



**FINAL EXAMINATION**  
**MODEL QUESTION PAPER**  
**PAPER 20C**

**SET 2**  
**TERM – JUNE 2023**

**ENTREPRENEURSHIP AND STARTUP**

**Time Allowed: 3 Hours**

**Full Marks: 100**

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

Where considered necessary, suitable assumptions may be made and  
clearly indicated in the answer.

Answer Question No. 1 and 8 are compulsory; Answer any four from  
Question No. 2, 3, 4, 5, 6, 7.

**SECTION – A**

**1. (a) Choose the correct alternative. Provide justification in each case. 1 mark is allotted for correct selection and 1 mark for the justification.: [10 × 2 = 20]**

- (i) \_\_\_\_\_ shows the overall purpose and objectives of the organization while goals are the things that should be achieved if the organization wants to fulfill the overall purpose. Provide justification for your selection.
- Mission
  - Vision
  - Strategy
  - Talent
- (ii) Robot is an example of \_\_\_\_\_. Provide justification for your selection.
- Software
  - Hardware
  - Application
  - Server
- (iii) Startup India was launched in the year \_\_\_\_\_. State its primary objective.
- 2016
  - 2017
  - 2018
  - 2019
- (iv) Full form of ASPIRE is \_\_\_\_\_. What was its prime objective?
- A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship
  - A Scheme for Promotion of Industries, Rural Innovation and Entrepreneurship
  - A Scheme for Promotion of Innovation, Rural Industries and Enterprise
  - A Scheme for Promotion of Investment, Rural Industries and Enterprise



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- (v) \_\_\_\_\_ describes a situation in which an entrepreneur starts a company with little capital, relying on money other than outside investments. Provide justification for your selection.
- Bootstrapping
  - Angel Investing
  - Venture
  - Crowdfunding
- (vi) \_\_\_\_\_ takes a large data set and shrinking it to a smaller data set. The goal of this technique is to attempt to discover hidden trends that would otherwise have been more difficult to see. Give justification in support of your answer.
- Regression analysis
  - Factor analysis
  - Time Series Analysis
  - Cohort Analysis
- (vii) \_\_\_\_\_ is a powerful blend of structured meetings, strategic tools, and experienced leadership. Give justification in support of your answer.
- Marketing Traction
  - Marketing Management
  - Marketing Strategy
  - Marketing Trick
- (viii) \_\_\_\_\_ is used by wholesalers and by manufacturers, businesses that deals with direct sales. Please provide a reason for your selection.
- Disintermediation Model
  - Marketplace model
  - On demand model
  - Freemium model
- (ix) Which is not a benefits of Audit of Startups and why?
- Prevention in the occurrence of fraud
  - Ensures business's regulatory requirement compliances
  - Carrying out the activities defined in the planning phase
  - Early identification of errors
- (x) From the following data compute the beta of Security X.  
 $\sigma_X = 12\%$ ;  $\sigma_M = 9\%$ ;  $r_{(X,M)} = + 0.72$
- Beta = 0.81
  - Beta = 0.61
  - Beta = 0.41
  - Beta = 1.81



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SECTION - B

Answer any four questions.

2. (a) What do you mean by capital structuring? Discuss stage-wise sources of finance for Startups.  
(b) Critically evaluate the skills required to become a successful entrepreneur.  
[(2+6) + 8=16]
3. (a) “The application of data analytics is not limited to manufacturing companies or any industrial areas, but it gets involved in almost every field of human living.”- Justify the validity of this statement.  
(b) Analyze the steps involved in Procurement to Pay (P2P) process from the perspective of a startup.  
[8+8=16]
4. (a) Prepare a list of steps for scaling the business of a startup.  
(b) (i) Briefly explain the concept of Elevator Pitch.  
(ii) Examine the applicability of Sustainability Management in startups and unicorns.  
(iii) ‘Is Crowdfunding a suitable mode of financing a startup’. – Examine with reason?  
[6+(2+6+2)]=16]
5. (a) Examine the possibility of applying five stages of successful innovation in a startup business operation.  
(b) (i) Examine the importance of design thinking for entrepreneurial activities for a startup?  
(ii) ‘Design thinking is required only when a startup starts scaling up its business post establishing needs for its products through tractions.’ Examine the statement in the context of a startup business developing solution by integrating a few digital technologies like Blockchain, AI and IOT.  
[8+(4+4)=16]
6. (a) Analyse the benefits of effective enterprise risk management as per the COSO.



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- (b) Rainbow Ltd. has forecasted returns on its share with the following probability distribution:

Return (%)	Probability
- 20	0.05
- 10	0.05
- 5	0.10
5	0.10
10	0.15
18	0.25
20	0.25
30	0.05

Find out the following: (a) Expected Rate of Return (b) Variance (c) Standard Deviation.  
**[6+10=16]**

7. (a) (i) Analyze the ethical issues in different functional domains of a startup organization.
- (ii) Briefly discuss with examples, the smart ways for building competitive advantages.
- (b) On 1<sup>st</sup> January, 2022, the Board of Directors of MPL and Co. Ltd., wish to know the amount of Working Capital that will be required to meet the programme of activity they have planned for the year. From the following information available, prepare:
- (a) A working capital requirement forecast and
- (b) An estimated Profit and Loss Account and Balance Sheet at the end of the year.
- (i) Issued and Paid-up share Capital ₹ 2,00,000.
- (ii) 5% Debenture (Secured on assets) ₹ 50,000.
- (iii) Fixed assets valued at ₹1,25,000 as on 31<sup>st</sup> December,2022.
- (iv) Production during previous year was 60,000 units, it is planned that this level of activity should be maintained during the present year.
- (v) The expected ratios of cost to selling price are: Raw material 60%, Direct wages 10% and Overheads 20%.
- (vi) Raw materials are expected to remain in stores for an average of two months before issued to production.
- (vii) Each unit of production is expected to be in process for one month.



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- (viii) Finished goods will stay in warehouse for approximately 3 months.
  - (ix) Creditors allow credit for two months from date of delivery of raw materials.
  - (x) Credit allowed to debtors is three months from date of dispatch.
  - (xi) Selling price per unit is ₹ 5.
- There is a regular production and sales cycle. **[(4+4)+8=16]**

**SECTION – C**

8. (a) As a senior advisor to a new entrepreneur, how would you design a ‘White Paper’ highlighting the entrepreneurial traits and disciplines which are necessary to become a successful entrepreneur?
- (b) It is evidenced that the Micro, Small and Medium Enterprises (MSME) sector account for around 90% of business, approximately 60% to 70% of employment and about 50% of GDP worldwide. It has emerged as a highly vibrant and dynamic sector of the Indian economy over the last few decades. In this context, can you prepare a strategic action point for MSMEs in providing large employment opportunities at comparatively lower capital investments than large industries to the people of rural and backward areas? **[8+8=16]**