



BHARTIYA SKILL DEVELOPMENT UNIVERSITY

Registration No.:

School of Entrepreneurship Skills
Session: 2021-22 (Summer Semester)
B. Voc. Program, V Semester,
End-Sem. Examination

Course Code: SES1501

Time: 2 Hours

Course Name: Advanced Course in Entrepreneurship

Max. Marks: 50

Section – A

10X01 = 10 Marks

10 objective type questions, each question carries 01 mark.

Q.1 Business Model is defined as the logic by which a company or enterprise sustains itself financially.

- a) True
- b) False

Q.2 Which is a function of E-commerce?

- a) Marketing
- b) Advertising
- c) Warehousing
- d) All of the above

Q.3 The idea and actions that explain how a firm will make its profits refers to:

- a) Mission
- b) Goal
- c) Strategy
- d) Objective

Q.4 An entrepreneur into the hosiery business found out the reason his hosiery was not selling was due to its color. What could be the best source of this information?

- a) Supplier
- b) Retailer
- c) Competition
- d) Government

Q.5 Online marketplaces provide a host of benefits to consumers including all of these EXCEPT which?

- a) A place to price-check for the best deal.
- b) One-stop shopping from myriad sellers.
- c) Securely-processed transaction from a reputable website.
- d) Visiting multiple sites to conduct research.

Q.6 Most individuals are familiar with which form of e-commerce?

- a) B2B
- b) B2C
- c) C2B
- d) C2C

Q.7 We can use _____ for the equity of the brand name to address segment needs even better.

- a) Sub-branding
- b) Labeling
- c) Packaging
- d) Brand bonding



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Q.8 Which of the following costs does an entrepreneur incur before starting a business? Select the correct answer.

- a) Fixed Costs
- b) Startup Costs
- c) Running Costs
- d) Variable Costs

Q.9 Fill in the blanks with appropriate clues given in brackets. A _____ is what you sell, but the _____ is the perceived image of that product and _____ is your strategy to build that image. Select the correct answer.

- a) Brand, branding, product
- b) Product, branding, brand
- c) Product, brand, branding
- d) Branding, product, brand

Q.10 A possible drawback to an entrepreneur of using personal savings to finance a new business enterprise is:

- a) The amount will need to be repaid with interest
- b) The amount available may be limited
- c) It is an expensive form of finance
- d) The entrepreneur may lose control of the business

Section – B

04X04 = 16 Marks

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

Q.1. What is sales plan? How it helps business?

Q.2 Write a short note on sharing economy.

Q.3 What digital marketing methods startup can leverage to cater their customers?

Q.4 What is the Golden Circle?

Section – C

04X06 = 24 Marks

04 long type questions, each question carries 06 marks.

Q.1 What Is Branding and why is it important for your startup?

Q.2 What pivoting is, when to pivot, and how to pivot effectively?

Q.3 Why trademark search is important & how to perform it for branding of your business?

Q.4 What are the legal requirements for starting a business?



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Section – B

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

Q 1. What is sales plan? How it helps business?

Ans: A sales plan is a strategy that sets out sales targets and tactics for your business, and identifies the steps you will take to meet your targets.

A sales plan will help business to:

- define a set of sales targets for your business
- choose sales strategies that are suited to your target market
- identify sales tactics for your sales team
- activate, motivate and focus your sales team
- budget and clarify steps you'll take to achieve your targets
- review your goals periodically and improve your approaches to sales.

A sales plan sits within, or alongside, a marketing plan to direct the efforts of your sales team.

Most businesses develop or update sales plans periodically — every 6 or 12 months. Treat your sales plan as a 'living' document that you can revise regularly.

Q.2 Write a short note on sharing economy.

Ans: The sharing economy (also referred to as the peer-to-peer economy, mesh economy, collaborative economy, and collaborative consumption) is a socioeconomic system built around the sharing of human, financial, and physical capital. It includes the shared production, distribution, and consumption of goods and services by different people and organizations. These systems coordinate the sharing of excess capacity in goods and services by connecting those with excess capacity to those with need. According to "The Mobile Revolution: How Mobile Technologies Drive a Trillion-Dollar



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Impact," mobile technologies accounted for \$3.3 trillion of revenues in 2014 (Julio Bezerra et al., BCG Perspectives, Jan. 15, 2015, <http://on.bcg.com/1RVrrDu>). Examples of well-known sharing economy companies include Uber (taxi service), Airbnb (accommodations), and JustPark (parking spaces).

Q.3 What digital marketing methods startup can leverage to cater their customers?

Ans: Among the different methods available, startups can use these key elements:

- Creating a website that showcases their brand
- Video marketing
- PPC campaigns
- Social media marketing
- Email marketing
- Search engine optimization

Q.4 What is the Golden Circle?

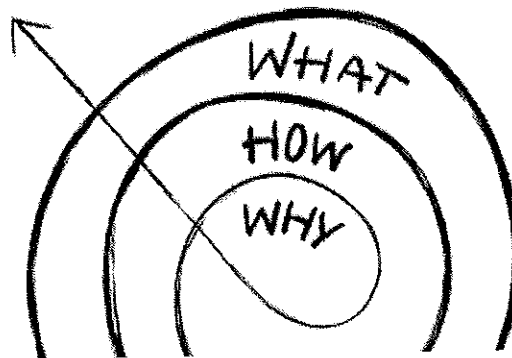
Ans: The Golden Circle is an incredibly simple way to both articulate what your business does and define your value proposition to your customers.

To complete your Golden Circle, you just need to answer 3 questions:

Why – Why should your company exist? What is the ultimate purpose?

What – What do you sell/ what services do you offer?

How – How do you go about your business? What are the processes and beliefs?



Whether you are a big corporate, startup founder, small business owner; or even a freelancer; this model will help you. And by taking the time to complete it, you'll be in great company with businesses all over the world using this to define how they operate.

Section – C

04X06 = 24 Marks

04 long type questions, each question carries 06 marks.

Q.1 What Is Branding and why is it important for your startup?

Ans: Branding, by definition, is a marketing practice in which a company creates a name, symbol or design that is easily identifiable as belonging to the company. This helps to identify a product and distinguish it from other products and services. Branding is important because not only is it what makes a memorable impression on consumers but it allows your customers and clients to know what to expect from your company. It is a way of distinguishing yourself from the competitors and clarifying what it is you offer that makes you the better choice. Your brand is built to be a true representation of who you are as a business, and how you wish to be perceived.

Branding is absolutely critical to a business because of the overall impact it makes on your company. Branding can change how people perceive your brand, it can drive new business and increase brand awareness.



Branding Gets Recognition: The most important reason branding is important to a business is because it is how a company gets recognition and becomes known to the consumers.

Branding Generates New Customers: A good brand will have no trouble drumming up referral business. Strong branding generally means there is a positive impression of the company amongst consumers, word of mouth will be the company's best and most effective advertising technique.

Improves Employee Pride and Satisfaction: When an employee works for a strongly branded company and truly stands behind the brand, they will be more satisfied with their job and have a higher degree of pride in the work that they do.

Branding Supports Advertising: Advertising is another component to branding, and advertising strategies will directly reflect the brand and its desired portrayal.

Q.2 What pivoting is, when to pivot, and how to pivot effectively?

Ans: A pivot usually occurs when a company make a fundamental change to their business after determining (usually through market research) that their product isn't meeting the needs of their intended market.

As defined by a book called "The Lean Startup" a pivot is "A structured course correction designed to test a new fundamental hypothesis about the product, strategy, and engine of growth."

Companies tend to undergo more pivots in the early stages, as they are still getting to know their target market and it's needs. Companies will continue to pivot as these needs change or the company discovers new opportunities for the business.

How to Know if You Should Pivot

Because so many companies have pivoted and experienced massive success as a result, it's easy for naive founders to believe that pivoting is a magic pill that can cure any problem. In truth, however, pivoting should only be considered when absolutely necessary, and when all other options have been exhausted. To make sure you don't make a rash decision with your company, below are some signs to help you identify when pivoting makes the most sense:

1. Your Company is Always Playing Catch-Up
2. There's Too Much Competition
3. Your Company Has Hit a Plateau
4. One Thing Gets the Most Traction
5. There's Limited Response from Your Marketplace
6. Your Perspective Has Changed

Every startup experience considerable difficulties on the road to success, but you have to know the difference between an obstacle and an impossibility. In other words, when things get tough, ask yourself this question: "Can this problem be solved with more research, customer development, funding, etc.?" If the answer is "no", and you really can't think of a solution, regardless of how improbable it may be, then you should consider pivoting.

How to Pivot Effectively

Once you've decided to pivot your company, you must take into account the numerous factors that entail a successful pivot. Here are some tips to help ensure that you reduce the risks associated with pivoting and increase your chances of a lucrative outcome:

1. Do it as soon as you can
2. Pick new goals that align with your vision
3. Don't scrap that work you've already done
4. Listen to your customers
5. Make sure your pivot presents opportunities for growth

Q.3 Why trademark search is important & how to perform it for branding of your business?

Ans: Trademarks are what brands use in determining themselves and their distinct goods and services. Before you utilize a trademark, it is important to know whether the same or similar mark is already



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registered. If you infringe on someone else's trademark rights, you'll be in trouble with the authorities as you can get sued.

Why Trademark Search is Important

As mentioned earlier, your business will be at risk of being sued when it utilizes a trademark that has been registered already.

A trademark search that's effective and thorough identifies all the confusingly similar trademarks that are already registered to provide you with the opportunity in selecting a distinct trademark. This can help you save a lot of money on nonrefundable fees for trademark registration applications. You may even be saved thousands of dollars in the branding of your business!

How to Perform a Trademark Search

A trademark search can be done by checking direct name matches but it can easily become complicated, which is why it is likely for you to seek help in conducting a thorough search of registries. The purpose of the trademark search is to uncover the trademarks that are the same or like the one that you plan on using. The search will also involve you checking whether the same/similar trademarks are used in goods or services that are related to the ones that you are or plan on catering.

Trademark Database

Trademark registrations and registered trademarks are controlled in India by the Comptroller General of Patent Designs and Trademarks. An online trademark search database is available through the website of the Comptroller General of Patent Designs and Trademarks, and can be used by both professionals and non-professionals to do a trademark search. The trademark database contains all the trademarks applications submitted to the Trademark registrar in India including registered, applied, objected and expired trademarks. A trademark search of the trademark database will provide the user with valuable information relating the trademark search query.

Q.4 What are the legal requirements for starting a business?

Ans: Establishing a new business seems like a challenging proposition. Yet, it can reap great benefits for both the company and the economy at large. With many entities looking to set up enterprises, there are a few things to consider when you're going for registering your business in India. Here are the few fundamental steps that are necessary for registering any business in India:

1. **Checking the company name availability:** Before any company registration can take place, you must check whether the proposed name is available.
2. **Acquiring a Director Identification Number (DIN):** A Director Identification Number (DIN) is a special identification number that is provided to any existing or potential directors of companies that are incorporated.
3. **Acquiring a digital signature certificate**
4. **Obtaining an incorporation certificate.**
5. **Creating a company seal for official documentation:** A company seal is required to be placed on papers for sharing certificates and other official documents.
6. **Stamping of all company documents**
7. **Acquiring a Permanent Account Number (PAN):** Filing of Form 49A is required for the application of PAN.
8. **Acquiring a Tax Account Number (TAN)**
9. **Obtaining a certificate from the State/Municipal Inspector under the Shops and Establishment Act**
10. **Applying for GST Registration**
11. **Obtaining a Profession Tax Certificate from the State Profession Tax Office**
12. **Completing a National Employees' Provident Fund Registration:** Every employer is required to provide their worker information to the local Employee Provident Fund Organization (EPFO).



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Q.1 The use of informal networks by entrepreneurs to gather information is known as _____.

- a) Secondary research.
- b) Entrepreneurial networking.
- c) Informal parameters.
- d) Marketing

Q.2 A corporate manager who starts a new initiative for their company which entails setting up a new distinct business unit and board of directors can be regarded as?

- a) Ecopreneur
- b) Technopreneur
- c) Intrapreneur
- d) Social Entrepreneur

Q.3 Financial feasibility analysis can be done by comparing _____ with the estimated sales figure.

- a) Cash flow statement
- b) Balance sheet
- c) Break-even point
- d) Profit and loss statement

Q.4 Which of the following is not considered while selecting the region?

- a) Law and order
- b) Price of land
- c) Availability of raw materials
- d) Proximity to the product market

Q.5 Who administers UDRP?

- a) WTO
- b) WIPO
- c) Supreme Court
- d) High court

Q.6 Venture capital is concerned with:

- a) New project having potential for higher profit
- b) New project of high technology
- c) New project having high risk
- d) All the above

Q.7 Using successful brand names to launch a new or modified product in new category is called



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- a) Multi branding
- b) Line extension
- c) Co-branding
- d) Brand extension

Q.8 What minimum information does an entrepreneur need to calculate the payback period? Select the correct answer.

- a) Fixed Costs, Startup Costs, and Revenue
- b) Fixed Costs, Startup Costs, Variable Costs, and Revenue
- c) Fixed Costs, Startup Costs, Variable Costs, Revenue, and Contribution
- d) Fixed Costs, Startup Costs, and Variable Costs

Q.9 Zena bakes only vegetarian cakes. During preliminary research, she found that people in her neighborhood are looking for vegetarian cakes and are willing to pay more than USD 15 per pound for such cakes. Where in the customer acquisition funnel would you place these individuals? Select the correct answer.

- a) Target Segment
- b) Leads
- c) Opportunities
- d) Visitors

Q.10 Which types of business would venture capitalists be usually interested in investing funds?

- a) An established private limited company
- b) A small business with slow sales growth potential
- c) A well-known franchise operation
- d) An entrepreneurial start-up with the possibility of high profits

Section – B

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

Q.1 You as an entrepreneur want to convert Acquired Customers into Paying Customers for your product. How will you achieve this and which metric will you use to measure it?

Q.2 What is the difference between lean canvas and business model canvas?

Q.3 Outline the pros and cons of Low-Fidelity Prototyping

Q.4 Discuss three funding options to raise startup capital for your business

Section – C

04X06 = 24 Marks

04 long type questions, each question carries 06 marks.

Q.1 Customer Vs. Consumer – Outline the Relationship & Differences.

Q.2 What is a marketplace? Outline at least 3 key features of online marketplaces.

Q.3 Create a technology platform wish list for the following function of your startup business.

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Q.1 You as an entrepreneur want to convert Acquired Customers into Paying Customers for your product. How will you achieve this and which metric will you use to measure it?

Ans: Following Job-aid will be adopted to convert Acquired Customers into Paying Customers:

	Brick & Mortar (Physical)	Online B2C	Online B2B
Tools to achieve customer awareness	<ul style="list-style-type: none"> • Keep your product/service price competitive • Announce prizes for early-bird customers • Offer discounts to customers qualifying a minimum purchase amount • Offer a “try now, pay later” scheme to win customer trust 	<ul style="list-style-type: none"> • Keep your product/service price competitive • Announce prizes for early-bird customers • Offer discounts to customers qualifying a minimum purchase amount • Offer easy return/exchange/refund options on products purchased 	<ul style="list-style-type: none"> • Keep your product/service price competitive • Create a blog for your product or service where you keep updating the page and respond to all reviews and queries • Offer a “try now, pay later” scheme to win customer trust • Show the prototype and offer to book orders if some advance amount is paid • Ask the business to place an order



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TYPE	Individual or Organization	Individual or group of people
EXAMPLE	Example: A person buying a gift for someone from a gift shop – the person is a customer of the gift shop.	Example: Take a kid who recently got candy from his dad. Even though his dad was the customer who bought the candy, this child is the consumer who ends up consuming the product.

Q.2 What is a marketplace? Outline at least 3 key features of online marketplaces.

Ans: A marketplace is a platform where vendors can come together to sell their products or services to a curated customer base. The role of a marketplace owner is to bring together the right vendors and the right customers to drive sales through an exceptional multi-vendor platform - sellers have a place to gain visibility and sell their products, and the marketplace owner earns a commission from each sale.

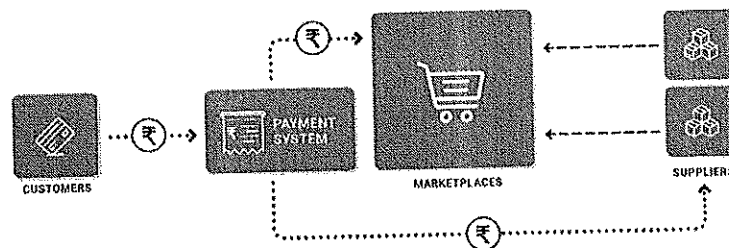


Figure: Schematic representation of marketplace model

To help businesses decide which model suits them best, we have taken a deep dive into some of the features of marketplaces that make them different from online stores, and that make them attractive for digital entrepreneurs and these are:

No Inventory: Marketplaces are large businesses that deal with many vendors, that provide their catalogue, and typically carry much more inventory than online stores. The catalogue offered in marketplaces is held by external vendors so the investment in stock management is non-existing (hybrid marketplaces apart). As a result, marketplace owners only need to make sure that their vendors are adhering to quality regulations and guidelines.

More Customer Satisfaction: When operating an online store, there is so much to think about: inventory management, site management, customer service, marketing, sales, social media, content and so much more. In contrast, when running a marketplace, the main focus is simply to offer the best platform for the users: marketplace vendors, and the customers they sell to. In particular, for entrepreneurs that leverage a state-of-the-art marketplace SaaS solution to take care of the technology side of the marketplace, there is a whole lot less on their plate. This means they can truly focus on adding value for their users and optimising the marketplace to best meet their needs.

A Lean, Scalable Business Model: Marketplaces offer their owners surprisingly lean, scalable business models. Some of the world's biggest companies make great examples. Uber, for example, do not own their cars. Airbnb do not own the apartments, and Amazon do not own most of the goods and services they sell. While marketplaces need to sell a higher amount of goods, or services, to break even, the fact that focus is on the platform, and reaching consumers, means that economies of scale are easier to achieve.



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Q.3 Create a technology platform wish list for the following function of your startup business.

- a) Payment gateways
- b) Customer Relationship Management system or CRMs
- c) Human Resource Management systems or HRMs
- d) Data security

Ans: As a new business, one need to manage with limited cash and resources. And choosing the right technology can help you reduce expenses and improve efficiency.

Technology Platforms	Top 5 Software Solutions
Payment gateways	<ol style="list-style-type: none">1. Authorize.Net2. PayPal3. SecurePay.com4. 2Checkout.com5. First Data Corporation
Point of sale or POS systems	<ol style="list-style-type: none">1. Square Point of Sale2. Vend POS3. Bindo POS4. Erply5. Intuit QuickBooks Point of Sale
Customer Relationship Management system or CRMs	<ol style="list-style-type: none">1. Zoho Office Suite2. Microsoft Dynamics CRM3. Vtiger CRM4. Act! CRM5. Dynamics 365
Human Resource Management systems or HRMs	<ol style="list-style-type: none">1. BambooHR2. Zoho People3. Workday4. SuccessFactors (SAP)5. iCIMS Talent Acquisition
Cloud computing	<ol style="list-style-type: none">1. Microsoft Azure2. Google Cloud Platform3. Amazon Web Services4. Apache CloudStack5. Citrix Cloud
Data security	<ol style="list-style-type: none">1. Keeper2. CA Technologies Secure3. AirWatch4. SolarWinds5. Sift Science

Q.4 What are the most important customer acquisition metrics you should measure?

Ans: Looking at deals won VS closed might give you an idea if your sales strategy is successful or not, but it won't help you understand if you have a profitable business. Acquiring new customers is a top priority for businesses, especially B2Cs like eCommerce websites and trade companies. A fresh flow of leads every month signals that your brand is continuously growing its reach and attracting new customers. Luckily, there is a way to quantify things like customer satisfaction and loyalty. The nuances of customer retention and acquisition are represented by the following key metrics:

Customer Lifetime Value (CLV) or (LTV): The customer lifetime value (CLV) represents the value of a single customer from the moment they enter your business up to the time they leave your customer cycle. The CLV compares the value of your current target market vis-a-vis the cost of acquiring a new one. Knowing each customer's CLV can help you distinguish high-value clients from low-value clients, which comes in handy when you're launching customized marketing campaigns.



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raise due to less formalities/compliances, plus less costs of raising. In most situations, family and friends are flexible with the interest rate.

Crowdfunding as a funding option: Crowdfunding is one of the newer ways of funding a startup that has been gaining lot of popularity lately. It's like taking a loan, pre-order, contribution or investments from more than one person at the same time. The best thing about crowd funding is that it can also generate interest and hence helps in marketing the product alongside financing.

Angel investment in your startup: Angel investors are individuals with surplus cash and a keen interest to invest in upcoming startups. They also work in groups of networks to collectively screen the proposals before investing. They can also offer mentoring or advice alongside capital. Angel investors have helped to start up many prominent companies, including Google, Yahoo and Alibaba.

Section – C

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Q 1. Customer Vs. Consumer – Outline the Relationship & Differences.

Ans: Relationship Between Customer and Consumer

Customer and consumer can be used interchangeably – quite simply because a customer and consumer can be the same person. Buying groceries for oneself is a great example.

A person buying groceries from the supermarket for himself becomes the customer of the supermarket – they are paying for the groceries provided by the supermarket. Upon consuming the groceries, the customer also becomes the consumer. But this is just one case where an individual can be both, the customer as well as the consumer. But they differ – hence why there are two terms, customer and consumer.

COMPARISION	CUSTOMER	CONSUMER
MEANING	A customer is the individual/business/organization which buys the offering from the seller via a financial transaction or monetary exchange.	A consumer is an individual who is the end-user of the product/service offered by a business.
PURPOSE	Resale or Consumption	Consumption only; No resell
PURCHASE	Yes; Price is paid by the customer	Not necessary; Price may or may not be paid by the consumer



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Metrics to measure customer awareness	Sales; no. of bills	Sales; no. of orders	Sales; no. of orders; no. of new customers
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Q.2 What is the difference between lean canvas and business model canvas?

Ans:

Business Model Canvas	Lean Canvas
The Business Model Canvas was proposed by Alexander Osterwalder based on his earlier book: Business Model Ontology. It outlines several prescriptions which form the building blocks for the activities. It enables both new and existing businesses to focus on operational as well as strategic management and marketing plans.	The Lean Canvas, on the other hand, has been proposed by Ash Maurya as a development of the Business Model Generation. It outlines a more problem focused approach and it majorly targets entrepreneurs and startup businesses.
The Business Model Canvas is a strategic management and entrepreneurial tool. It allows you to describe, design, challenge, invent, and pivot your business model.	The Lean Canvas promises an actionable and entrepreneur-focused business plan. It focuses on problems, solutions, key metrics and competitive advantages.

Q.3 Outline the pros and cons of Low-Fidelity Prototyping

Ans: Following are the pros and cons of Low-Fidelity Prototyping:

Pros of Low-Fidelity Prototyping

- Quick and inexpensive.
- Possible to make instant changes and test new iterations.
- Enables the designer to gain an overall view of the product using minimal time and effort, as opposed to focusing on the finer details over the course of slow, incremental changes.
- Encourages and fosters design thinking.

Cons of Low-Fidelity Prototyping

- An inherent lack of realism.
- Due to the basic and sometimes sketchy nature of low-fi prototypes, the applicability of results generated by tests involving simple early versions of a product may lack validity.
- The production of low-fi prototypes may not be appropriate for your intended users.
- Such prototypes often remove control from the user, as they generally have to interact in basic ways or simply inform an evaluator, demonstrate or write a blow-by-blow account of how they would use the finished product.

Q.4 Discuss three funding options to raise startup capital for your business

Ans: Three major funding options for startups that will help you raise capital are:

Bootstrapping startup business: Self-funding, also known as bootstrapping, is an effective way of startup financing, especially when you are just starting your business. First-time entrepreneurs often have trouble getting funding without first showing some traction and a plan for potential success. You can invest from your own savings or can get your family and friends to contribute. This will be easy to



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Customer Acquisition Cost (CAC): Utilizing a combination of tools and strategies to expand your market reach and acquire new customers can rack up a hefty bill if you're not careful. Instead of estimating how much you're spending on attracting new leads, you can use this metric to learn the actual numbers.

To calculate, divide all the costs spent on marketing and other lead generation efforts by the number of customers you acquired during the time period.

Average Revenue Per User (ARPU): It is the measure of revenue generated per user or unit. ARPU, a non-GAAP measure, allows management of a company as well as investors to refine their analysis of a company's revenue generation capability and growth at the per-customer level.

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**BHARTIYA SKILL DEVELOPMENT UNIVERSITY****School of Entrepreneurship Skills
Session: 2021-22 (Summer Semester)****B. Voc. Program, 5th Semester, End-Sem. Examination**

Course Code : SES1502
Course Name : Marketing Management
Instructions : Attempt all questions.

Time: 02 Hour
Max. Marks: 50

Section-A**10*1= 10 Marks**

1. The promotions mix is another name of-
 - (a) Market Mix
 - (b) Marketing Mix
 - (c) Marketing communications mix
 - (d) None of the above
2. Which one of the following is an objective of Pricing-
 - (a) Survival or Surviving in a Competitive Market
 - (b) Profit Maximization
 - (c) Obtaining Market Share Leadership & Ruling the market
 - (d) All of the above
3. The Core concepts of the Marketing are related to-
 - (a) Customer Needs
 - (b) Customer Wants
 - (c) Customer Demand
 - (d) All of the above
4. Which of the following is not a Pricing Strategy-
 - (a) Project-Based Pricing
 - (b) Value-Based Pricing
 - (c) Bundle Pricing
 - (d) None of the above
5. The Selling concept of Marketing entails--
 - (a) Convincing a customer to buy a product through aggressive marketing
 - (b) Developing innovative Products to sell
 - (c) More and more selling of Good quality Products
 - (d) All of the above
6. Moving average technique of sales forecast is used for-
 - (a) Repeated forecasts
 - (b) Constant growth rate
 - (c) Regular forecast
 - (d) None of the above
7. Market can be segmented based on-
 - (a) Demographic
 - (b) Psychographic
 - (c) Geographic
 - (d) All of the above

8. Demand is-
- (a) The want for specific products that are backed by the ability to buy them
 - (b) Always expressed in relation to time
 - (c) Always expressed in relation to Price
 - (d) All of the above
9. Positioning is the process of-
- (a) Creating a distinct mental position
 - (b) Creating an image of a product
 - (c) Creating a positioning about offerings in the mind of the customers
 - (d) All of the above
10. The concept of Marketing is-
- (a) Based on the idea of satisfying the needs of the customer
 - (b) To engage its target audience and build relationships to create & capture value
 - (c) All about putting the right product in the right place, at the right price, at the right time
 - (d) All of the above

Section -B

4*4= 16 Marks

1. Describe the definition of Marketing according to American Marketing Association (AMA).
2. What do you understand by Channel of Distribution?
3. Briefly describe the concept of Questionnaire development.
4. Discuss the concept of Break Even Analysis.

Section -C

4*6=24 Marks

1. Describe the different Areas of Marketing Research:
2. Discuss the Concept and objectives of Product Pricing in Marketing
3. Discuss about the Concept & Nature of Selling Process
4. Discuss the concept of Product Life Cycle in detail.

**BHARTIYA SKILL DEVELOPMENT UNIVERSITY**

School of Entrepreneurship Skills
Session: 2021-22 (Summer Semester)

B. Voc. Program, 5th Semester, End-Sem. Examination

A

ANSWER KEYS

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Section -B

4*4= 16 Marks

1. Describe the definition of Marketing according to American Marketing Association (AMA).
- Answer- Marketing is defined by the American Marketing Association (AMA) as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large".
- The concept of Marketing is based on the idea of satisfying the needs of the customer by means of the product as a solution to the customer's problem (needs). Marketing refers to the process an organization undertakes to engage its target audience, build strong relationships to create value in order to capture value in return. Someone said, "Marketing is all about putting the right product in the right place, at the right price, at the right time."
2. What do you understand by Channel of Distribution?
- Answer- The term "distribution channel" refers to the methods used by a company to deliver its products or services to the end consumer. It often involves a network of intermediary businesses such as manufacturers, wholesalers, and retailers. A distribution channel is defined as a chain of businesses or intermediaries through which a good or service passes until it reaches the final buyer or the end consumer. Distribution channels can include wholesalers, retailers, distributors, and even the internet. A distribution channel is a path by which all goods and services must travel to arrive at the intended consumer. Distribution channels can be short or long, and depend on the number of intermediaries required to deliver a product or service.
3. Briefly describe the concept of Questionnaire development.
- Answer- Questionnaire Development: Questionnaires can provide businesses with valuable information about potential and actual customers. Questionnaire development is an important part of the market survey job. It is an art that calls for a lot of expertise and resourcefulness on the part of the researcher. The questionnaire should be so structured as to collect all relevant information. It often sets in the framework as well as the tone of the survey. The research data is built up on the framework of the

questionnaire. The questions in a survey questionnaire usually belong to one or the other of the following types:

1. Open –ended questions
2. Closed-ended questions

Following are the important steps in the development process-

- Deciding the Purpose
- Understanding the Use
- Selecting Your Target i.e. deciding whom to survey
- Choosing a Method
- Selecting Question Types either quantitative or qualitative
- Writing Questions as succinctly as possible
- Arranging Questions
- Test your questionnaire

4. Discuss the concept of Break Even Analysis.

Answer- Break Even Analysis deals with finding or determining the point where the potential investment starts to pay off i.e. This determines the break-even point – the level of output at which the revenues generated by a project equal costs. At the break-even point, you don't make or lose money. Once you pass break-even, you make money; below break-even, you lose it.

So, let's try to understand this concept in the context of pricing a new Product-

- Break Even Analysis is used as a financial tool that helps business owners manage costs, make better pricing decisions, and improve profits.
- Break Even Analysis is used to set product prices advantageously and this method of pricing is called Break Even Pricing.
- Definition: Break-even pricing is an accounting pricing methodology in which the price point at which a product will earn zero profit is calculated. In other words, it is the point
- at which cost is equal to revenue.
- Break-even pricing is a common tool used by most companies to set the pricing strategy
- of their portfolio of products. It is computed to make informed decisions in case it wants
- to increase the production or put a check on costs. This pricing methodology helps the company in setting up the lowest acceptable price.
- Break-even price is calculated by using this formula = $(\text{Total fixed cost}/\text{Production unit volume}) + \text{Variable Cost per unit}$.

Section –C

4*6=24 Marks

1. Describe the different Areas of Marketing Research:

The different Areas of Marketing Research are explained as under:

1. Audience Research: Research on who is listening, watching, and reading about them, their products, other than them.
2. Product Research: This looks at what products can be produced with available technology, and what new product innovations near-future technology can develop. Product research activity is concentrated into areas, such as developing product specifications, concept development and testing, product testing and test marketing research.
3. Advertising Research- Advertising research is the other most frequently conducted marketing research. It includes research for setting advertising objectives, copy testing and media research. Copy testing Research helps in evaluating the effectiveness of an advertisement at three phases;

1. A pre-test at the time of the finalization of the layout design,
2. a tracking study during the advertisement campaign
3. a post-test after the campaign.

Media research is concerned with the selection of most efficient and cost effective advertising media. Media research helps the advertiser to identify the various media available in the target market, their coverage, circulation, costs and impacts.

4. Sales research- Sales research involves the identification and measurement of all those variables that individually or in combination affect the sales. It includes sales analysis, distribution analysis, sales force performance analysis, sales potential analysis and sales forecasting.

5. Brand Research: To know if consumers have strong brand loyalty; if the brand has any emotional appeal and what the consumer thinks could be improved about the brand

6. Psychological Research: To determine why people buy certain products based on a profile of the way the consumers live their lives. This is further categorised as the Motivation And Attitude Research.

2. Discuss the Concept and objectives of Product Pricing in Marketing

Concept of Product Pricing in Marketing- What is Pricing?- Pricing is the process whereby a business sets the price at which it will sell its products and services, and may be part of the business's marketing plan. Pricing is a fundamental aspect of product management and is one of the 4Ps/7Ps of the marketing mix. Pricing can be defined as a process of determining the value that is received by an organization in exchange of its products or services.

What is the meaning of the Term Price?- A price is a value in monetary terms that one party pays to another in a transaction in exchange for some goods or services. So the definition of price is the amount of money the buyer will pay as consideration to the seller in exchange for goods or services.

Objectives of Pricing-

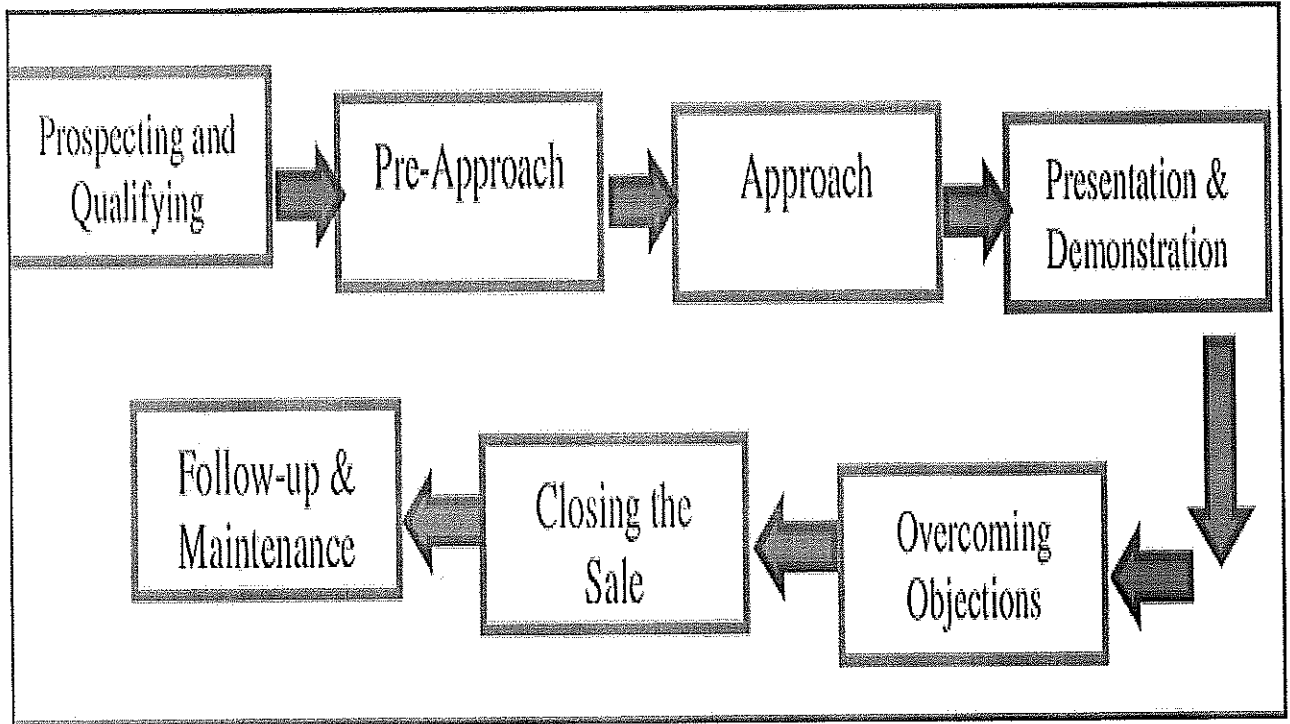
- Survival or Surviving in a Competitive Market- The objective of pricing for any company is to fix a price that is reasonable for the consumers and also for the producer to survive in the market. (rigorous competition, change in customer's preferences and taste)
- Profit Maximization- To maximize & earn more profit, pricing is fixed according to the product's demand and the substitute for that product. If the demand is high, the price will also be high.
- Obtaining Market Share Leadership & Ruling the market- Pricing Strategies helps to get hold of large market size. The technique helps to increase the sale by increasing the demand and leading to low production cost.
- A market for an innovative idea- Here, the company charge a high price for their product and services that are highly innovative and use cutting-edge technology.
- Attaining Product Quality Leadership- Generally, firm charges higher prices to cover high quality and high cost

3. Discuss about the Concept & Nature of Selling Process

Answer- Concept & Nature of Selling Process- Selling is the act of transferring ownership of goods to buyer through different processes. For this the buyer pays price of the goods. Selling may be taken as a means of promotion. It stimulates communication, motivates customers to buy goods or services and converts prospective customers to real customers.

Selling may be taken as a means of promotion. It stimulates communication, motivates customers to buy goods or services and converts prospective customers to real customers.

The selling process is defined as a series of steps followed by a salesperson while selling a Product. The salesperson identifies and locates the prospects, separates the prospects from the suspects, approaches them and makes a sales presentation, handles their objections, and closes a sale. The Steps in the Selling Process are illustrated below-



The main objective of selling is to provide reasonable quality goods in necessary quantity at reasonable price. Delivery of goods and payment of price are the two major components of selling.

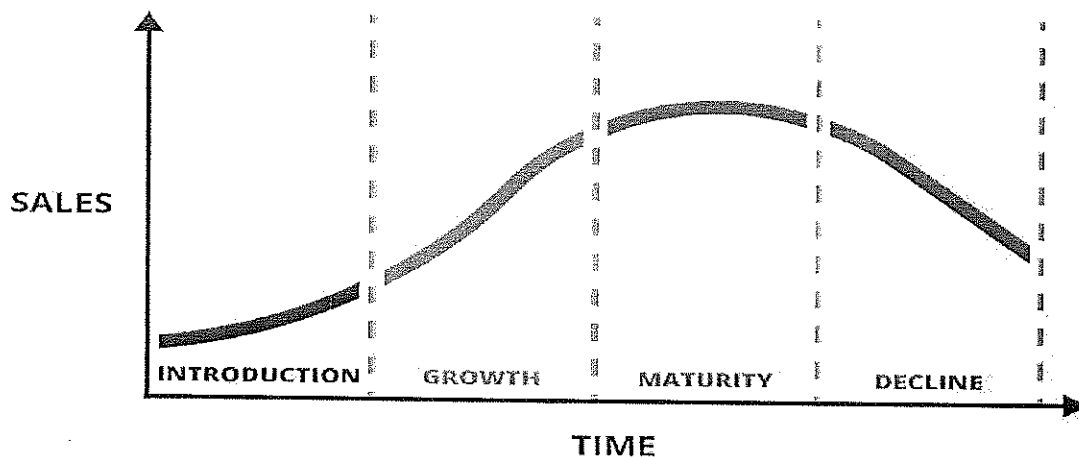
In this way, selling means to exchange goods for money or transferring ownership of goods through the process of exchange, but in modern and broad sense it means to identify prospective customers, to create demand for goods, to provide information about goods and market and accomplish selling.

4. Discuss the concept of Product Life Cycle in detail.

Answer- Product Life Cycle- All products have a short term or long term life and new life cycle starts from when this life ended up. A product life cycle is the length of time from a product first being introduced to consumers until it is removed from the market. A product's life cycle is usually broken down into four stages; introduction, growth, maturity, and decline.

Why PLC?- Product life cycles are used by management and marketing professionals to help determine advertising schedules, price points, expansion to new product markets, packaging redesigns, and more. These strategic methods of supporting a product are known as product life cycle management. They can also help determine when newer products are ready to push older ones from the market.

PRODUCT LIFE CYCLE



Product Life Cycle- How Does it Work?- As mentioned above, there are four stages in a product's life cycle- Introduction, Growth, Maturity, and Decline – but before this a product needs to go through design, research and development. Once a product is found to be feasible and potentially profitable it can be produced, promoted and sent out to the market. It is at this point that the product life cycle begins.

The various stages of a product's life cycle determine how it is marketed to consumers. Successfully introducing a product to the market should see a rise in demand and popularity, pushing older products from the market.

As the product moves from maturity to decline, so demand wanes and the product can be removed from the market, possibly to be replaced by a newer alternative.

Managing the four stages of the life cycle can help increase profitability and maximise returns, while a failure to do so could see a product fail to meet its potential and reduce its shelf life.

Stages-1. Market Introduction and Development- This product life cycle stage involves developing a market strategy, usually through an investment in advertising and marketing to make consumers aware of the product and its benefits.

At this stage, sales tend to be slow as demand is created.

Stages-2. Market Growth- If a product successfully navigates through the market introduction it is ready to enter the growth stage of the life cycle. This should see growing demand promote an increase in production and the product becoming more widely available.

The steady growth of the market introduction and development stage now turns into a sharp upturn as the product takes off. At this point competitors may enter the market with their own versions of your product – either direct copies or with some improvements. Branding becomes important to maintain your position in the marketplace as the consumer is given a choice to go elsewhere. Product pricing and availability in the marketplace become important factors to continue driving sales in the face of increasing competition. At this point the life cycle moves to stage three; market maturity.

Stages-3. Market Maturity- At this point a product is established in the marketplace and so the cost of producing and marketing the existing product will decline.

As the product life cycle reaches this mature stage there are the beginnings of market saturation.

Stages-4. Market Decline- Eventually, as competition continues to rise, with other companies seeking to emulate your success with additional product features or lower prices, so the life cycle will go into decline. Decline can also be caused by new innovations that supersede your existing product, such as horse-drawn carriages going out of fashion as the auto mobile took over.

SET A

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**BHARTIYA SKILL DEVELOPMENT UNIVERSITY****School of Entrepreneurship Skills****Session: 2021-22 (Summer Semester)****B. Voc. Program, 5th Semester, End-Sem. Examination**

Course Code: SES1502

Time: 2 Hour

Course Name: Marketing Management

Max. Marks: 50

Instructions : Attempt all questions.

Section-A**10*1= 10 Marks**

1. Which one of the following factors to be considered in Pricing-
 - (a) The Utility & Demand for the Product
 - (b) Extent of Competition in the market & Price of Competitors
 - (c) Pricing Objectives
 - (d) All of the above
2. Break Even Analysis deals with-
 - (a) Finding or determining the point where the potential investment starts to pay off
 - (b) The determination of the break-even point
 - (c) The level of output at which the revenues generated by a project equal costs
 - (d) All of the above
3. Break-even pricing is a common tool used by most companies to set the pricing strategy of their-
 - (a) Portfolio of products
 - (b) Portfolio of Assets
 - (c) Portfolio of Inputs
 - (d) None of the above
4. Relationship Marketing is all about-
 - (a) Building up customer loyalty
 - (b) Listening to customers, providing what they want
 - (c) Relating to the customers in a positive manner
 - (d) All of the above
5. Market research can identify important information on-
 - (a) Market trends, demographics, economic shifts,
 - (b) Customer's buying habits
 - (c) Competition and Competitors
 - (d) All of the above

6. The selection of the Channels of Distribution is influenced by-
 - (a) The Nature of Middlemen
 - (b) The nature and size of the manufacturing unit
 - (c) Government Regulations and Policies and
 - (d) All of the above
7. A sales forecast is the-
 - (a) Estimation of sales volume that a company can expect to attain within the plan period
 - (b) Act of matching opportunities with the marketing efforts
 - (c) Determination of a firm's share in the market under a specified future
 - (d) All of the above
8. Which one of the following is a Qualitative Methods of Forecasting-
 - (a) Users Expectation Method
 - (b) Gross-Root Approach
 - (c) Economic Indicator's Analysis Method
 - (d) None of the above
9. Segmentation is the process of-
 - (a) Creating distinct Market segment
 - (b) Creating an image of a Segment
 - (c) Creating a positioning in the segment about offerings in the mind of the customers
 - (d) All of the above
10. The term "distribution channel" refers to the-
 - (a) Methods used by a company to deliver its products or services to the end consumer
 - (b) A path by which all goods and services must travel to arrive at the intended consumer
 - (c) Chain of businesses or intermediaries through which a good or service passes
 - (d) All of the above

Section –B

4*4= 16 Marks

1. Describe the concept of Personal Selling.
2. What do you mean by Promotion Mix?
3. Define Marketing Management in your own words.
4. Write the different steps in selling process.

Section –C

4*6=24 Marks

1. Explain the Characteristics of a great sales person.
2. Describe the concept & objectives of sales promotion.
3. Discuss the different techniques of Marketing Research.
4. Explain the concept, need and scope of Marketing Research.

SET A

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**BHARTIYA SKILL DEVELOPMENT UNIVERSITY**

School of Entrepreneurship Skills
Session: 2021-22 (Summer Semester)

B. Voc. Program, 5th Semester, End-Sem. Examination

ANSWER KEYS

Course Code : SES1502
Course Name: Marketing Management
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Time: 2 Hour
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(B)

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Section -B

4*4= 16 Marks

1. Describe the concept of Personal Selling.

Answer- Personal Selling: It is also known as salesmanship and management relating to personal selling is sales force management. Personal selling decisions consist of followings:

- Setting personal selling objectives
- Deciding on sale force size
- Recruitment, selection, training, transfer, and promotion of salesmen
- Remunerating and motivating, and controlling salesmen
- Associating personal selling efforts with other market promotional tools

2. What do you mean by Promotion Mix?

Answer- Promotion mix deals with those activities directed to increase sales volume. It is also known as market communication. In today's marketing practices, market promotion has much vital role. Promotion mix involves all those efforts directed to increase sales of products on a continuous basis.

It includes providing information to customers, inspiring them to buy, and offering incentives. Note that market promotion is concerned not only with raising sales volume, but it is also a tool for establishing long-term relations with the parties involved and is a matter of image, reputation, and goodwill for the company. Advertising is a popular element of Promotion mix.

Advertising: Advertising is a popular and powerful tool of market promotion. It is a paid form of non-personal presentation and promotion of ideas, goods, and services by identified sponsor. It is a tool for mass communication.

3. Define Marketing Management in your own words.

Answer- Marketing refers to the process an organization undertakes to engage its target audience, build strong relationships to create value in order to capture value in return.

Marketing management is "planning, organising, controlling and implementing of marketing programmes, policies, strategies and tactics designed to create and satisfy the demand for the firms' product offerings or services as a means of generating an acceptable profit."

Marketing experts, Philip Kotler and Kevin Lane Keller, define "marketing management" as the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value"

4. Write the different steps in selling process.

Answer- The selling process is the series of steps followed by a salesperson while selling a product. Selling Process is a complete cycle which starts from identifying the customers to closing the deal with them. The process of selling a product covers various steps like prospecting, pre-approach, approach, presentation, handling objections, closing & follow-up with customers. The 7 steps of selling process are explained below in detail:

1. Prospecting- The first step in selling process in which potential customers are identified by the salesperson is called prospecting.

2. Pre-approach- The stage where the salesperson collects information about the potential customers and understands them before making the sales call is called pre-approach.

3. Approach- Approach is the step where the salesperson actually meets the customer for the first time.

4. Presentation- The step wherein the salesperson talks about how the product will satisfy the customer's needs and add value to his/her life is called presentation.

5. Handling Objections- In this step, the salesperson clarifies all the doubts and questions that the customer has and eliminates all his objections to buying the product.

6. Closing- The step in which the customer is asked to place an order for the product is called closing.

7. Follow-Up- This is the final step in the selling process where the salesperson follows up with the customers to ensure satisfaction and builds the relationship in order to repeat business with them.

Section -C

4*6=24 Marks

1. Explain the Characteristics of a great sales person.

Answer- Qualities of a Good Salesman: To be successful, a salesperson must possess several qualities of head and heart. A person may make a good salesperson in one line of business and may fail in another line.

A successful salesperson has a special set of characteristics that are used to make sales. A successful salesperson has the following traits:

1. Conscientiousness- The majority of successful salespeople are conscientious. They take a lot of pride in their job, they are organized and they are efficient. They will continue to do their best at their job no matter what happens.

2. Initiative- Successful salespeople do not wait to be told what to do, they are go-getters. They will constantly strive to keep doing what is necessary to sell a product.
3. Respect- Top salespeople respect the customers. It is extremely important that the customers are treated with respect at all times, regardless of the situation. Even if the sale is unsuccessful at the time, treating the customer with respect may turn them into a future prospect.
4. Good Listening Skills- The best salespeople have great listening skills. They listen to what the customers' needs are to help them figure navigate their options and provide the most effective solution.
5. Persistency- Salespeople must be persistent and confident, yet not overly pushy. If a customer says no, a persistent salesperson has more chance of making them change their mind down-the-line.
6. Trainable- Previous sales experience is not as important for a successful salesperson as their ability to be trained to do well in your company. They must be able to adapt to your company culture, processes, customers and sales goals.
7. Positive Attitude- A customer would rather make a purchase with a salesperson who has a positive attitude than someone who is negative or down. Positivity is contagious – it is easier to approach a customer when their positive attitude exudes from them.
8. Passion- Successful salespeople need to be passionate about their job. When they enjoy their job, they can easily share the company vision with your customers and potential customers, and this will be conveyed in a genuine manner.
9. Resourcefulness- It is important for a salesperson to be able to shift gears when a potential sale is not going the way they want. They need to be resourceful and change the approach quickly and creatively.
10. Independent- In general, most salespeople work on a commission basis, so they must be independent in order for them to meet their sales goals. They must be self-motivators and do whatever it takes to achieve their own success.
11. They Ask Lots Of Questions- High performing salespeople ask a lot of questions when they talk to potential customers. They not only what to find out what the customer needs, they want to make the customer comfortable, feel valued and build a long-term relationship.
12. Time Management Skills- Top salespeople are able to effectively manage their time, so they have the most opportunities to secure sales. They don't rush opportunities and they do not miss deadlines.
13. Personable- Great salespeople get along with everyone and enjoy dealing with people. That is why many salespeople are involved with many organizations and local events.
14. Overachievers- Most salespeople are natural overachievers. They go above and beyond what is expected from them, and they are generally pushing for more of everything – more clients, more people, more money, more work, etc.
15. Always Prepared- A salesperson must always be prepared for any situation that could occur when they meet a customer or potential customer. Every customer, every situation is different and salespeople will need to creatively navigate every unique situation that arises.

2. Describe the concept & objectives of sales promotion.

Answer- Sales promotion is one of the most loosely used terms in the marketing vocabulary. We define sales promotion as demand stimulating devices designed to supplement advertising and facilitate personal selling. In other words, sales promotion signifies all those activities that supplement, co-ordinate and make the efforts of personal selling and advertising more effective.

Concept of Sales Promotion- Sales promotion consists of diverse collection of incentive tools, mostly short-term designed to stimulate quicker and / or greater purchase of a particular product by consumers or the trade. Where as advertising offers a reason to buy, sales promotion offers an incentive to buy. Sales promotion includes tools for consumer promotion (for example samples, coupons, prizes, cash refund, warranties, demonstrations, contest); trade promotion (for example buying allowances, free goods, merchandise allowances, co-operative advertising, advertising and display allowances, dealer sales contests); and sales-force promotion (for example bonuses, contests, sales rallies).

Purpose of Sales Promotion- Sales promotion tools vary in their specific objectives. A free sample stimulates consumer trial, while a free management advisory service cements a long-term relationship with a retailer.

The basic objectives of sales promotion are:

- 1) To introduce new products: To induce buyers to purchase a new product, free samples may be distributed or money and merchandise allowance may be offered to business to stock and sell the product.
- 2) To attract new customers: New customers may be attracted through issue of free samples, premiums, contests and similar devices.
- 3) To induce present customers to buy more: Present customers may be induced to buy more by knowing more about a product, its ingredients and uses.
- 4) To help firm remain competitive: Sales promotions may be undertaken to meet competition from a firm.
- 5) To increase sales in off season: Buyers may be encouraged to use the product in off seasons by showing them the variety of uses of the product.
- 6) To increase the inventories of business buyers: Retailers may be induced to keep in stock more units of a product so that more sales can be effected.

3. Discuss the different techniques of Marketing Research.

Answer- Techniques of Marketing Research:

There are several important techniques of marketing research. Some of the techniques of marketing research are as follows:-

1. Survey Method
2. Observation Method
3. Experimentation
4. Warranty Cards
5. Distributors or Store Audits
6. Pantry Audits
7. Panels/Consumers Panels
8. Use of Mechanical Devices
9. Content Analysis
10. Focus Groups
11. Field Trials.

Market Survey: Market survey is one of the most widely used MR techniques. Market survey is at times viewed as synonymous with market research. This is erroneous. It has to be understood clearly that market survey is just one of the techniques of MR and is not synonymous with MR. It is just one method of collecting the marketing information required for carrying out a given marketing research task.

Mail Interview: As per this approach, the questionnaire along with a covering letter explaining the purpose of the study and seeking the respondent's cooperation is sent to all respondents in the sample. Obviously, this method cannot be used if the respondents are illiterate.

Fieldwork: Fieldwork calls for a lot of managerial and administrative skills apart from research I skills. Investigators for fieldwork must be recruited with care and then properly trained for the work. Fieldwork should be properly supervised. The time schedule must be adhered to. Responses must be honestly and accurately recorded.

Panel Research: As pointed out earlier, panel research is a technique similar to that of the survey, but with an essential difference. Whereas the survey technique uses a fresh sample every time a survey is done, panel research uses the same sample over and over again, for collecting the information.

A panel refers to a sample of respondents, who may be individuals, households or firms from whom information is elicited about their buying behaviour or other aspects at regular intervals.

4. Explain the concept, need and scope of Marketing Research.

Answer- Research means detailed, systematic and comprehensive study of a problem. Marketing Research is related to the marketing problems in which data relevant to identified problem are collected and studied, conclusions are drawn and suggestions (recommendations) are made to solve the problems quickly, correctly and systematically.

In marketing research, marketing problem is studied in depth and solutions are suggested to solve the problem relating to consumers, product, market competition, sales promotion and so on. This is viewed as the systematic, objective and exhaustive search for and study of the facts relevant to any problem in the field of marketing.

Definitions of Marketing Research

1. According to American Marketing Association (AMA), MR is "The systematic gathering, recording, and analysing of data about problems relating to the marketing of goods and services."

2. According to Richard D. Crisp, MR is "The systematic, objective and exhaustive search for and study of the facts relevant to any problem in the field of marketing."

3. According to Philip Kotler, "Marketing research is systematic problem analysis, model building and fact-finding for the purpose of improved decision-making and control in the marketing of goods and services."

Scope of Market Research- Market Research covers the following items of study:

1. Size of Market.
2. Geographic location of customers.
3. Demographic description of customers.
4. Market Segmentation on the basis of age, sex, income, education, standard or living etc.
5. Analysis of market demand.
6. Sales analysis by customers.
7. Consumer needs, wants, habits and behaviour.
8. Dealer wants and preferences.
9. Degree of competition and the market end.

Need For Marketing Research- In recent years, the scope of business has expanded from local to global level. The size of the production has greatly increased. The production is now centralized, and the consumption centers are widespread. This has created a wide gap between the manufacturer and consumer. This has caused basic problems like what to produce and what to sell. There is a need for marketing research to solve these problems.

Following points highlighting the need for marketing research.

1. Expansion of market- Due to development in means of transport and communication, market has expanded from local to global level. The structure of market has also changed. There is a need for marketing research to collect latest data on demand and supply in the market, extent of competition, etc. This data is used to make production & marketing policies and strategies.

2. Large-scale production- Automation has helped to produce goods of standard quality on a large scale. There is a need for marketing research to find out new market or to create more demands for these goods.

3. Increased competition- Competition is unavoidable in an open and globalized economy. It has endangered the survival and growth prospects of many firms. There is a need for marketing research to analyze the extent of competition. It also provides steps to fight competition.

4. Growth of science and technology- Increasing use of science and technology has helped to reduce the cost of production and improve the quality of production. There is a need for marketing research to find out the best technology for production, packaging, data, storing, etc.

5. Information gap- Due to centralized production and decentralized consumption, there is an information gap between producer and consumer. This information gap can be filled by marketing research. Hence it is needed.

6. Role of consumerism- Today, consumers are organised. They are aware of their rights and duties. They are now more selective. They will not accept an inferior quality product.

Consumer research is needed to collect demographic and psychological data about consumers. This data is used for decision making. There is a need for marketing research as consumer research is a part of it.

7. Information needs- There is a need for marketing research to supply latest and reliable data to the decision makers. This will improve the quality and success rate of decisions.

8. Consumer pattern- Consumers are now more quality conscious. They are willing to pay a higher price but for a better quality. There is a need for marketing research to study the likes and dislikes, preferences and interest of rural and urban consumers.

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School of Entrepreneurship Skills
Session: 2021-22 (Summer Semester)
B. Voc. Program Fifth Semester,
End-Sem. Examination

Course Code: SES1503

Time: 2 Hours

Course Name: Legal and Taxation Aspects of Business

Max. Marks: 50

All questions are compulsory.

Section – A

10X01 = 10 Marks

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

Q1. A _____ partnership is a special form of partnership in which all partners are limited partners, and there are no general partners.

- (a) special (b) licensed limited
(c) Limited liability (d) limited

Q2. Which of the following is not a stage of the development of company?

- (a) Promotion (b) Production
(c) Incorporation (d) Commencement of Business

Q3. Which of the following company is incorporated in a country outside India?

- (a) Private Company (b) Foreign Companies
(c) Government Company (d) None of the above

Q4. The companies are regulated under .

- (a) Companies Act, 1596 (b) Companies Act, 1957
(c) Indian Partnership Act, 1932 (d) Companies Act, 2013

Q5. Company is managed by

- (a) Shareholders (b) Board of Directors (c) Karta (d) Both(a)&(b)

Q6. An agreement consists of reciprocal promises between at least

- (a) four parties. (b) six parties. (c) three parties. (d) two parties.

Q7. A makes a contract with B to murder his business competitor. This is an example of

- (a) valid contract. (b) illegal agreement.
(c) voidable contract. (d) unenforceable contract

Q8. All illegal agreements are

- (a) Void- ab- initio (b) Valid (c) Contingent (d) Enforceable

Q9. Income tax is a.....

- (a) Professional tax (b) Services Tax
(c) Direct tax (d) Indirect tax

Q10 Which of the following tax will be abolished by the Goods and Services Tax.

- (a) Property tax (b) VAT (c) Corporation tax (d) All of above



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Section – B

04X04 = 16 Marks

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

Q1. Write a brief note on Limited Liability Partnership,

Q2. Briefly describe the rights of consumer under Consumer Protection Act 2019.

Q3. Why was Competition Act implemented in India.

Q4. What is MoA?

Section – C

04X06 = 24 Marks

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

Q.1 What is meant by Capacity to Contact?

Q.2. Write a brief note on GST in India?

Q.3. Write and explain the types of share capital.

Q.4. What is the difference between Direct and indirect tax in India.



School of Entrepreneurship Skills
Session: 2021-22 (Summer Semester)
B. Voc. Program Fifth Semester,
End-Sem. Examination

A

ANSWER KEYS

Course Name: Legal and Taxation Aspects of Business (SES1503) Max. Marks: 50
All questions are compulsory.

Section – A

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Q10 Which of the following tax will be abolished by the Goods and Services Tax.

- (a) Property tax (b) **VAT** (c) Corporation tax (d) All of above

Section – B

04X04 = 16 Marks

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

Q1. Write a brief note on Limited Liability Partnership,

Ans. Limited liability partnerships (LLPs) allow for a partnership structure where each partner's liabilities is limited to the amount they put into the business. Having business partners means spreading the risk, leveraging individual skills and expertise, and establishing a division of labor. Limited liability means that if the partnership fails, creditors cannot go after a partner's personal assets or income. LLPs are common in professional business like law firms, accounting firms, and wealth managers.

Q2. Briefly describe the rights of consumer under Consumer Protection Act 2019.

Ans. Six consumer rights have been defined in the Bill, including the right to: (i) be protected against marketing of goods and services which are hazardous to life and property; (ii) be informed of the quality, quantity, potency, purity, standard and price of goods or services; (iii) be assured of access to a variety of goods or services at competitive prices; and (iv) seek redressal against unfair or restrictive trade practices.



Q3. Why was Competition Act implemented in India.

Ans. The main objectives of the Competition Act, 2002 are: to provide the framework for the establishment of the Competition Commission. to prevent monopolies and to promote competition in the market. to protect the freedom of trade for the participating individuals and entities in the market.

Q4. What is MoA?

Ans. The memorandum of association of a company is an important corporate document in India. It is often simply referred to as the memorandum. In the India, it has to be filed with the Registrar of Companies during the process of incorporating a company.

It is the document that regulates the company's external affairs, and complements the articles of association which cover the company's internal constitution. It contains the fundamental conditions under which the company is allowed to operate.

Section – C

04X06 = 24 Marks

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

Q.1 What is meant by Capacity to Contract?

Ans. Capacity to contract means the legal ability of a person to enter into a valid contract.

Section 11 of the Indian Contract Act specifies that every person is competent to contract who

- (a) is of the age of majority according to the law to which he is subject and
- (b) is of sound mind and
- (c) is not otherwise disqualified from contracting by any law to which he is subject.

1. Contract with Minor

The law protects the minors against their own inexperience and the possible improper designs of those who are experienced. The Contract Act states that, only a person who is major can enter into contract. As per Section 3 of the Indian Majority act, 1875, a minor is a person who is under 18 years of age. An agreement with minor is void and cannot be ratified by him/her until he/she attains majority. However, a minor can be promise or beneficiary under a contract and can enter into special types of contracts for necessities of life. The case of Mohiri Bibi vs. Dharmdas Ghose

2. Soundness of Mind

As per section 12 of the Contract Act, An individual is of sound mind to make a contract if the individual is capable of understanding the terms of the contract at the time of its creation and is capable of making rational judgements in his/her interests.

3. Individuals disqualified by law

As per the contract Act, the following are said to disqualify from entering into any contract:-

- (a). Alien Enemy- Any Individual is not a citizen of India is termed to be Alien and cannot enter into any contract.
- (b). Foreign Sovereign
- (c). Corporations- Any company is a different entity (artificial person) created by law. To enter into any contract it can enter via its board of directors.
- (d). Convicts-Individual are sentence by the law for imprisonment cannot enter into any contract as per the Act during the imprisonment period. He can enter into contract once his punishment completes with the sentence expiration.
- (e). Insolvents- Insolvents cannot enter into contract until the court passes an order for Discharge.
- (f). Pardanashin Women

Q.2. Write a brief note on GST in India?

Ans. Goods and Services Tax (GST) is an indirect tax (or consumption tax) used in India on the supply of goods and services. It is a comprehensive, multistage, destination-based tax: comprehensive because it has subsumed almost all the indirect taxes except a few state taxes. Multi-staged as it is, the GST is imposed at every step in the production process, but is meant to be refunded to all parties in the various stages of production other than the final consumer and as a destination-based tax, it is collected from point of consumption and not point of origin like previous taxes.



Goods and services are divided into five different tax slabs for collection of tax - 0%, 5%, 12%, 18% and 28%. However, petroleum products, alcoholic drinks, and electricity are not taxed under GST and instead are taxed separately by the individual state governments, as per the previous tax system.

The tax came into effect from 1 July 2017 through the implementation of the One Hundred and First Amendment of the Constitution of India by the Indian government. The GST replaced existing multiple taxes levied by the central and state governments.

The tax rates, rules and regulations are governed by the GST Council which consists of the finance ministers of the central government and all the states. The GST is meant to replace a slew of indirect taxes with a federated tax and is therefore expected to reshape the country's 2.4 trillion dollar economy, but its implementation has received criticism.. Positive outcomes of the GST includes the travel time in interstate movement, which dropped by 20%, because of disbanding of interstate check posts.

Q.3. Write and explain the types of share capital.

Ans. 1. Authorised/Nominal/Registered Capital:

At the time of registration of a company, the Memorandum of Association mentions the amount of capital a company is authorised to raise from the public by selling shares which is known as Authorised Capital or Normal Capital or Registered Capital.

It is the maximum amount of share capital that a company can issue. In the case of a limited company, the Memorandum shall contain the amount of Capital by which a company is proposed to be registered and the division thereof into shares of fixed amount. In short, it is the maximum amount of capital which a company will have during its lifetime—unless it is increased.

2. Issued Capital:

Generally, a part of the authorised capital is issued to the public for subscription which is known as issued capital, i.e., it is the nominal value of the shares which are offered to the public for subscription. Usually, a company does not issue all its capital at a time, i.e., issued capital is less than the authorised capital. If all shares are issued, issued capital and authorised capital will be the same.

3. Subscribed Capital:

A part of the issued capital which is subscribed by the public is known as subscribed capital. It does not necessarily mean that all the shares which have been issued will be taken over by the public.

In other words, the share capital of the number of shares which are taken over by the public is called subscribed capital, i.e., the portion of issued share capital which is paid/subscribed by the shareholder is known as subscribed capital.

4. Called-Up Capital:

Generally, the shareholders pay the price of the shares by installments, viz., application, allotment, First call, Final call etc. Therefore, the portion of the face value of the shares which the shareholders are called upon to pay or the company has demanded to pay is called Called-up capital.

5. Uncalled Capital:

The unpaid portion of the subscribed capital is called Uncalled Capital. In other words, it is the remainder of the issued Capital which has not been called. However, the company may call this amount at any time but that must be subject to the terms of issue of shares.

6. Paid Up Capital:

The amount actually paid by the shareholders is known as Paid-up Capital.

7. Reserve Capital:

According to Sec. 99 of the Companies Act, 1956, Reserve Capital is that part of uncalled capital of a company which can be called only in the event of its winding-up. A limited company may, by special resolution, determine that any portion of its share capital which has not been called-up, shall be called up, except in the event of the company being wound-up, such capital is known as Reserve Capital.

It is available only for the creditors on the winding-up of the company.



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Q.4. What is the difference between Direct and indirect tax in India.

Ans. Taxes are one of the biggest sources of income for the government. All the various taxations in India can be broadly classified into two categories- direct and indirect tax

A direct tax is a tax that you directly pay to the authority imposing the tax. For instance, income tax is imposed by the government, and you pay it directly to the government. These taxes cannot be transferred to any other entity or person. There are several acts which govern direct taxes.

While direct taxes are imposed on income and profits, indirect taxes are levied on goods and services. A major difference between direct and indirect tax is the fact that while direct tax is directly paid to the government, there is generally an intermediary for collecting indirect taxes from the end-consumer. It is then the responsibility of the intermediary to pass on the received tax to the government.

Context	Direct Tax	Indirect Tax
1. Imposed on	Income and profits	All the goods and services
2. Who pays	Individuals and businesses	End-consumers
3. How much	Depends on income and profits	Same for everyone
4. Transferability	Not transferable	Transferable
5. Tax Evasion	Possible	Not possible
6. Nature	Progressive	Regressive
7. Collections	Complex	Convenient
8. Common examples	Income tax and securities transaction tax	GST, excise duty, and VAT



**School of Entrepreneurship Skills
Session: 2021-22 (Summer Semester)
B. Voc. Program, V Semester,
End-Sem. Examination**

Course Code: SES1503

Time: 2 Hour

Course Name: Legal and Taxation Aspects of Business

Max. Marks: 50

Section – A

10X01 = 10 Marks

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

1. The 'person' who subscribes to the memorandum of association of the company should not be
 - a) Minor
 - b) an undischarged insolvent
 - c) an alien enemy
 - d) All of above
 - (d) None of above
2. Maximum number of members for a public company is:
 - a) 200
 - b) 50
 - c) No limit
 - d) 7
3. "Pvt. Ltd." in their names of a company means, it is a
 - a) Private Company
 - b) Limited Liability Company
 - c) Private limited liability Company
 - d) Private unlimited liability Company
4. "OPC" in their names of a company means, it is a
 - a) One public Company
 - b) One Person Company
 - c) One Private Company
 - d) One Person Corporation
5. A Company is
 - (a) Individual
 - (b) Artificial Person
 - (c) Natural Person
 - (d) None of Above
6. Every company needs a set of rules and regulations to manage its internal affairs. It is recorded in:
 - a) Memorandum of Association
 - b) Articles of Association
 - c) Deed
 - d) Company Assets
7. The Charter of the Company is known as
 - (a) Articles of Association
 - (b) Memorandum of Association
 - (c) Charter
 - (d) Deed
8. Maximum number of members for a private company is:
 - a) 200
 - b) 50
 - c) No limit
 - d) 7



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9. The company is managed by the group of persons known as:
(a) Board of Directors (b) Promoters
(c) Team of shareholders
10. A Government company is a company in which 51% or more paid up capital is held by:
a) The central government
b) Any state government or governments
c) Partly by central government and partly by one or more state government
d) All of above

Section – B

04X04 = 16 Marks

Answer following short answer type questions, each question carries 02 marks.

Q.1 What do you mean by the concept of Separate Property of a Company.

Q.2 What is a Holding Company.

Q.3. What do you mean by a Public Company?

Q.4. What are the legal forms of business in India?

Section – C

04X06 = 24 Marks

Answer following essay type questions, each question carries 03 marks.

Q.1 State how MOA is different from AOA?

Q.2. State the legal status and features of a company under Companies Act, 2013?

Q.3. Write a brief note on the position of minor as per Indian Contract Act.

Q.4. Write a brief note on Articles of association.



School of Entrepreneurship Skills
Session: 2021-22 (Summer Semester)
B. Voc. Program, V Semester,
End-Sem. Examination

B

ANSWER KEYS

Course Name: Legal and Taxation Aspects of Business (SES1503)

Max. Marks: 50

Section – A

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

- The 'person' who subscribes to the memorandum of association of the company should not be
 - Minor
 - an undischarged insolvent
 - an alien enemy
 - All of above**
 - None of above
- Maximum number of members for a public company is:
 - 200
 - 50
 - No limit**
 - 7
- "Pvt. Ltd." in their names of a company means, it is a
 - Private Company**
 - Limited Liability Company
 - Private limited liability Company
 - Private unlimited liability Company
- "OPC" in their names of a company means, it is a
 - One public Company
 - One Person Company**
 - One Private Company
 - One Person Corporation
- A Company is
 - Individual
 - Artificial Person**
 - Natural Person
 - None of Above
- Every company needs a set of rules and regulations to manage its internal affairs. It is recorded in:
 - Memorandum of Association
 - Articles of Association**
 - Deed
 - Company Assets
- The Charter of the Company is known as
 - Articles of Association
 - Memorandum of Association**
 - Charter
 - Deed
- Maximum number of members for a private company is:
 - 200
 - 50**
 - No limit
 - 15
- The company is managed by the group of persons known as:
 - Board of Directors**
 - Promoters
 - Team of shareholders
- In a Government company 51% or more paid up capital is held by:
 - The central government
 - Any state government or governments
 - Partly by central government and partly by one or more state government
 - All of above**



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Section – B

Answer following short answer type questions, each question carries 02 marks.

Q.1 What do you mean by the concept of Separate entity of a Company.

Ans. As a company is a legal person distinct from its members, it is capable of owning, enjoying and disposing of property in its own name. Although its capital and assets are contributed by its shareholders, they are not the private and joint owners of its property. The company is the real person in which all its property is vested and by which it is controlled, managed and disposed of.

Q.2 What is a Holding Company.

Ans. A company is known as the holding company of another company if it has the control over that other company. A company is deemed to be the holding company of another if, but only if, that other is its subsidiary.

Q.3. What do you mean by a Public Company?

Ans. A public company means a company which-

- a) has a minimum paid-up capital of Rs. 5 lakh or such higher paid-up capital, as may be prescribed;
- b) is a private company which is a subsidiary of a company which is not a private company;

Every public company, existing on the commencement of the Companies Act, 2000, with a paid-up capital of less than Rs. 5 lakh, within a period of two years from such commencement, enhance its paid-up capital to Rs. 5 lakh. Minimum 7 shareholders and 3 directors are required

Q.4. What are the legal forms of business in India?

Ans. Different Forms of Business Organizations found in India are

1. Sole Proprietorship,
2. Partnership Firm,
3. Company,
4. Limited Liability Partnership,
5. One-person Company and
6. Small Companies

Section – C

Answer following essay type questions, each question carries 03 marks.

Q.1 State how MOA is different from AOA?

Ans. The difference between article of association and memorandum of association, the following points matter the most.

- (a) The first difference between MOA and AOA while the MOA (Memorandum of Association) describes the powers and objects of the company, the AOA (Article of Association) defines its rules.
- (b) The MOA is subordinate to the Companies Act, and the AOA (Articles of Association) is subordinate to the memorandum.
- (c) The memorandum cannot be amended retrospectively while an AOA (Article of Association) may be changed.
- (d) The main difference between memorandum of association and article of association is that the memorandum includes six clauses while an article may be drafted as per the company's need.
- (e) The MOA is mandatory for all companies while a public share company can use Table A in place of an AOA (Article of Association).

An alteration may be made in an MOA only after passing Special Resolution in Annual General Meeting after obtaining prior approval from the Central Government while changes in an AOA may be made by passing Special Resolution (SR) at Annual General Meeting (AGM).

Q.2. State the legal status and features of a company under Companies Act, 2013?

Ans. A company as an entity has many distinct features which together make it a unique organization. The essential characteristics of a company are following:

Separate Legal Entity: Under Incorporation law, a company becomes a separate legal entity as compared to its members. The company is distinct and different from its members in law. It has its own seal and its own name, its assets and liabilities are separate and distinct from those of its members. It is capable of owning property, incurring debt, and borrowing money, employing people, having a bank account, entering into contracts and suing and being sued separately.

Limited Liability: The liability of the members of the company is limited to contribution to the assets of the company upto the face value of shares held by him. A member is liable to pay only the uncalled money due on shares held by him. If the assets of the firm are not sufficient to pay the liabilities of the firm, the creditors can force the partners to make good the deficit from their personal assets. This cannot be done in the case of a company once the members have paid all their dues towards the shares held by them in the company.

Perpetual Succession: A company does not cease to exist unless it is specifically wound up or the task for which it was formed has been completed. Membership of a company may keep on changing from time to time but that does not affect life of the company. Insolvency or Death of member does not affect the existence of the company.

Separate Property: A company is a distinct legal entity. The company's property is its own. A member cannot claim to be owner of the company's property during the existence of the company.

Transferability of Shares: Shares in a company are freely transferable, subject to certain conditions, such that no share-holder is permanently or necessarily wedded to a company. When a member transfers his shares to another person, the transferee steps into the shoes of the transfer and acquires all the rights of the transfer in respect of those shares.

Common Seal: The contracts must be under the seal of the company. The common seal is the official signature of the company. The name of the company must be engraved on the common seal. Any document not bearing the seal of the company may not be accepted as authentic and may not have any legal force.

Capacity to sue and being sued: A company can sue or be sued in its own name as distinct from its members.

Q.3. Write a brief note on the position of minor as per Indian Contract Act.

Ans. The position of minor under the Indian Contract Act, 1872 is to be concluded as that a minor cannot enter into a contract and the same would be void ab initio. The minor cannot on attaining majority rely on ratification of the contract made by him during his minority. The reason is that ratification relates back to the past when the person was still a minor thus, a contract that was void cannot be made legitimate subsequently. If it is necessary, a new contract can be made after attainment of the age of majority with a fresh consideration. Further, a minor's agreement cannot be called for specific performance as it would result in performing a void agreement. However, a minor will be held liable only for the claim of necessities.

The Effects Of Minor's Agreement are: A minor's agreement is considered void thus, there should be no duty to perform any part of the contract from either party and the effects of the same are also void. But suppose that a minor by misrepresenting his age to mislead another to contract with him, will there be any estoppel against him.

1. No estoppel against minor.
2. Doctrine of Restitution
3. No liability in tort arising out of contract



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Q.4. Write a brief note on Articles of association.

Ans. Articles of association are a document that specifies the regulations for a company's operations and defines the company's purpose. The document lays out how tasks are to be accomplished within the organization, including the process for appointing directors and the handling of financial records.

Articles of association often identify the manner in which a company will issue stock shares, pay dividends, and audit financial records and power of voting rights. This set of rules can be considered a user's manual for the company because it outlines the methodology for accomplishing the day-to-day tasks that must be completed. While the content of the articles of association and the exact terms used vary from jurisdiction to jurisdiction, the document is quite similar everywhere and generally contains provisions on the company name, the company's purpose, the share capital, the company's organization, and provisions regarding shareholder meetings.

**BHARTIYA SKILL DEVELOPMENT UNIVERSITY****School of Entrepreneurship Skills
Session: 2021-22 (Summer Semester)
B. Voc. Program, 5th Semester,
End Sem. Examination**

Course Code : SES1504
Course Name : Project Formulation & Startup
Instructions : Attempt all questions.

Time: 02 Hour
Max. Marks: 50

Section-A

10*1= 10 Marks

1. Formulation of Bankable Projects consists of basic details such as-
 - (a) Technical, Economical, Financial aspects of the enterprise
 - (b) The risk bearing ability
 - (c) Profitability and nature of project
 - (d) All of the above
2. One of the fundamentals of Minimum viable product (MVP) development is-
 - (a) Build
 - (b) Measure
 - (c) Learn
 - (d) All of the above
3. A Business Ecosystem refers to the network of-
 - (a) Suppliers & Distributors
 - (b) Customers & Competitors
 - (c) Government agencies and other Stakeholders
 - (d) All of the above
4. What the term MVP stand for-
 - (a) Minimum Viable Product
 - (b) Minimum Vital Product
 - (c) Minimum Vibul Product
 - (d) None of the above
5. One of the factor that hinder the new product development-
 - (a) Fragmented Market
 - (b) Capital Shortage
 - (c) Social & Governmental Constraints
 - (d) All of the above
6. Which of the following is main building block of Lean Startup framework-
 - a) Market-fit Research
 - b) Market-opportunity navigation
 - c) Solution-fit Research
 - d) All of the above
7. Which of the following is an examples of a project-
 - (a) Developing a new product or service
 - (b) Renovating the kitchen
 - (c) Organizing a meeting
 - (d) All of the above
8. Validated learning is a building block of-
 - (a) Minimum viable product (MVP) development
 - (b) lean startup framework
 - (c) Business Model Development
 - (d) All of the above

9. The different challenges of Product development relates to-
- (a) Dynamics
 - (b) Time-pressures
 - (c) Trade-offs
 - (d) All of the above
10. A revenue model describes-
- (a) The structure of how a company generates revenue or income
 - (b) Framework for generating financial income & identifies which revenue source to pursue,
 - (c) What product or service will be created in order to generate revenues
 - (d) All of the above

Section –B

4*4= 16 Marks

1. Describe the core aspects of the "Starting a Startup"
2. How an Entrepreneur go-ahead to validate the Fit-
3. What Is a Business Model?
4. What are the different steps in building a Minimum Viable Product?

Section –C

6*4 =24 Marks

1. What Is Problem-Solution Fit, And How To Achieve It
2. Discuss the Process for achieving- Customer-Problem-Solution Alignment.
3. Briefly describe in your own words about the concept of Users Stories/Use Cases to Build a Minimum Viable Product.
4. Explain the concept and components of Business Model Canvas.

**BHARTIYA SKILL DEVELOPMENT UNIVERSITY****School of Entrepreneurship Skills****Session: 2021-22 (Summer Semester)****B. Voc. Program, 5th Semester, End-Sem. Examination**

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Section -B

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1. Describe in your own words the concept of Minimum Viable product (MVP)?
2. Briefly describe the Lean startup framework.
3. What Is a Revenue Model?
4. Explain the concept of Product-Market Fit

Section -C

6*4 =24 Marks

1. Describe the advantages of Wireframing/Prototyping & User Testing in Building a Minimum Viable Product.
2. Describe the Steps to Build a Great Team for Startup Business.
3. Describe the Structure of the Problem-solution Fit Canvas.
4. Briefly describe in your own words about the concept of Users Stories/Use Cases to Build a Minimum Viable Product.

SET A

A. Ans/



BHARTIYA SKILL DEVELOPMENT UNIVERSITY

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Section –B

4*4= 16 Marks

1. Describe the core aspects of the "Starting a Startup"

Answer- Following are the core aspects of the "Starting a Startup"-

- (a) Define your Startup idea,
- (b) Team formation and execution,
- (c) Problem solution fit,
- (d) Market segmentation and customer discovery,
- (e) Customer persona design,
- (f) Customer validation,
- (g) Set up your Startup,
- (h) Solution validation
- (i) Grow your team

2. How an Entrepreneur go-ahead to validate the Fit-

Answer- Following are the steps being followed by an Entrepreneur to go-ahead to validate the Fit-

1. Validate the problem you intend to solve
2. Validate the solution you intend to propose for the validated problem
3. Validate the price of the solution you intend to deliver
4. Validate the target segments with the most potential
5. If results are not satisfactory, do pivots, and repeat previous steps

3. What Is a Business Model?

Answer- The term business model refers to a company's plan for making a profit. It identifies the products or services the business plans to sell, its identified target market, and any anticipated expenses. Business models are important for both new and established businesses. They help new, developing companies attract investment, recruit talent, and motivate management and staff.

Established businesses should regularly update their business plans or they'll fail to anticipate trends and challenges ahead. Business plans help investors evaluate companies that interest them.

A business model is a high-level plan for profitably operating a business in a specific marketplace.

4. What are the different steps in building a Minimum Viable Product?

Answer- Following are the different steps in building a Minimum Viable Product-

- a) Start with Market Research
- b) Ideate on Value Addition
- c) Map Out Customers or User Flow
- d) Prioritize MVP Features
- e) Launch MVP & Exercise 'B.M.L.'(Build, Measure, Learn)

Section –C

6*4 =24 Marks

1. What Is Problem-Solution Fit, And How To Achieve It

Answer- Validating the problem-solutions-market fit is a must for each startup, otherwise as an entrepreneur you are bound to fail because you have built and launched something customers don't want. So, the way to avoid all this pain right from the start is to make sure to achieve problem-solution fit before you run out of money.

What is Problem-Solution fit?- This is a continuous process to identify an existing problem and to solve it in with a solution that customers find useful and satisfying. This is what we call Problem-Solution Fit: the evidence that a product, or a service, solves a customer's problem. So, in Simple words, we can say that 'The problem-solution fit is the stage at which a startup business has a core group of happy and reference-able customers.' To get to problem-solution fit, you first have to identify a problem worth solving. Reaching a problem-solution fit means that:

- You have already built an MVP (minimum viable product),
- You have found your early adopters (people to use your MVP),
- You have managed to solve a problem that your early adopters have,
- You have managed to charge enough for your solution so that users are happy.

The problem-solution fit is one of the most critical parts of the Lean Startup methodology. It is what Steve Blank calls customer development and it is the second stage towards finding a product-market fit.

Why reaching a problem-solution fit is essential for every startup?- Because it shows us that our product has the potential of scaling, and getting to product-market fit.

2. Discuss the Process for achieving- Customer-Problem-Solution Alignment.

Answer- Customer discovery is the initial and iterative process of understanding customers' situations, needs, and pain points. Customer discovery involves defining and prioritizing personas and is applicable to both early-stage companies and big companies when developing new products, seeking to target new personas, or entering new markets. Discovery should encompass the entire customer journey.

The First Step towards Customer Development Its primary objective is to identify your first customers. Any Entrepreneur having business idea fundamentally starts with an implicit or explicit assumption about three things- the customer, the problem, and the solution. If any of the

assumptions are wrong, your business is toast! And if you have them aligned, you will invest in the right product, for the right audience, and the right messaging to reach that audience.

Customer Discovery is the process of focusing on four blocks of the lean canvas, developing assumptions, and turning those assumptions into hypotheses which founders will then go out and test.

Customer segments: We think our target customer profile has this set of characteristics
Problem: The set of problems we think need solving.

Solution: How we believe that we can solve these problems
Value proposition why a customer will pay for this solution

3. Briefly describe in your own words about the concept of Users Stories/Use Cases to Build a Minimum Viable Product.

Answer- User's Stories/Cases: The process of MVP development or prototyping is supposed to be parallel to updating user stories continuously. Insights from user stories can cut a lot of bottlenecks in the development process of minimum viable products.

what is user story? A User story is a method to add business value by capturing requirements from user perspective in the form of some description. OR In the simplest way User story is the form of representation of a small business requirement in the form of description.

Why is focusing on user stories better? Good products now stand synonymous to value that it creates for its customers and users. It is an amalgamation of various features which put together in a cohesive way would create value for its customers. In order to choose the right set of features and to put them together in the correct way, you need to refer user stories.

Using user stories for creating MVPs is actually working in a reverse chronological order, where we would start with the end result as perceived for the previous products.

User's Stories/Cases: So how do we create an MVP based on user stories?

Step 1: Pen down all the use stories which you find could be resourceful for the MVP. Remember, each story must capture certain features that add value to the product.

Step 2: Put the user stories in order of their priority and the level of difficulty of execution. The order could be based on the requirement, target market or deadlines.

Step 3: Looking through user the story selected, find takeaways to use and them as features to your MVP.

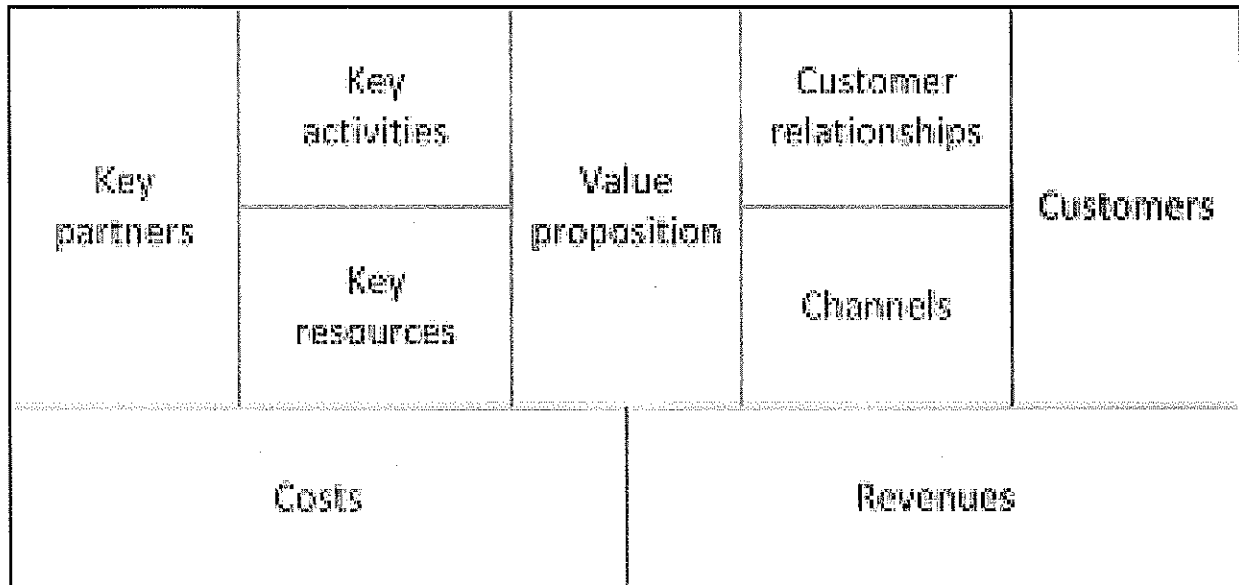
Who Writes the user story?- In case of Agile methodology, anyone can write or should write a user story, However Product Owner is "responsible" for making sure that the user stories written for product are based on expectations and managing their backlogs.

4. Explain the concept and components of Business Model Canvas.

Answer- The business model canvas is a shared language for describing, visualizing, assessing and changing business models. It describes the rationale of how an organization creates, delivers and captures value. The Business Model Canvas is a visual tool created by Alexander Osterwalder to facilitate the design process. The visual component of the tool simplifies the design process by making it easier to understand how the various components of a business affect each other. It also enables you to involve the rest of your team and advisors in the process.

The components of the Business Model Canvas are describes hereunder-

A business model describes the way in which an organisation creates, delivers and retains value. The 9 components of the Business Model Canvas help you to map all this in a transparent and well-organised way.



The different components of the business model canvas are described hereunder-

- 1) Customer segments- Here you describe which specific target audiences you want to reach. Who are your customers? What are their needs, wishes, problems, specific purchasing behaviour?
- 2) Value proposition- Your UPS (Unique Selling Proposition) is part of this. This describes what added value your product or service offers to consumers. This is the reason why someone would choose you over a competitor. What problems do you help solve with your product or service?
- 3) Customer relationships- In this section, you indicate how you communicate with your different customer segments. And how they want you to communicate with them. Which is the right and most profitable way for each segment?
- 4) Channels- These are the marketing and distribution channels. How are customers (groups) kept informed of our offer? What image do you want to project through those channels? How can they purchase your products or services?
- 5) Revenue streams- Naturally, income must be generated. How do we earn our money now, through which sources of income? How can we develop additional sources of income in the future?
- 6) Key resources- A description of all the resources and people you need to meet the needs of your customer. Which do you need to create added value? To reach your market? To maintain customer relationships?
- 7) Key activities- The most important activities you need to do as a company in order for your model to work. In other words, these are the actions you take to maintain your customer relationships, to work with your partners. Which departments in your enterprise are responsible for which actions?
- 8) Key partners- Who are your key partners? Which partnerships are essential to make or co-create our offer? Which partners are crucial to be even more successful in the short and long term?
- 9) Cost structure- What are your biggest costs and which are essential to make your business model work? Which resources and core activities are the most costly? Which costs are fixed, such as the rent of your shops, warehouses, office buildings... and which are variable?

1905

1905

**BHARTIYA SKILL DEVELOPMENT UNIVERSITY**

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ANSWER KEYS

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 - (c) New market entry and timing
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Section -B

4*4= 16 Marks

1. Describe in your own words the concept of Minimum Viable product (MVP)?

Answer- A minimum viable product (MVP) is a concept from Lean Startup that stresses the impact of learning in new product development. Eric Ries, defined an MVP as that version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort. This validated learning comes in the form of whether your customers will actually purchase your product.

A minimum viable product, or MVP, is a product with enough features to attract early-adopter customers and validate a product idea early in the product development cycle. In industries such as software, the MVP can help the product team receive user feedback as quickly as possible to iterate and improve the product.

2. Briefly describe the Lean startup framework.

Answer- The lean startup framework is one of the most popular approach of entrepreneurship involving the development of Minimum viable product (MVP)

With this approach, new ventures are started by describing the five main building blocks-

- a) Business model
- b) Validated learning/customer development
- c) Minimum viable product (MVP)
- d) Perseverance vs. Pivoting
- e) Market-opportunity navigation

3. What Is a Revenue Model?

Answer- A revenue model describes the structure of how a company generates revenue or income. Each customer segment can contain one or more revenue streams. The Revenue Model is an important component of the business model.

A revenue model is a framework for generating financial income. It identifies which revenue source to pursue, what value to offer, how to price the value, and who pays for the value. It is a key component of a company's business model. It primarily identifies what product or service will be created in order to generate revenues and the ways in which the product or service will be sold. Without a clear and well-defined revenue model, with a clear plan of how to generate revenues, new businesses will more likely struggle due to costs which they will not be able to sustain. By having a clear revenue model, a business can focus on a target audience, fund development plans for a product or service, establish marketing plans, begin a line of credit and raise capital.

4. Explain the concept of Product-Market Fit

Answer- The product-market fit is characterized by:

- a) High level of satisfaction by a large set of customers,
- b) High retention rate and low churn rate,
- c) Revenue (and product) growth,
- d) High product usage interval.

When you find a product-market fit, you are growing, and you have loyal customers who enjoy your products and services. (You can use product-led growth to get there faster.) When you reach a problem-solution fit, you've just got out of the building with your MVP, and have a few customers that have found a solution to their problem. As I hope it is evident by now, the two concepts are different from one another. Most Entrepreneurs reach a problem-solution fit, not all of them reach a product-market fit though.

Section -C

6*4 =24 Marks

1. Describe the advantages of Wireframing/Prototyping & User Testing in Building a Minimum Viable Product.

Answer- Wireframing/Prototyping: To get to the stage of building a prototype or MVP, you need some blueprint that represents the layout and flow of what you're building. This process is where wireframes come into play. Wireframes are representations of the screens and layout that define the user experience and how they navigate the solution. To put it simply, the wireframe of your product is like a blueprint to a house.

Prototyping: A prototype is a sample or model of a product. Usually, prototypes work to prove a business concept or test a process. Prototyping can be combined with wireframes in some occasions even though there are some additional risks. It is considered less of a risk when compared to an MVP or full solution. In software development, we may also look at prototypes as mock-ups that show how an application intends to look, feel and flow. An MVP can derive from a prototype. The key to the prototype is making it function to the most realistic experience with the most minimal effort.

User Testing: In the digital world, the MVP represents an opportunity to gain customer validation for the product. MVP tests are designed not only to determine the viability of the product's value proposition, but also the technical elements of the product. This testing to verify elements such as functionality and user integration can help to deliver a sound minimum viable product while still respecting cost limitations.

HOW TO TEST- User acceptance testing is considered by some to be the most important test for an MVP. Since User acceptance testing analyses how the platform interfaces with the user and assesses if all the features of the product are clear and easy to use. User acceptance testing also searches for errors that can impact the user experience while they navigate through the product or come across with the MVP/prototype. Independent User acceptance testing tests ensure the most bugs are uncovered and provide the most value for developers. Conducting validation testing is an important part of the MVP process. It is important because beta testers will focus on giving valuable feedback on the user interface and experience if there are no major functional bugs.

2. Describe the Steps to Build a Great Team for Startup Business.

Answer- Following are the Steps to Build a Great Team for Startup Business-

1. Start with yourself- the beginning of a team-building approach starts with entrepreneur.
2. And then the co-founder(s)- successful startups stand out because of one common thing - they have complementary founders and co-founders.
3. Identify the key positions- Once you have the top brass sorted, you need to identify the lower but significant rungs of your startup.
4. Shortlist the candidates- While shortlisting the candidates, a judicious and objective approach will help determine if the candidate is worth one's salt and will meet your specific requirements.
5. Hiring- proceed to the interviews, follow the mantra of "Less is more." The team building objectives that come into play while hiring are that you have to give preference to quality over quantity.
6. Training- Once the individuals have been on-boarded, team building training can get them in tune with other members.
7. Role assignment- Now that the initial stage of the team building programme is almost complete, start by assigning roles and responsibilities to the team members.

3. Describe the Structure of the Problem-solution Fit Canvas.

Answer- Following are the important aspects of the Structure of the Problem-solution Fit-

- (1) Canvas Customer State fit: to make sure you understand your target group, their limitations and their currently available solutions, against which you are going to compete.
- (2) Problem-Behaviour fit: to help you filter out the noise and identify the most urgent and frequent problems, understand the real reasons behind them and see which behaviour supports it. Is this behaviour weak or infrequent — is it a problem worth solving?
- (3) Communication-Channel fit: to help you sharpen your communication with strong triggers, emotional messaging and reaching customers via the right channels.
- (4) Solution guess: translate all the validated data you have gathered into a solution that fits the customer state and his/her limitations, solves a real problem and taps into the common behaviour of your target group.
- (5) Market segmentation is the practice of dividing discovered customers from a larger market into homogeneous units.

These units of customers are grouped in a few main ways:

1. Needs
2. Issues
3. Priorities
4. Interests
5. Purchasing criteria

For example, the market segmentation will be different for customers that buy electric vehicles and customers that buy pick up trucks. Customer segments are the identified customers that you are aiming to sell the product or services to. Customer segments is one of the most important building blocks in the business model canvas for the proposed business.

4. Briefly describe in your own words about the concept of Users Stories/Use Cases to Build a Minimum Viable Product.

Answer- User's Stories/Cases: The process of MVP development or prototyping is supposed to be parallel to updating user stories continuously. Insights from user stories can cut a lot of bottlenecks in the development process of minimum viable products.

Lets Define a User Story- A User story is a method to add business value by capturing requirements from user perspective in the form of some description. OR In the simplest way User story is the form of representation of a small business requirement in the form of description.

Why is focusing on user stories better? Good products now stand synonymous to value that it creates for its customers and users. It is an amalgamation of various features which put together in a cohesive way would create value for its customers. In order to choose the right set of features and to put them together in the correct way, you need to refer user stories.

Using user stories for creating MVPs is actually working in a reverse chronological order, where we would start with the end result as perceived for the previous products.

User's Stories/Cases: So how do we create an MVP based on user stories?

Step 1: Pen down all the use stories which you find could be resourceful for the MVP. Remember, each story must capture certain features that add value to the product.

Step 2: Put the user stories in order of their priority and the level of difficulty of execution. The order could be based on the requirement, target market or deadlines.

Step 3: Looking through user the story selected, find takeaways to use and them as features to your MVP.

Who Writes the user story?- In case of Agile methodology, anyone can write or should write a user story, However Product Owner is "responsible" for making sure that the user stories written for product are based on expectations and managing their backlogs.