furnishes data on

- (a) Income and cost for the managers
(b) Financial conditions of the institutions
(c) Company's tax liability for a particular year
(d) All of Above

Q9. Which of the following is not a GAAP

- (a) Business Entity (b) Accrual Concept (c) Balancing (d) Going Concern

Q10 First Book of Accounts is

- (a) Journal (b) Ledger (c) Balance Sheet (d) Can't say



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Section – B

04X04 = 16 Marks

Answer the following short answer type questions, each question carries 04 marks.

Q1. Define Double Entry System in Accounting?

Q2. What are the causes of Depreciation?

Q3. Briefly explain the types of accounts maintained under modern classification of accounts?

Q4. Briefly explain Business Entity Concept? Give some examples of the same.

Section – C

04X06 = 24 Marks

Answer the following long type questions, each question carries 06 marks.

Q.1 Record the journal entries for the following:

Jan. 1 - Business started with cash 8,000 and plant & machinery 3,000.

Feb 2 - Stock purchase for sale (cash purchase) = 3,000, credit purchase from Reshma = 5,000

Mar. 3 - Wages paid 120,000

Q.2. Prepare a Trading Account from the following particulars for the year ended 31st March

2020:-

Particulars	(₹)	Particulars	(₹)
Opening Stock	2,50,000	Purchases Returns	22,000
Purchases	7,00,000	Sales Return	36,000
Sales	18,00,000	Gas, Fuel and Power	75,000
Wages	2,06,000	Dock Charges	8,000
Carriage Inward	34,000	Factory Lighting	96,000
Carriage Outward	20,000	Office Lighting	5,000
Manufacturing Expenses	2,48,000		

Closing Stock is valued at ₹ 6,00,000.

Q.3. What is Balance Sheet. Explain describing its performa.

Q.4. What is Straight Line Depreciation? Calculate SLD for :

Company A purchases a machine for ₹100,000 with an estimated salvage value of ₹.20,000 and a useful life of 5 years.

amb



School of Entrepreneurship Skills
Session: 2020-21 (Summer Semester)
B. Voc. Program Third Semester,
End-Sem. Examination

Ans keys
PB

Course Code: SES1303

Time: 2 Hours

Course Name: Business Accounting and Finance

Max. Marks: 50

All questions are compulsory.

Answer key

Section – A

10X01 = 10 Marks

Answer the following objective type questions, each question carries 01 mark.

Q1. On balance sheet, accruals, notes payable, and account payable are listed under:

- (a) **Current Liabilities**
- (b) Fixed liabilities
- (c) Contingent liabilities
- (d) All the above

Q2. A firm buys products but does not pay to suppliers instantly. This is recorded as

- (a) Account Receivable
- (b) **Account Payable**
- (c) Accumulated Liabilities
- (d) Current Liabilities

Q3. As per the accounting double-entry system, an account that receives the benefit is

- (a) No need to show as an accounting record
- (b) Income
- (c) Debit
- (d) **Credit**

Q4. What kind of expenses are paid from Gross Profit?

- (a) Selling Expenses
- (b) Financial Expenses
- (c) General Expenses
- (d) **All of Above**

Q5. Salvage value means

- a) Definite sale price of the asset
- b) Cash to be received when life of the asset ends
- c) Cash to be paid when asset is disposed off
- d) **Estimated disposal value**

Q6. Straight Line Method is for calculating:

- (a) Sales value
- (b) **Depreciation**
- (c) Business value
- (d) All of above

Q7. Entered in the Purchases Journal are

- (a) Discounts received
- (b) **Purchases invoices**
- (c) Payments to suppliers
- (d) Trade discounts

Q8. Due to which concept, accounting does not record non-financial transactions?

- (a) Going concern concept
- (b) **Money measurement concept**
- (c) Accrual concept
- (d) Cost concept

Q9. The owner of the business is treated as a creditor of the business according to which of the following concept?

- (a) **Business Entity**
- (b) Accrual Concept
- (c) Balancing
- (d) Going Concern

Q10 Which option gives a review report on the firm's financial status at a specified date?

- (a) Journal
- (b) Ledger
- (c) **Balance Sheet**
- (d) Can't say



Section – B

04X04 = 16 Marks

Answer the following short answer type questions, each question carries 04 marks.

Q1. State the end product of financial accounting.

Ans. The end product of Financial Accounting are shown below:

Income statement: Trading and Profit and Loss Account is part of the income statement, it determines the financial position of business based on gross/net loss or profit.

Balance Sheet: Balance sheet is helpful in presenting the exact financial position of the business. It provides information about the assets and the liabilities in a business to users of the business information.

Q2. What is Depreciation?

Ans. Any fixed asset that is acquired by a business is subjected to wear & tear and obsolescence over a time. This decrease in monetary value is calculated by a measure in accounting referred to as depreciation.

Q3. State the three fundamental steps in the accounting process.

Ans. The fundamental steps of the accounting process are:

1. Identifying and analyzing the business transactions.
2. Recording of the business transactions.
3. Classifying and summarizing their effect and communicating the same to the interested users of business information.

Q4. State the meaning of a Trial Balance.

Ans. Trial Balance is a list of all general ledgers accounts present in the ledger of a business, the main purpose of its creation is to verify the arithmetical accuracy of the accounts. It is carefully prepared after balancing of all the accounts of ledger. Trial Balance consists of two columns, debit side consists of all the debit balances and credit side contains all the credit balances of the accounts.

Section – C

04X06 = 24 Marks

Answer the following long type questions, each question carries 06 marks.

Q.1 From the following balances taken from the books of Simmi and Vimmi Ltd. for the year ending March 31, 2021, calculate the gross profit.

	₹
Closing stock	2,50,000
Net sales during the year	40,00,000
Net purchases during the year	15,00,000
Opening stock	15,00,000
Direct expenses	80,000



Ans. The gross profit is calculated below:

Trading Account as on March 31, 2021			
Dr.			Cr.
Particulars	Amount ₹	Particulars	Amount ₹
Opening Stock	15,00,000	Net Sales	40,00,000
Net Purchases	15,00,000	Closing Stock	2,50,000
Direct Expenses	80,000		
Gross Profit	11,70,000		
	42,50,000		42,50,000

Therefore, the Gross Profit is ₹ 11, 70,000.

Q.2. The following is the Trial Balance of Mr. Deepak as on March 31, 2017. You are required to prepare trading account:

Account title	Debit Amount ₹	Account title	Credit Amount ₹
Drawings	36,000	Capital	2,50,000
Insurance	3,000	Bills payable	3,600
General expenses	29,000	Creditors	50,000
Rent and taxes	14,400	Discount received	10,400
Lighting (factory)	2,800	Purchases return	8,000
Travelling expenses	7,400	Sales	4,40,000
Cash in hand	12,600		
Bills receivable	5,000		
Sundry debtors	1,04,000		
Furniture	16,000		
Plant and Machinery	1,80,000		
Opening stock	40,000		
Purchases	1,60,000		
Sales return	6,000		
Carriage inwards	7,200		
Carriage outwards	1,600		
Wages	84,000		
Salaries	53,000		



Closing stock ₹ 35,000.

Ans. The trading account are prepared below:

Trading Account as on March 31, 2017					
Dr.			Cr.		
Particulars		Amount ₹	Particulars		Amount ₹
Opening Stock		40,000	Sales	4,40,000	
Purchases	1,60,000		Less: Sales Return	6,000	4,34,000
Less: Purchases Return	(8,000)	1,52,000	Closing Stock		35,000
Lighting (Factory)		2,800			
Carriage Inwards		7,200			
Wages		84,000			
Profit and Loss (Gross Profit)		1,83,000			
		4,69,000			4,69,000

Q.3.Prepare P& L Account from above.

Profit and Loss Account as on March 31, 2017

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Insurance	3,000	Trading (Gross Profit)	1,83,000
General Expenses	29,000	Discount Received	10,400
Rent and Taxes	14,400		
Travelling Expenses	7,400		
Carriage Outwards	1,600		
Salaries	53,000		
Net Profit	85,000		
	1,93,400		1,93,400



Q.4. Prepare Balance Sheet from above.

Balance Sheet as on March 31, 2017

Liabilities		Amt ₹	Assets	Amt. ₹
Capital	2,50,000		Plant and Machinery	1,80,000
Add: N Profit	85,000		Furniture	16,000
3,35,000			Sundry Debtors	1,04,000
Less: Drawings	(36,000)	2,99,000	Closing Stock	35,000
			Bills Receivable	5,000
Creditors		50,000	Cash in Hand	12,600
Bills Payable		3,600		
		3,52,600		3,52,600



CO-ORDINATOR : BSDU GIRLS HOSTEL

1. With immediate effect Ms Surbhi Pareek and Ms Hilala are appointed as co-ordinator BSDU girls hostel till further order.
2. Their charges of room rent is waived off till the time they perform additional duties as co-ordinator.
3. Both will report to Col Pradeep Yadav for necessary instructions & guidance.
4. This has approval of the President.



(Dr. Sushela Sharma)
Registrar

Distribution :

Ms Surbhi Pareek
Trainer II, School of Electrical Skills
Ms Hilala
Research Scholar
Provost

All BSDU Dept Heads/Principals
Col. Pradeep Yadav





School of Entrepreneurship Skills
Session: 2020-21 (Summer Semester)

(B)

B. Voc. Program Third Semester,
End-Sem. Examination

Course Code: SES1303

Set-B

Time: 2 Hours

Course Name: Business Accounting and Finance

Max. Marks: 50

All questions are compulsory.

Section – A

10X01 = 10 Marks

Answer the following objective type questions, each question carries 01 mark.

Q1. On balance sheet, accruals, notes payable, and account payable are listed under:

- (a) Current Liabilities (b) Fixed liabilities (c) Contingent (d) All the above

Q2. A firm buys products but does not pay to suppliers instantly. This is recorded as

- (a) Account Receivable (b) Account Payable
(c) Accumulated Liabilities (d) Current Liabilities

Q3. As per the accounting double-entry system, an account that receives the benefit is

- (a) No need to show as an accounting record (b) Income
(c) Debit (d) Credit

Q4. What kind of expenses are paid from Gross Profit?

- (a) Selling Expenses (b) Financial Expenses
(c) General Expenses (d) All of Above

Q5. Salvage value means

- a) Definite sale price of the asset
b) Cash to be received when life of the asset ends
c) Cash to be paid when asset is disposed off
d) Estimated disposal value

Q6. Straight Line Method is for calculating:

- (a) Sales value (b) Depreciation (c) Business value (d) All of above

Q7. Entered in the Purchases Journal are

- (a) Discounts received (b) Purchases invoices
(c) Payments to suppliers (d) Trade discounts

Q8. Due to which concept, accounting does not record non-financial transactions?

- (a) Going concern concept (b) Money measurement concept
(c) Accrual concept (d) Cost concept

Q9. The owner of the business is treated as a creditor of the business according to which of the following concept?

- (a) Business Entity (b) Accrual Concept (c) Balancing (d) Going Concern

Q10 Which option gives a review report on the firm's financial status at a specified date?

- (a) Journal (b) Ledger (c) Balance Sheet (d) Can't say



BHARTIYA SKILL DEVELOPMENT UNIVERSITY

Section – B

04X04 = 16 Marks

Answer the following short answer type questions, each question carries 04 marks.

- Q1. State the end product of financial accounting.
Q2. What is Depreciation?
Q3. State the three fundamental steps in the accounting process.
Q4. State the meaning of a Trial Balance.

Section – C

04X06 = 24 Marks

Answer the following long type questions, each question carries 06 marks.

Q.1 From the following balances taken from the books of Simmi and Vimmi Ltd.

for the year ending March 31, 2021, calculate the gross profit.

	₹
Closing stock	2,50,000
Net sales during the year	40,00,000
Net purchases during the year	15,00,000
Opening stock	15,00,000
Direct expenses	80,000

Q.2. The following is the Trial Balance of Mr. Deepak as on March 31, 2017. You are required to prepare trading account:

Account title	Debit Amount ₹	Account title	Credit Amount ₹
Drawings	36,000	Capital	2,50,000
Insurance	3,000	Bills payable	3,600
General expenses	29,000	Creditors	50,000
Rent and taxes	14,400	Discount received	10,400
Lighting (factory)	2,800	Purchases return	8,000
Travelling expenses	7,400	Sales	4,40,000
Cash in hand	12,600		
Bills receivable	5,000		
Sundry debtors	1,04,000		
Furniture	16,000		
Plant and Machinery	1,80,000		
Opening stock	40,000		
Purchases	1,60,000		
Sales return	6,000		
Carriage inwards	7,200		
Carriage outwards	1,600		
Wages	84,000		
Salaries	53,000		

Closing stock ₹ 35,000.

- Q.3. Prepare P & L Account from above.
Q.4. Prepare Balance Sheet from above.

Ami



School of Entrepreneurship Skills
Session: 2020-21 (Summer Semester)
B. Voc. Program Third Semester,
End-Sem. Examination

Ans keys
A

Course Code: SES1303

Time: 2 Hours

Course Name: Business Accounting and Finance

Max. Marks: 50

All questions are compulsory.

Answer key

Section – A

10X01 = 10 Marks

Answer the following objective type questions, each question carries 01 mark.

Q1. The debts which are to be repaid within a short period (a year or less) are referred to as:

- (a) **Current Liabilities** (b) Fixed liabilities
(c) Contingent liabilities (d) All the above

Q2. Net profit is computed in the

- (a) Balance Sheet (b) **P & L Account**
(c) Trail Balance (d) All of the above

Q3. The charges of placing commodities into a saleable condition should be charged to

- (a) Balance Sheet (b) **P & L Account**
(c) Trail Balance (d) Trading Account

Q4. The next step after recording of transaction in accounts is:

- (a) **Classifying** (b) event (c) Summarizing (d) None of Above

Q5. Causes of depreciation is:

- (a) Wear & Tear (b) Obsolesce (c) Reduced usage (d) **All of above**

Q6. Written Down Value Method is for calculating:

- (a) Sales value (b) **Depreciation** (c) Business value (d) All of above

Q7. Cause of Profit for a business entity is

- (a) Excess Expenses (b) Excess Finance
(c) **Excess Revenues** (d) None of above

Q8. Accounting furnishes data on

- (a) Income and cost for the managers
(b) Financial conditions of the institutions
(c) Company's tax liability for a particular year
(d) **All of Above**

Q9. Which of the following is not a GAAP

- (a) Business Entity (b) Accrual Concept (c) **Balancing** (d) Going Concern

Q10 First Book of Accounts is

- (a) **Journal** (b) Ledger (c) Balance Sheet (d) Can't say



Answer the following short answer type questions, each question carries 04 marks.

Q1. Define Double Entry System in Accounting?

Ans. Double entry, a fundamental concept underlying present-day bookkeeping and accounting, states that every financial transaction has equal and opposite effects in at least two different accounts. It is used to satisfy the accounting equation:

$$\text{Assets} = \text{Liabilities} + \text{Equity}$$

Debits and credits are essential to the double entry system. In accounting, a debit refers to an entry on the left side of an account ledger, and credit refers to an entry on the right side of an account ledger. To be in balance, the total of debits and credits for a transaction must be equal. Debits do not always equate to increases and credits do not always equate to decreases.

A debit may increase one account while decreasing another. For example, a debit increases asset accounts but decreases liability and equity accounts, which supports the general accounting equation of $\text{Assets} = \text{Liabilities} + \text{Equity}$. On the income statement, debits increase the balances in expense and loss accounts, while credits decrease their balances. Debits decrease revenue and gains account balances, while credits increase their balances.

Q2. What are the causes of Depreciation?

Ans. Depreciation is an accounting method of allocating the cost of a tangible asset over its useful life and is used to account for declines in value. Businesses depreciate long-term assets for both tax and accounting purposes. It includes a reduction in the value of an asset over time, due in particular to wear and tear.

Q3. Briefly explain the types of accounts maintained under modern classification of accounts?

Ans. Classification of Accounts under the Modern Approach

I. Assets Accounts

Assets are the properties, possessions or economic resources of a business. They help in business operations and help in earning revenues. T

II. Liabilities Accounts

Liabilities are the amounts that an entity owes to the outsiders. These are the obligations or the debts payable by the business. Liabilities can also be classified as Long-term and Current.

III. Capital Accounts

The money brought into the business by the owner is called Capital or Owner's Equity. The Capital can be brought in cash or assets by the owner.

IV. Revenue Accounts

Revenue is the amount earned by the business by selling goods or rendering of services.

V. Expenses Accounts

All costs incurred or money spent by a business in order to earn revenues is called expenses.

Q4. Briefly explain Business Entity Concept? Give some examples of the same.

Ans. The business entity concept states that the transactions associated with a business must be separately recorded from those of its owners or other businesses. Doing so requires the use of separate accounting records for the organization that completely exclude



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the assets and liabilities of any other entity or the owner. Without this concept, the records of multiple entities would be intermingled, making it quite difficult to discern the financial or taxable results of a single business.

Section - C 04X06 = 24 Marks

Answer the following long type questions, each question carries 06 marks.

Q.1 Record the journal entries for the following:

Jan. 1 - Business started with cash 8,000 and plant & machinery 3,000.

Feb 2 - Stock purchase for sale (cash purchase) = 3,000, credit purchase from

Reshma = 5,000

Mar. 3 - Wages paid 120,000

Ans

Date	Particulars	Debit(Rs.)	Credit(Rs)
Jan 1	Cash A/c Dr. Plant & Machinery A/c Dr. To Capital a/c (Being Ram started business with cash)	8000 3000	11000
Feb. 2	Purchase A/c Dr. To Cash a/c To Reshma A/c (Being Purchased goods for cash & credit)	8000	3000 5000
Mar. 3	Wages A/c Dr. To Cash A/c (Being wages paid)	120000	120000

Q.2. Prepare a Trading Account from the following particulars for the year ended 31st March 2020:-

Particulars	(₹)	Particulars	(₹)
Opening Stock	2,50,000	Purchases Returns	22,000
Purchases	7,00,000	Sales Return	36,000
Sales	18,00,000	Gas, Fuel and Power	75,000
Wages	2,06,000	Dock Charges	8,000
Carriage Inward	34,000	Factory Lighting	96,000
Carriage Outward	20,000	Office Lighting	5,000
Manufacturing Expenses	2,48,000		

Closing Stock is valued at ₹ 6,00,000.



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Trading

for the year ended March 31, 2020

Account

Dr.

Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
Opening Stock	2,50,000	Sales	18,00,000
Purchases	7,00,000	Less: Sales Returns	36,000
Less: Purchases Returns	22,000	Closing Stock	6,00,000
Carriage Inward	34,000		
Wages	2,06,000		
Custom Duty	15,000		
Gas, Fuel & Power	60,000		
Dock Charges	8,000		
Manufacturing Expenses	2,48,000		
Factory Lighting	96,000		
Gross Profit (Balancing Figure)	7,69,000		
	23,64,000		23,64,000

Q.3. What is Balance Sheet. Explain describing its performa.

Ans. A balance sheet gives a statement of a business's assets, liabilities and shareholders equity at a specific point in time. They offer a snapshot of what your business owns and what it owes as well as the amount invested by its owners, reported on a single day. A balance sheet tells you a business's worth at a given time, so one can better understand. Its financial position.

A general format of a Balance Sheet in the order of performance is shown below :

Balance Sheet of

Liabilities		₹	Assets		₹
Capital			Fixed Assets:		
Opening Balance	XX		Goodwill		
Add: Net Profit	XX		Land		
(Less: Net Loss)			Building		
Less: Drawings	XX		Plant & Machinery		
Long-term Liabilities:		XXX	Furniture & Fixtures		
Long term loan			Investment: (long term)		
Current liabilities:			Current Assets:		
Income received-in-advance			Closing stock		
Outstanding Expenses			Accrued Income		
Sundry Creditors			Prepaid expenses		
Bills Payable			Sundry Debtors		
Bank Overdraft			Bills Receivable		
			Cash at Bank		
			Cash in Hand		



Q.4. What is Straight Line Depreciation? Calculate SLD for :

Company A purchases a machine for ₹100,000 with an estimated salvage value of ₹20,000 and a useful life of 5 years.

Ans.

With the straight line depreciation method, the value of an asset is reduced uniformly over each period until it reaches its salvage value. Straight line depreciation is the most commonly used and straightforward depreciation method for allocating the cost of a capital asset. It is calculated by simply dividing the cost of an asset, less its salvage value, by the useful life of the asset. The straight line depreciation for the machine would be calculated as follows:

$$\text{Annual Depreciation Expense} = \frac{(\text{Cost of the Asset} - \text{Salvage Value})}{\text{Useful Life of the Asset}}$$

Cost of the asset: ₹100,000

Cost of the asset – Estimated salvage value: ₹100,000 – ₹20,000 = ₹80,000 total depreciable cost

Useful life of the asset: 5 years

Divide step (2) by step (3): ₹80,000 / 5 years = ₹16,000 annual depreciation amount

Therefore, Company A would depreciate the machine at the amount of ₹16,000 annually for 5 years

