

CMAT Previous Question Paper for Innovation and Entrepreneurship

Question Number: 101 – Someone legally appointed to sell off the assets of a bankrupt is called

- (1) An Auctioneer
- (2) A liquidator
- (3) A Terminator
- (4) An advocate

Question Number: 102 – The term bootstrapping is often associated with

- (1) Start-Ups
- (2) Venture Capital Funds
- (3) Financial institutions
- (4) Non-Financial Institutions

Question Number: 103 – Ru pay has been launched by

- (1) National Securities Depository Limited
- (2) National Payments Corporation of India
- (3) Central Depository Services Limited
- (4) Reserve Bank of India

Question Number: 104 – Mixed Economy refers to

- (1) Coexistence of small and large industries
- (2) Coexistence of agriculture and industry
- (3) Coexistence of public and private sector
- (4) Coexistence of domestic and foreign enterprises

Question Number: 105 – A startup defined as an entity that is headquartered in India, which was opened less than 10 years ago, and has an annual turnover less than

- (1) Rs. 10 crore
- (2) Rs. 100 crore
- (3) Rs. 50 crore
- (4) Rs. 1 crore

Question Number: 106 – Who has launched the UPI-based payments app in the country by the name of TEZ?

- (1) IBM
- (2) Google
- (3) Microsoft
- (4) TCS

Question Number: (107 – 115)

After reading the passage given below, choose the best answer to each question that follows.

What advice would I give to new entrepreneurs who need funding? Forget about your business plan and buy a lottery ticket — your chances are better. My point is that when you need venture funding no one will give any money until you already have a marketable product. In other words, funding comes just when you do not need it. A myth is that the way to start a venture is to create a great business plan, perfect your pitch, and then present this to investors, starting with venture capitalists. If that does not work, you knock on the door of angel investors. But ask any entrepreneur who has called on venture capitalists and they will probably tell you that it is almost impossible to even get calls returned. If venture capitalists do respond and you are invited to present your idea, the process will drag on for many months while you borrow more and survive on hope. If you do hit the jackpot, you are required to let the investors make many of the business decisions in exchange for an investment. To be fair, most business plans do not deserve funding. Venture capitalists receive hundreds of plans every week, and few are worth the paper they are printed on. Everyone jumps on the same new trend, or the ideas are so far out that they have no chance of success. And great ideas are not enough: it takes experienced management, excellent execution, and a receptive market. It is hard for even the best venture capitals to identify the potential successes. So what should an entrepreneur do? What all new entrepreneurs should understand is that, even if you have a realistic business plan for a great idea that can change the world, you need to develop it yourself until you can prove it. Focus on validating your idea and building it up. Raise money to get started by begging and borrowing from family and friends. And be prepared to dip into your savings and credit cards, obtain second mortgages, and perhaps look for consulting work or customer advances. There is no single recipe for developing your business idea yourself, but there are some essential ingredients. Here are some pointers: Consult widely. Share your ideas with those who have done it before. You can learn a lot from the experience of seasoned entrepreneurs, and they are much more approachable than you think. If you cannot find anyone who is excited about your idea, the chances are it is not worth being excited about. This may be time to reflect deeply and come up with another. Identify markets. Speak to anyone who can help you understand your target customers. If you can sell your concept, some customers may help you find it or agree to be a test site or a valuable reference. Customers do not usually know what they want, but they always know what they do not need. Make sure that there is a real need for your product. Start small. Your idea may be grand and have the potential to change the world, but you are only going to do this one step at a time. Look for simple solutions, test them and learn from the feedback. If you are starting a restaurant, work for some one else first. If you are creating a software product, learn by doing some consulting assignments or create some utilities. You do not have to start with the ultimate product. Watch every penny. Focus on revenue and profitability from the start. Find creative ways to earn cash by selling tactical products, prepaid licenses or royalties. Pay employees partially in stock. Look for access to free hardware or premises. And sweep the floors yourself. In short, use any methods to avoid costs. Prepare for the worst. It is going to take longer than you think. There will likely be product problems, unhappy customers, employee turnover, and lots of financial challenges. You may even fail a number of times before you achieve your goals. By learning from each success and failure alike, you increase the odds that you

eventually make it. Keep your integrity. Never forget the importance of business ethics and your own values. Ethics need to be carefully sewn into the fabric of any start-up. And the only way to reach long-term success is by achieving outstanding customer satisfaction. With a lot of luck and hard work you may build a successful company that markets products customers really want. It is very likely that by this stage, you receive the phone calls from venture capitalists. This is the time to think of exit strategies and decide if you want to own a small piece of a big pie or a large piece of a small pie. (The passage taken from Book/News/Open source)“a marketable product” as mentioned in the passage signifies:"

Question Number: 107 – “a marketable product” as mentioned in the passage signifies:

- (1) Product that appeals to buyers and sell at a certain price range to generate profit
- (2) A product that appeals to investors and help them get their money back
- (3) A product whose market value is increasing continuously and becoming difficult for buyers to buy the same
- (4) A product that is appreciated by the media houses and earn revenue from advertisements

Question Number: 108 - The phrase “and few are worth the paper they are printed on” as exists in the above passage means

- (1) The ideas are good
- (2) Hardly any idea is good
- (3) Some ideas are good
- (4) Thefew ideas that are good can get others to invest in it

Question Number: 109

A. It is hard for even the best venture capitals to identify the potential successes.

B. Focus on validating your idea and building it up.

- (1) According to the above passage, both A and B are true
- (2) According to the above passage, both A and B are false
- (3) According to the above passage A is true and is false
- (4) According to the above passage is false and B is true

Question Number: 110 - Which of the following advices are given by the writer in this passage?

- (1) Make sure that you have enough money before you start your business
- (2) Make sure you have secured an educational degree before you start your business
- (3) Make sure that there is a real need for your product. Start small
- (4) Make sure that you have approached an angel investor before you start your business

Question Number: 111 - According to the passage which are the essential ingredients for developing a business idea?

- (1) Identify market but hide the idea from others
- (2) Consult widely. Share your ideas with entrepreneurs. Identify markets
- (3) Always share your ideas and go for joint ventures
- (4) Always speak to your investors first even before you develop your idea

Question Number: 112 - What are the two business ideas that are shared in the passage as examples?

- (1) Starting a school and creating a web portal for selling grocery
- (2) Starting a clothing store and creating a web portal for house hold services
- (3) Starting a hospital and manufacturing a product
- (4) Starting a restaurant and creating a software product

Question Number: 113 - According to the given passage which of the following is NOT a correct statement?

- (1) Ethics need to be carefully sewn into the fabric of any start-up
- (2) Share your ideas with those who have done it before
- (3) It also shows that the phenomenon is heterogeneous
- (4) In other words, funding comes just when you do not need it

Question Number: 114 - "Exit strategies", as mentioned in the passage, signifies:

- (1) An entrepreneur's strategic plan to sell his or her ownership in a company to investors or another company
- (2) An entrepreneur's strategic plan to execute the daily plan for his/her business
- (3) An entrepreneur's strategic plan to conduct exit interviews for employees who plan to leave
- (4) An entrepreneur's strategic plan to analyse market and exit from one product to another

Question Number: 115 - Which of the following statements is true as per the given passage?

- (1) Investors always respond promptly to funding applications
- (2) Venture Capitalist is a sure source of funding for new businesses
- (3) Ethics need to be carefully sewn into the fabric of any start-up
- (4) The process of obtaining funding will proceed at a fast pace

Question Number: 116

Entrepreneurs are risk

- (1) Averse
- (2) Haters
- (3) Takers
- (4) Lovers

Question Number: 117 - Among the barriers to entering an industry are:

- (1) Patents
- (2) Switching costs
- (3) Status symbols
- (4) All of the above

Question Number: 118 - A word, symbol, name, or device that a business uses to identify its goods and distinguish itself from others is called a

- (1) Trade Mark
- (2) Brand
- (3) Asset
- (4) Trade Secret

Question Number: 119 - The legal term for brand is

- (1) Patent
- (2) Licence
- (3) Trademark
- (4) None of the above

Question Number: 120 - Market segments should comprise of customers who:

- (1) Share similarities
- (2) Do not share similarities
- (3) Have bought the product service previously
- (4) Have not bought the product service previously

Question Number: 121 - The conclusion part of the business plan will identify the

- (1) Feasibility of the business.
- (2) Market description
- (3) Administrative aspects of the business
- (4) Business suppliers

Question Number: 122 - What type of financing do "Angel investors" usually provide?

- (1) Debt
- (2) Equity
- (3) Stock sales
- (4) None of the above

Question Number: 123 - Entrepreneurial intent is linked to:

- (1) Personality traits and the likelihood that an individual would set up a new venture
- (2) High rewards and low risks
- (3) Tapping opportunities and seeking recognition
- (4) Managing resources and family context

Question Number: 124 - Team members need a:

- (1) Similar set of competencies
- (2) Identical competencies
- (3) Diverse set of competencies
- (4) Unusual set of competencies

Question Number: 125 - The idea and actions that explain how an entrepreneur will make his/her venture profitable and impactful is commonly referred to as

- (1) Mission
- (2) Goal
- (3) Strategy
- (4) Objective

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