

Total No. of Questions: 6

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Enrollment No.....



Faculty of Engineering  
End Sem. (Odd) Examination Dec-2018  
OE00006 Basics of Entrepreneurship

Programme: B. Tech.

Branch/Specialisation: All

**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. One of the principles of the effectuation approach is to act on uncertainty and respond to the unforeseen. In this regard, which of the following is not true? **1**
- (a) Accept the future may be largely unpredictable
  - (b) Be prepared to alter course if new opportunities/obstacles arise
  - (c) If the market is predictable then what you do might help to change it
  - (d) If the market is unpredictable that suggests that there is little you can do to alter it
- ii. Which of Sarasvathy's five key principles of effectuation highlights how effectuation is means-driven, rather than goal-driven? **1**
- (a) The crazy-quilt principle
  - (b) The bird-in-hand principle
  - (c) The pilot-in-the-plane principle
  - (d) The affordable loss principle
- iii. Which of the following is a purpose of a business plan? **1**
- (a) To attract financing
  - (b) To inform competitors of plans
  - (c) To discipline the entrepreneur to think of all aspects of the proposed venture
  - (d) Both (a) and (c)

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- iv. Which of the following is part of the demographic segmentation for consumer markets? **1**  
(a) Age (b) Social grade  
(c) Lifestyle (d) Personality
- v. What is meant by a red ocean? **1**  
(a) There is cutthroat competition for market share  
(b) Companies should stop trading in the market  
(c) Companies are differentiating their products  
(d) Companies have just entered a new market
- vi. Blue-ocean thinking focus on **1**  
(a) Creating services and products for which they are no direct peers  
(b) Creating services and products in a competitive market  
(c) Following the leaders  
(d) None of these
- vii. While setting the price, marketers **1**  
(a) Select the pricing objective  
(b) Estimate demand  
(c) Analysis competitors cost, offers and prices  
(d) All of these
- viii. Market-penetration pricing strategy can be adopted when **1**  
(a) Market is highly price sensitive  
(b) Low price stimulates market growth  
(c) Both (a) and (b)  
(d) None of these
- ix. The group of all potential customers who share common needs and wants, and have the ability to buy it **1**  
(a) Market (b) Consumer Market  
(c) Producer Market (d) Target Market
- x. \_\_\_\_\_ and \_\_\_\_\_ bring products and customers together. **1**  
(a) Placement & positioning (b) Satisfaction & targeting  
(c) Targeting & positioning (d) Promotion & placement

- Q.2 i. What is design thinking? **2**  
ii. Does design thinking generate better ideas? Why are immersion and empathy critical to the design thinking process? **8**

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- OR iii. Explain any four principles of effectuation with relevant examples. **8**
- Q.3 i. Differentiate between customer and consumer. **2**  
ii. How do you create Lean Canvas? Illustrate with an example. **8**
- OR iii. Explain in detail customer segmentation. How you identify the early adopters and understand the importance of customer segment. **8**
- Q.4 i. What is blue ocean strategy? **2**  
ii. What are the four steps to making a blue ocean shift? How is a blue ocean strategist different from a red ocean strategist? **8**
- OR iii. What is a minimum viable product (MVP), and why do companies need them? What is your experience with developing a minimum viable product (MVP)? **8**
- Q.5 i. Why is brainstorming a good way to generate new ideas? **2**  
ii. What are the various types of costs involved in starting a new venture? Explain the various revenue streams relevant to your venture. **8**
- OR iii. Define in detail concept of bootstrapping. List out the sources and uses of funds rose through bootstrapping. **8**
- Q.6 i. What kind of role does consumer play in building a brand? **2**  
ii. What is branding explain in detail? How is a brand different from a product? **8**
- OR iii. Discuss the term 'Positioning' and how the segmentation strategy has a direct implication on the positioning strategy? **8**

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**Marking Scheme**  
**OE00006 Basics of Entrepreneurship**

Q.1	i.	One of the principles of the effectuation approach is to act on uncertainty and respond to the unforeseen. In this regard, which of the following is not true? (c) If the market is predictable then what you do might help to change it	<b>1</b>
	ii.	Which of Sarasvathy's five key principles of effectuation highlights how effectuation is means-driven, rather than goal-driven? (b) The bird-in-hand principle	<b>1</b>
	iii.	Which of the following is a purpose of a business plan? Both (a) and (c)	<b>1</b>
	iv.	Which of the following is part of the demographic segmentation for consumer markets? (a) Age	<b>1</b>
	v.	What is meant by a red ocean? (a) There is cutthroat competition for market share	<b>1</b>
	vi.	Blue-ocean thinking focus on (a) Creating services and products for which they are no direct peers	<b>1</b>
	vii.	While setting the price, marketers (d) All of the above	<b>1</b>
	viii.	Market-penetration pricing strategy can be adopted when Both (a) and (b)	<b>1</b>
	ix.	The group of all potential customers who share common needs and wants, and have the ability to buy it (d) Target Market	<b>1</b>
	x.	_____and_____ bring products and customers together. (c) Targeting & positioning	<b>1</b>

Q.2	i.	Design thinking	<b>2</b>
	ii.	Design thinking generate better ideas Immersion critical to the design thinking process Empathy critical to the design thinking process	<b>8</b> 4 marks 2 marks 2 marks
OR	iii.	Any four principles of effectuation with relevant examples 2 marks for each	<b>8</b> (2 marks * 4)
Q.3	i.	Differentiate between customer and consumer. (any four difference) 0.5 mark for each	<b>2</b> (0.5 mark * 4)

	ii.	Creation of Lean Canvas with example 1 mark for each point	<b>8</b> (1 mark *8)
OR	iii.	Customer segmentation importance of customer segment.	<b>8</b> 4 marks 4 marks
Q.4	i.	Blue ocean strategy	<b>2</b>
	ii.	Four steps to making a blue ocean shift Blue ocean strategist different from a red ocean strategist Any four differences 1 mark for each (1 mark * 4)	<b>8</b> 4 marks 4 marks
OR	iii.	Minimum viable product (MVP), why do companies need them  What is your experience with developing a minimum viable product	<b>8</b> 4 marks 4 marks
Q.5	i.	Why is brainstorming a good way to generate new ideas	<b>2</b>
	ii.	Types of costs involved in starting a new venture Revenue streams relevant to your venture.	<b>8</b> 4 marks 4 marks
OR	iii.	Concept of bootstrapping. Sources and uses of funds rose through bootstrapping	<b>8</b> 4 marks 4 marks
Q.6	i.	Role does consumer play in building a brand	<b>2</b>
	ii.	Branding Brand different from a product	<b>8</b> 4 marks 4 marks
OR	iii.	Definition of Positioning Any six implication on the positioning strategy	<b>8</b> 2 marks 6 marks

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