

VPM's
DR VN BRIMS, Thane
Programme: MMS (2015-17)
Second Semester Examination April 2017

Subject	Entrepreneurship Management		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	28.04.2017

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) Write the letter's given below. 20 Marks (Compulsory)

Computing Development Strategies is a startup business that hopes to become a major supplier of certain types of computer training to the owners and employees of small businesses in the Mumbai area. Its founder is a highly-qualified computer trainer with extensive experience providing training, developing training tools, and managing training and maintenance operations for a large computer corporation. He plans to build on his expertise by developing a group of courses designed specifically to help small businesses effectively use the most popular business software packages. Making relevant assumption design a business plan.

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- How can entrepreneur play a role in the economic development of a country?
- What are the factors that lead to growth of entrepreneurship in a country?
- Distinguish between entrepreneur, manager and Intrapreneur?

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- What are different project appraisal techniques? Explain any two?
- An initial investment of \$8,320 thousand on plant and machinery is expected to generate cash inflows of \$3,411 thousand, \$4,070 thousand, \$5,824 thousand and \$2,065 thousand at the end of first, second, third and fourth year respectively. At the end of the fourth year, the machinery will be sold for \$900 thousand. Calculate the net present value of the investment if the discount rate is 18%. Round your answer to nearest thousand dollars. Give your recommendation.
- Company C is planning to undertake another project requiring initial investment of \$50 million and is expected to generate \$10 million in Year 1, \$13 million in Year 2, \$16 million in year 3, \$19 million in Year 4 and \$22 million in Year 5. Calculate the payback value of the project.

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- You have decided to take the franchise route to start a business. What are the main points you will consider while choosing a franchise?
- An initial investment for taking up a franchisee is \$130,000 is expected to generate annual cash inflow of \$32,000 for 6 years. Depreciation is allowed on the straight line basis. It is estimated that the project will generate scrap value of \$10,500 at end of the 6th year. Calculate its accounting rate of return assuming that there are no other expenses on the project.
- What are the various financial implications in marketing an entrepreneur has to know? Explain any two of the implications.

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- Sanborn, a manufacturer of electric roof vents, realizes a cost of \$55 for every unit it produces. Its total fixed cost equals \$ 2 million. If the company manufactures 500,000 units, compute unit cost.
- Using data above compute markup price if the company desires a 10 percent return on sale.
- Using data above compute ROI price if the company desires a 25 percent return on investments of \$. 1 million.

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain various functions of an entrepreneur base it on various definitions discussed?
- b) Explain various characteristics / qualities in an Ideal Entrepreneur?
- c) Give highlights of any two entrepreneurs you feel who have changed the face of corporate India?

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain the importance of Break even analysis with an example?
- b) What's the idea behind Make in India?
- c) Compare various quick options available for starting a business?