

BALASORE COLLEGE OF ENGINEERING AND TECHNOLOGY

DEPT- MBA

Entrepreneurship Development MCQ Questions

Q1. ___ is a person responsible for setting up a business.

1. Entrepreneur
2. Businessman
3. Manager
4. Planner

Ans. 1

Q2. Entrepreneurship involves mobilizing the resources & combining them to initiate change in production. T/F

Ans: T

Q3. Entrepreneurs are Risk Bearers. T/F

Ans: T

Q4. The entrepreneur always introduces something new or can be an imitator. T/F

Ans: T

Q5. Individual Entrepreneur and Institutional Entrepreneurs are different. T/F

Ans: T

Q6. Industrial Entrepreneur is a person who demonstrates his innovative skill in organizing a corporate undertaking. T/F

Ans: F

Q7. Entrepreneur of large scale business like Tata, Birla, Etc are Instigated Entrepreneur T/F

Ans: F

Q8. An induced Entrepreneur is one who is induced to take up an entrepreneurial activity due to policy measures of the government to start a new venture. T/F

Ans: T.

Q9. An Entrepreneur is different from a manager T/F

Ans. T

Q10. Bank Overdraft is a source of short term Finance T/F

Ans T

Q11. Trade Credits are a source of Long term Finance T/F

Ans: F

Q12. Borrowing of large money at a rate of interest fairly higher than the actual rate of return on its capital employed is a cause of overcapitalization T/F

Ans: T

Q13. To reduce the claims of shareholders, debentures holders & creditors is a remedial measure for over-Capitalization. T/F

Ans: T

Q14. IFCW stands for ____

1. International Finance Company, Washington.
2. International Finance Corporation, Washington.
3. Intercompany Finance Corporation, Washington.
4. International Federal Corporation, Washington.

Ans.2

Q15. EICI stands for ____

1. Export Inspector of Council of India
2. Export Inspection Company of India
3. Export Inspection Council of India
4. Export Investigation Council of India

Ans: 3

Q16. ECGC stands for ____

1. Export Credit & Guarantee Company
2. Export Company & Guarantee Corporation
3. Export Credit & Guarantee Collaboration
4. Export Credit & Guarantee Corporation

Ans: 4

Q17. SIDO stands for ____

1. Small Industries Developing Organization
2. Small Industries Development Organization
3. Short Industries Development Organization
4. Small Industries Deployment Organization

Ans: 2

Q18. DIC stands for _____

1. Disassembled Industries Centers
2. District Industries Collaboration
3. District Industries Centers
4. Developing Industries Centers

Ans: 3

Q19. NIESBUD stands for ____

1. National Institution for Entrepreneurship & Small Business Development
2. National Institute for Enterprise & Small Business Development
3. National Institute for Entrepreneurship & Small Business Development
4. National Institute for Entrepreneurship & Small Business Development

Ans: 3

Q20. XISS stands for ____

1. Xavious Institute of Social Service
2. Xavier Institute of Social Service

3. Xavier Institute of Socializing Service
4. Xavier Institution of Social Service

Ans: 2

Q21. MPCO stands for ____

1. Madhya Pradesh Company for Organization Ltd.
2. Madhya Pradesh Consultant for Organization Ltd.
3. Middle Planning Consultancy Organization Ltd.
4. Madhya Pradesh Consultancy Organization Ltd.

Ans: 4

Q22. CYSEC stands for ____

1. Calcutta 'Yes' Self-employment Centre.
2. Calcutta 'Y' Self-employment Centre.
3. Calcutta 'Y' Self-employment Company.
4. Calcutta 'Y' Service-employment Centre.

Ans: 2

Q23. IDBI stands for ____

1. Industry Development Bank of India
2. Industrial Development Bank of Investment
3. Industrial Development by Bank of India
4. Industrial Development Bank of India

Ans: 4

Q25. TCO stands for ____

1. Tata Consultancy Organization
2. Technical Company Organization
3. Technical Configured Organization
4. Technical Consultancy Organization

Ans: 4

Q26. EGB stands for ____

1. Enterprise Development Bureau
2. Entrepreneurial deli censing Bank
3. Entrepreneurial Development Bureau
4. Entrepreneur Development Bureau

Ans: 3

Q27. CED stands for ____

1. Centre for Enterprise Development
2. Consultancy for entrepreneurship Development
3. Centre for entrepreneurship Deployment
4. Centre for entrepreneurship Development

Ans: 4

Q28. SIET stands for ____

1. Small Industries Extension & Training Enterprise
2. Small Industries Extension & Training Institute

3. Small Industries Extension & Training Institute
 4. Small Investment Expansion & Trading Institute
- Ans: 2

Q29. RCF stands for ____

1. Revising Capital foundation
2. Remedial Capital foundation
3. Risk Capital foundation
4. Risk Capital formation

Ans: 3

Q30. DGTD stands for ____

1. Directing Guidelines of Technical Development
2. Directorate General of Training & Development
3. Directorate General of Technical Development
4. Directorate Governor of Technical Development

Ans: 3

Q31. IIC stands for ____

1. Investment Institution Centre
2. Indian Investment Company
3. Indian Investment Centre
4. Indian Investment Corporation

Ans: 3

Q32. ICICI stands for ____

1. Industrial Company & Investment Corporation of India Limited
2. Industrial Corporation & Investment Company of India Limited
3. Industrial Credit & Investment Corporation of India Limited
4. Investment Credit & Investment Corporation of India Limited

Ans: 3

Q33. Who took the lead to extend financial assistance to small-scale industries

1. SBI
2. IFCI
3. IRBI
4. None of the above

Ans: 1

Q34. Which act was passed by parliament on September 28, 1951

1. State Funds for Corporation Act
2. State Finance Company Act
3. State Finance Corporation Act
4. Small Finance Corporation Act

Ans: 3

Q35. The LIC was established under the LIC Act in

1. 1954
2. 1950

3. 1956
 4. None of the above
- Ans: 3

Q36. ____ Capitalization signifies a situation when an enterprise possesses an excess assets in relation to its requirement.

1. Under
2. Over
3. Actual
4. proper

Ans: 2

Q37. To split up the shares of the enterprise is a remedial measure for ____ Capitalization

1. Over
2. Under
3. Actual
4. None of the above

Ans: 2

Q38. TQI, SQM, TQC are various names for TQM. T/F

Ans: T

Q39 TQM & ISO 9000 both focus on customer satisfaction. T/F

Ans: F

Q40. Is Diversification a costly proposition? T/F

Ans: T

Q 42. "Seed Capital Scheme" has been operated by

1. SBI
2. IDBI
3. NSCI
4. None of the above

Ans : 2

Q43. An ____ in a tract of land which is subdivided and developed according to a comprehensive plan for the use of a community of industrial enterprises.

1. Industrial plan
2. Industrial Estate
3. Industrial unit
4. None of the above

Ans: 2

Q44. ____ signifies a situation when an enterprise process excess assets in relation to its requirement.

1. Over capitalization
2. profit
3. proper capitalization

4. Actual capitalization

Ans: 1

Q45. The small sector was classified into three categories by IRP 1977

1. Cottage & household industries, Tiny Sector, small-scale industries.
2. Cottage & household industries, large, small-scale industries.
3. Cotton & household industries, Tiny Sector, small-scale industries.
4. Household industries, Tiny Sector, small-scale industries.

Ans: 1

Q46. Engineering expenses related to the business & legal charges are examples of ____

1. Preliminary Expenses
2. Functional Expenses
3. Operational expenses
4. None

Ans: 1

Q47. On the basis of organization set-Up, the following are the type of Industrial estate

1. Government, Public, cooperative, Municipal Industrial estate
2. Government, Private, cooperative, Municipal Industrial estate
3. Government, Public, cooperative, Municipal Industrial estate
4. Government, Private, public, Municipal Industrial estate

Ans: 2

Q48. Capital is arranged from Internal sources refers to the owner's own money known as

1. Profit
2. Capital
3. Equity
4. None of the above

Ans: 3

Q49. _____ is usually done by a financial institution which besides making an analysis of cost & benefits of a proposed project assesses the project from the various aspects of an investment proposition before extending finance.

1. Project planning
2. Project appraisal
3. Project costing
4. none of the above

Ans: 2

Q50. According to Peter F. Drucker, there are three kinds of opportunities

1. Additive, Complementary, Breakthrough
2. Additive, Complementary, Supplementary
3. Additive, Complementary, Breakthrough
4. Additional, Complementary, Breakthrough

Ans: 3

Q51. EDP concentrates its attention to give motivation, awareness to all citizens & create favourable & healthy environment. T/F

Ans: F

Q52. The manager needs to possess distinct qualification and also bears all the risk involved in the enterprise. T/F

Ans: F

Q53. ___ is not the trait of entrepreneurs.

1. Innovation
2. Decision making
3. Skilful management
4. None of the above

Q54. SIDO was established in.

1. 1995
2. 1991
3. 1990
4. 1978

Ans: 3

Q55. IPR 1956 re-emphasized the spirit of IPR 1980. T/F

Ans. F

Q56. IPR ___ initiated the modern SSI in India.

1. 1956
2. 1952
3. 1990
4. 1948

Ans: 1

Q57. The main objective of setting up DICs was to promote under a single roof all the services & support required by small & village entrepreneurs. This scheme was introduced in May ___

1. 1970
2. 1975
3. 1978
4. None of the above

Ans: 3

Q58. MODVAT is to shift the burden of excise taxation away from inputs on to their final products. T/F

Ans. T

Q59. Diversification is an example of Internal growth strategy & Merger is an example of an External growth strategy. T/F

Ans .T

60. The term "Entrepreneur" has been derived from the word "entreprendre" which means:

- a. To give
- b. To undertake
- c. To choose

d. To decide

Ans: b.

61. Entrepreneurship is a creative activity – Said by:

a. Frederick Harbison

b. B. F. Hoselitz

c. B. Higgins

d. Joseph

Ans: d.

62. What is the hallmark of a successful entrepreneur?

a. Risk bearing capacity

b. Persistence

c. Flexibility

d. Self-confidence

Ans: c.

63. Which type of entrepreneurs utilizes a chance to introduce a new technique or new product?

a. Innovative entrepreneur

b. Instigated entrepreneur

c. Initiative entrepreneur

d. Fabian entrepreneur

Ans: a.

64. In which state of India, the standard of education is highest?

a. Tamil Nadu

b. Andhra Pradesh

c. Kerala

d. Karnataka

Ans: c.

65. Which phase is the phase of real training?

a. Initial phase

b. Training phase

c. Post-training phase

d. Follow up phase

Ans: b.

66. “Seed Capital Scheme” is being operated by?

a. IDBI

b. SIDC

c. ICICI

d. IFCI

Ans: a.

67. Calcutta “Y” Self- Employment Centre targets unemployed youths between?

a. 18 to 30 years

b. 16 to 25 years

- c. 18 to 25 years
- d. 20 to 30 years

Ans: a.

68. In the 1995 – 96 periods what percentage of the total entrepreneurs were women entrepreneurs?

- a. 10 %
- b. 11.2%
- c. 13%
- d. 9%

Ans: b.

69. Why the majority of women are unaware of technological developments?

- a. Low-risk bearing ability
- b. Low mobility
- c. Lack of education
- d. Low need for achievement

Ans: c.

70. Which of the following is a remedy to solve the problems of women entrepreneurs?

- a. Social attitude
- b. Finance cells
- c. Stiff Competition
- d. Supervision

Ans: b.

71. When was the “Yashaswini Programme” held in Mysore?

- a. November 2000
- b. July 2001
- c. June 2002
- d. November 2001

Ans: d.

72. What is the analytical study of the end products and by-product can throw light on new product ideas?

- a. Emerging technologies
- b. Market characteristics
- c. Social and economic trends
- d. Product profile

Ans: d.

73. Who manufactured “Sumeet” mixies to suit Indian conditions?

- a. Manohar Kumar Mathur
- b. Satya Prakash Mathur
- c. Mridula Kumar Mathur
- d. Prakash Kumar Mathur

Ans: b.

74. What can be defined as an attractive project idea which an entrepreneur accepts as a basis for his investment decision?

- a. Possibility
- b. Business
- c. Opportunity
- d. Notion

Ans: c.

75. What is a two-way exchange process in which the needs and wants of the buyer and seller are satisfied?

- a. Marketing
- b. Selling
- c. Producing
- d. Accounting

Ans: a.

76. Which phase starts after the investment decision is taken?

- a. Normalisation phase
- b. Construction phase
- c. Pre-investment phase
- d. Product identification phase

Ans: b.

77. What provides all the necessary information of the unit proposed to be set-up for the manufacture of a product or rendering a service?

- a. Project description
- b. Project appraisal
- c. Project implementation schedule
- d. Project report

Ans: d.

78. $BEP = (F/(S-V)) \times 100$

What does F stand for?

- a. Fixed sales
- b. Fixed cost
- c. Finished stock
- d. Final output

Ans: b.

79. Which statement gives a projection of future sources of cash and their applications?

- a. Cash flow statement
- b. Fund flow statement
- c. Income statement
- d. Balance sheet

Ans: a.

80. In long term capital, the repayment of money is arranged for what time period?

- a. Within 1 year
- b. More than 2 years
- c. More than 7 years

d. More than 5 years

Ans: d.

81. Ownership capital is also known as?

a. Debt

b. Equity

c. Loan

d. Mortgage

Ans: b.

82. To whom does the company pay interest?

a. Shareholder

b. Customer

c. Debenture holder

d. Creditor

Ans: c.

83. When was the first SFC (State Financial Corporation) set up in Punjab?

a. 1950

b. 1958

c. 1953

d. 1960

Ans: c.

84. When was Small Scale Industries Board constituted?

a. 1958

b. 1960

c. 1953

d. 1954

Ans: d.

85. Which type of industrial estates is called conventional industrial estates?

a. General type of industrial estate

b. Special type industrial estate

c. Ancillary industrial estate

d. Workshop bay

Ans: a.

86. Government industrial estates come under which type of classification?

a. Variant

b. Objective

c. Functional

d. Organizational

Ans: d.

87. Under Section 80J of the Income Tax act, 1961 new industrial undertakings are exempted from the payment of income tax on their profits subject maximum of what percentage of their capital employed?

a. 5%

- b. 6%
 - c. 10%
 - d. 15%
- Ans: b.

88. Rehabilitation allowance is granted under which section of the Income Tax Act, 1961?

- a. 30-B
 - b. 80-C
 - c. 32-D
 - d. 33-B
- Ans: d.

89. When was the investment allowance introduced?

- a. 1970
 - b. 1961
 - c. 1967
 - d. 1976
- Ans: d.

90. IPR stands for?

- a. Industrial Policy Resolutions
 - b. Industrial Protection Resolutions
 - c. Independent Policy Reforms
 - d. Income Plan Rewards
- Ans: a.

91. When was the policy titled "Policy Measures for Promoting and Strengthening and Supplementing Small, Tiny and Village Enterprises" tabled in the Parliament?

- a. July 6, 1990
 - b. August 28, 1992
 - c. August 6, 1991
 - d. June 15, 1991
- Ans: c.

92. National Programme for Rural Industrialization has been announced with a mission to set up how many rural clusters every year?

- a. 150
 - b. 200
 - c. 250
 - d. 100
- Ans: d.

93. "Quality is fitness for use or purpose" said by:

- a. Philip B. Crosby
 - b. Joseph M. Juran
 - c. W. Edwards Deming
 - d. ISO
- Ans: b.

94. What refers to managing continuous improvement and does not address any specific organizational level?

- a. Quality
- b. Administration
- c. Management
- d. People

Ans: c.

95. What is the fourth element involved in TQM?

- a. Processes
- b. Team Work
- c. Continuous Improvement
- d. Customer Satisfaction

Ans: b.

96. What breeds personal initiative?

- a. Empowerment
- b. Consensus
- c. Teamwork
- d. Organization

Ans: a

97. In which stage the business expands by way of opening its branches?

- a. Startup stage
- b. Growth stage
- c. Expansion stage
- d. Maturity stage

Ans: c.

98. Which form of growth of the business is diversification?

- a. External
- b. Vertical
- c. Horizontal
- d. Internal

Ans: a.

99. When two or more enterprises merge into one to form a new enterprise, what is it called?

- a. Absorption
- b. Amalgamation
- c. Joint Venture
- d. Franchising

Ans: b.

100. ____ says that entrepreneurship is a ____ activity.

- a. Fredrick Harbison & creative
- b. Fredrick Harbison & innovative
- c. Schumpeter & creative
- d. Schumpeter & innovative

Ans: c.

101. Which of the following is not a quality of a successful entrepreneur as specified by Mc Clelland?

- a. He is endowed with unusual creativeness
- b. He has a high degree of ambition
- c. He is enriched by a high propensity
- d. He has also a strong need for achievement.

Ans: b.

102. The Institute of Entrepreneurship Development has trained around ___ youths in ___ programmes till 1987 April.

- a. 300, 14
- b. 500, 20
- c. 200, 10
- d. 400,13

Ans: d.

103. Madhya Pradesh Consultancy Organisation Ltd. gives ___ and ___ training to entrepreneurs.

- a. Technical and managerial
- b. Vocational and technical
- c. Managerial and administrative
- d. Financial and technical

Ans: a.

104. According to Frederick Harbison, which of the following is not a function of a women entrepreneur?

- a. Explore the prospects of starting new enterprises.
- b. Co-ordination, administration and control
- c. The power to resist criticism
- d. Supervision and providing leadership in all aspects of the business.

Ans: c.

105. Which of the following is not a source of idea for an entrepreneur?

- a. Cost of the project
- b. Product profile
- c. Imports and exports
- d. Emerging technologies

Ans: a.

106. While doing a market survey for raw material availability, which of the following should be considered?

- a. Existing brand loyalties and consumption pattern
- b. Leading suppliers and time for order execution
- c. Market strategy and advertising
- d. Major manufacturers and machinery delivery schedules

Ans: b.

107. According to Peter Drucker, which of the following is not a kind of opportunity?

- a. Breakthrough
- b. Additive

c. Complementary

d. Market

Ans: d.

108. Debt-Service Coverage ratio = Net profit after tax + ____ + interest for one year/____ + interest for one year

a. Depreciation and sales

b. Depreciation and capital employed

c. Equity and instalment

d. Depreciation and instalment

Ans: d.

109. On the basis of permanence, the financial needs are classified into :

a. Fixed & working capital

b. Long term & fixed capital

c. Short term & fixed capital

d. Long term & short term capital

Ans: a.

110. An optimum capital structure can be defined as a financing mix incurring the ____ cost but yielding the ____ results.

a. Least & maximum

b. Maximum & least

c. Least & minimum

d. Maximum & minimum

Ans: a.

111. The term “export finance” refers to ____ facilities and techniques of ____ at the pre-shipment and post-shipment stages.

a. Debit & payment

b. Credit & payment

c. Credit & collection

d. Credit & debit

Ans: b.

112. On the basis of the organizational set – up, industrial estates are classified into:

a. Private industrial estates & functional industrial estates

b. Functional industrial estates & the workshop bay

c. Municipal industrial estates & private industrial estates

d. Functional industrial estates & Municipal industrial estates

Ans: c.

113. In order to become eligible for tax concession, the small scale industries need to employ at least ____ & ____ workers in a manufacturing process carried on with and without the aid of power respectively.

a. 10 & 20

b. 20 & 10

c. 10 & 30

d. 20 & 30

Ans: a.

114. Section 80M of the Income Tax Act, 1961, provides for deductions in respect of:

- a. Royalties from any company in India & Inter-corporate dividends
- b. Inter-corporate dividends & Income of Co-operative Societies
- c. Income of Co-operative Societies & Royalties from any company in India
- d. Royalties from any company in India & Royalties from certain foreign companies

Ans: a.

115. The IPR 1956 for SSI aimed at :

- a. Protection plus Growth
- b. Protection plus Development
- c. Protection plus Promotion
- d. Promotion plus Development

Ans: b.