

Total No. of Questions: 6

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Enrollment No.....



Faculty of Commerce  
End Sem (Odd) Examination Dec-2018  
CM3EB06 New Venture Planning

Programme: B.Com.(Hons) Branch/Specialisation: Commerce

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Which of the following shows the process of creating something new? **1**  
(a) Business model (b) Modeling  
(c) Creative flexibility (d) Innovation
- ii. If someone starts a new business that is a service station, this is an example of a(n): **1**  
(a) New concept / new business.  
(b) New concept / existing business  
(c) Existing concept / new business.  
(d) Existing concept / existing business.
- iii. The parties involved in franchise business are \_\_\_\_\_. **1**  
(a) 1 (b) 3 (c) 4 (d) 2
- iv. When deciding which franchise to purchase, which of the following aspects should be considered? **1**  
(a) Potential business growth  
(b) Profitability of the business  
(c) Whether you enjoy that line of work.  
(d) All of these
- v. Venture capital is concerned with: **1**  
(a) New project having potential for higher profit  
(b) New project of high technology  
(c) New project having high risk  
(d) All of these

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[2]

- vi. Which of the following may attract VC funding? **1**  
(a) A lifestyle company  
(b) A family company  
(c) A low tech company without global markets  
(d) A high tech company with global markets
- vii. One of the basic start up problem: **1**  
(a) Government (b) High interest rates  
(c) Finance (d) Role models
- viii. Why should an entrepreneur do a feasibility study for starting a new venture? **1**  
(a) To see if there are possible barriers to success  
(b) To identify possible sources of funds  
(c) To estimate the expected sales  
(d) To explore potential customers
- ix. An appropriate pricing strategy for a new product to be introduced in the market will be: **1**  
(a) Product-line pricing  
(b) Skimming/Penetrating pricing  
(c) New project having high risk  
(d) Average/Marginal cost-plus pricing
- x. According to marketing four Ps, credit terms can be classified as: **1**  
(a) Price (b) Product (c) Place (d) All of these
- Q.2 i. What do you understand by the word New Venture Planning? **2**  
ii. What are the sources of Innovative Ideas? **3**  
iii. Discuss the different techniques of Idea Generation. **5**  
OR iv. Discuss the role of creative thinking and also explain the barriers in creative thinking. **5**
- Q.3 i. Define the word Franchise. **2**  
ii. Explain the methods of New Venture. **8**  
OR iii. What the laws of franchise and how to evaluate a franchise opportunity? **8**
- Q.4 i. Write the financing stages of new ventures. **3**

[3]

- ii. Explain long term and short term sources of finance. **7**  
OR iii. What are the criteria for evaluating the new ventures proposals? **7**
- Q.5 i. What is Mobilising Resource? **2**  
ii. What is Contract Management? Also Explain the process of Contract Management. **8**  
OR iii. Explain the basic problems or hurdles of start up in India. **8**
- Q.6 Attempt any two:  
i. Develop a marketing plan for a FMCG product. **5**  
ii. Explain the marketing mix elements. **5**  
iii. Write short notes on market niche and market share. **5**

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**Marking Scheme**  
**CM3EB06 New Venture Planning**

Q.1	i.	Which of the following shows the process of creating something new? (d) Innovation		<b>1</b>			
	ii.	If someone starts a new business that is a service station, this is an example of a(n): (c) Existing concept / new business.		<b>1</b>			
	iii.	The parties involved in franchise business are _____. (d) 2		<b>1</b>			
	iv.	When deciding which franchise to purchase, which of the following aspects should be considered? (d) All of these		<b>1</b>			
	v.	Venture capital is concerned with: (a) New project having potential for higher profit		<b>1</b>			
	vi.	Which of the following may attract VC funding? (d) A high tech company with global markets		<b>1</b>			
	vii.	One of the basic start up problem: (b) High interest rates		<b>1</b>			
	viii.	Why should an entrepreneur do a feasibility study for starting a new venture? (a) To see if there are possible barriers to success		<b>1</b>			
	ix.	An appropriate pricing strategy for a new product to be introduced in the market will be: (b) Skimming/Penetrating pricing		<b>1</b>			
	x.	According to marketing four Ps, credit terms can be classified as: (a) Price		<b>1</b>			
Q.2	i.	Meaning of New Venture Planning?		<b>2</b>			
	ii.	Sources of Innovative Ideas 1 mark for each point	(1 mark * 3)	<b>3</b>			
	iii.	Different techniques of Idea Generation. 1 mark for each point	(1 mark *5)	<b>5</b>			
OR	iv.	Role of creative thinking Barriers in creative thinking.	2.5 marks 2.5 marks	<b>5</b>			
Q.3	i.	Definition of word Franchise.				<b>2</b>	
	ii.	Methods of New Venture. 2 marks for each point	(2 marks * 4)				
OR	iii.	Laws of franchise Evaluate a franchise opportunity	4 marks 4 marks			<b>8</b>	
	Q.4	i.	Financing stages of new ventures			<b>3</b>	
	ii.	Long term sources of finance Short term sources of finance	3.5 marks 3.5 marks			<b>7</b>	
	OR	iii.	Criteria for evaluating the new ventures proposals			<b>7</b>	
Q.5	i.	Mobilising Resource				<b>2</b>	
	ii.	Contract Management Process of Contract Management.	2 marks 6 marks			<b>8</b>	
OR	iii.	Problems or hurdles of start up in India. 1 mark for each point	(1 mark * 8)			<b>8</b>	
	Q.6	Attempt any two:					
i.		Marketing plan for a FMCG product.				<b>5</b>	
ii.		Marketing mix elements. Meaning Elements 1 mark for each (1 mark * 4)	1 mark 4 marks			<b>5</b>	
	iii.	Market niche Market share.	2.5 marks 2.5 marks			<b>5</b>	
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