

**BITS, PILANI – DUBAI CAMPUS**  
**SECOND SEMESTER 2012-2013**  
**Comprehensive Examination (Closed Book)**

**Course No: BITS C432;**

**Course Title : Entrepreneurship**

**Date : 30.05.2013 (Thursday)**

**Time : 3 hours (12.30 PM to 3.30 PM)**

**Venue : Room No. 335**

**Max Marks : 40; Weightage : 40%**

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**Answer All questions**

1. Product development is a process focused on developing systematic methods for guiding all the steps involved in and associated with getting a new product to market'. Explain the salient aspects that need to be taken care of at the product development stage. 5
2. Define franchise as a model for growth. What are the advantages and disadvantages of this model of growth? 5
3. What is a 'Unique Selling Proposition (USP)? Explain your business and your product (or) service and its USP? 5
4. 'Managing cash is a very important skill that an entrepreneur should possess to effectively implement the business. Any loose ends in this respect can kill the whole business.' What methods/techniques can be best used to manage cash in a business? Explain. 5

**Case : Putting Service on the Line**

Please read the attached case thoroughly and answer following questions :

1. Identify and contrast the type of businesses and their markets described in the case 6
2. What are the critical success factors in each business? Describe their distinctive Competencies, and express your opinion about what sets them apart. 8
3. Identify a service-related business in your area and describe the services, customers, and characteristics that made it successful. 6

*Answering solution*

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1. Product development is a process focused on developing systematic methods for guiding all the steps involved in and associated with getting a new product to market'. Explain the salient aspects that need to be taken care of at the product development stage. 5

**Product Planning and Development stage**

- At each stage of the product planning and development process, criteria for evaluation need to be established. These criteria should be all-inclusive and quantitative enough to screen the product carefully in the particular stage of development.
- A market opportunity in the form of a new or current need for the product idea must exist. The determination of market demand is by far the most important criterion of a proposed new product idea
- Assessment of the market opportunity and size needs to consider the following :
  - the characteristics and attitudes of consumers or industries that may buy the product, the size of this potential market in dollars and units;
  - the nature of the market with respect to its stage in the life cycle (growing or declining), and the share of the market the product could reasonably capture
  - In the Product development stage, consumer reaction to the physical product/ service is determined.
  - One tool frequently used in this stage is the consumer panel.
  - The panel of potential customers can also be given a sample of the product and one or more competitive products simultaneously.

The one of several methods – such as multiple brand comparisons, risk analysis, level of repeat purchases, or intensity of preference analysis – can be used to determine consumer preference.

2. Define franchise as a model for growth. What are the advantages and disadvantages of this model of growth? 5

Franchising is an arrangement whereby a franchisor gives exclusive rights of local distribution to a franchisee in return for payment of royalties and conformance to standardized operating procedures.

Students are required to elaborate advantages and disadvantages of both Franchiser and Franchisee and also Franchising.

3. What is a 'Unique Selling Proposition (USP)? Explain your business and your product (or) service and its USP?

5

It is a concept which distinguishes one's products or services from their competitors. It describes uniqueness of a particular product or service.

Students are required to choose any business of their own and explain of their products or services.

4. 'Managing cash is a very important skill that an entrepreneur should possess to effectively implement the business. Any loose ends in this respect can kill the whole business.' What methods/techniques can be best used to manage cash in a business? Explain.

5

Students are required to explain following methods/techniques

- Financial control
- Managing cash flow
- Sales receipts
- Cash disbursements
- Managing inventory
- Managing fixed costs
- Managing costs & profits
- Taxes
- Record keeping

### **Case : Putting Service on the Line**

Please read the attached case thoroughly and answer following questions :

1. Identify and contrast the type of businesses and their markets described in the case

6

One is Decorating den systems Inc. – a franchising business. The key to the business is Training Franchisees to create a marketing focus to develop the skills. Markets for this Business would typically be real estate property dealers/owners etc. Gated communities

Second is Independent photo processing lab – service oriented business – high quality Printing and photos. Initial set backs in the business. Marketing agents & Marketing Executives of service organizations would be typical customers for this business.

Third, PC Connection – extraordinary range of accessories and equipment for PCs. IBM PC markets and Apple. It is into high quality business oriented I.T. services company, Where customer service/satisfaction plays major role for success of the business.

2. What are the critical success factors in each business? Describe their distinctive Competencies, and express your opinion about what sets them apart.

8

First - Identifying suitable and right franchisees and providing training to develop their talents would make all the difference. Franchisee training is a critical success factor.

Second – High quality printing and photos and also timely delivery to customers would be critical success factors for this type of business. Reaching out to customer through various media would make all the difference.

Third – Accessories and equipment for PCs – understanding customer needs and requirements from time to time as the need and demand change very often in this type of business. Timely and quality delivery of customer service is a critical success factor in this business.

Students are required to explain on the above points.

3. Identify a service-related business in your area and describe the services, customers, and characteristics that made it successful.

6

Students are required to take any business in there are and describe the services, customers, and characteristics that made them successful.

**BITS, PILANI – DUBAI CAMPUS  
SECOND SEMESTER 2012-2013  
Test – 2 (Open Book)**

**Course No: BITS C432**

**Course Title : Entrepreneurship**

**Date : 15.05.2013(Wednesday)**

**Time : 50 minutes (2.50 to 3.40 PM)**

**Venue : Room No. 268**

**Max Marks : 20; Weightage : 20%**

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**Answer All questions**

**Case : How a Ruined Shirt Launched a Successful Venture**

Please read the attached case thoroughly and answer following questions :

1. What is market research? Why is it important for entrepreneurs to research their industry and markets before launching a business? Explain the process? 8
2. Suppose that a close friend is considering launching a new restaurant (or some other type of business you choose). What type of research would you advise your friend to conduct? Where would you suggest your friend look for the information he or she needs? 8
3. Refer to Question 2, how would you advise your friend to get feedback from potential customers about his or her business concept? 4

**BITS, PILANI – DUBAI CAMPUS  
SECOND SEMESTER 2012-2013  
Test – 2 (Open Book)**

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**Answer All questions**

**Case : How a Ruined Shirt Launched a Successful Venture**

Please read the attached case thoroughly and answer following questions :

1. What is market research? Why is it important for entrepreneurs to research their industry and markets before launching a business? Explain the process? 8

Ans. To understand consumer psychology and expectations, customer surveys/ research helps detailed analysis of the customers requirements & expectations. It is essential because to gain competitive advantage, thorough analysis / understanding of Consumer needs , markets, geographies plays an important activity before launching of any business / product.

Students are required to describe market research / competitors analysis process.

2. Suppose that a close friend is considering launching a new restaurant (or some other type of business you choose). What type of research would you advise your friend to conduct? Where would you suggest your friend look for the information he or she needs? 8

Ans. For a new restaurant business – friend should be advised to carry on research with Various people who frequently visit restaurants, and also put kiosks, surveys at other restaurants.

Students are required to explain the process.

Information can be obtained through 'Google' search, Govt. sources, Hotel industry, Trade associations etc.

3. Refer to Question 2, how would you advise your friend to get feedback from potential customers about his or her business concept? 4

Ans : Yes, friend should follow steps related to Product Planning & Development Process :

- Idea stage;
- Concept stage;
- Product planning & development stage;
- Test marketing stage; and
- Product launch / e-commerce.

Students should be able to explain the above process.

**BITS, PILANI – DUBAI CAMPUS**  
**SECOND SEMESTER 2012-2013**  
**Test – 1 (Closed Book)**

**Course No: BITS C432**

**Course Title : Entrepreneurship**

**Date : 25.03.2013(Monday)**

**Time : 50 minutes (2.50 to 3.40 PM)**

**Venue : Room No. 268**

**Max Marks : 25; Weightage : 25%**

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**Answer All questions**

1. What is meant by opportunity recognition? Define the steps involved in assessing any opportunity? 5
2. Small and medium industries catering to local demand and are not able to afford advertising and sales promotion. What specific opportunity can be recognized to satisfy their need? 5
3. From an entrepreneurial perspective, explain the significance of the statement 'A good idea is not enough.' 5
4. Why 'test marketing' is important for making key decisions? 5
5. Describe how innovation is important as a dimension of entrepreneurship? 5



**BITS, PILANI – DUBAI CAMPUS**  
**SECOND SEMESTER 2012-2013**  
**Test – 1 (Closed Book)**

*Ans. write*

**Course No: BITS C432**

**Course Title : Entrepreneurship**

**Date : 25.03.2013(Monday)**

**Time : 50 minutes (2.50 to 3.40 PM)**

**Venue : Room No. 268**

**Max Marks : 25; Weightage : 25%**

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**Answer All questions**

1. What is meant by opportunity recognition? Define the steps involved in assessing any opportunity? 5

To develop an idea that has a market with a need for the product or service idea conceived. an opportunity assessment plan has four sections :

1. The first major section develops the product/service idea, analyzes the competitive products and companies
2. The Second major section focuses on the market-its size, trends, characteristics, and growth rate.
3. The third section (a minor one) focuses on the entrepreneur and the management team.
4. The final section develops a timeline indicating what steps need to be taken.

Students need to elaborate on the above lines.

2. Small and medium industries catering to local demand and are not able to afford advertising and sales promotion. What specific opportunity can be recognized to satisfy their need? 5

Understanding their business, product and services and conducting survey in local Population. Working as Marketing research agents and campaigning for their products/ services in local markets, you can create opportunity for small and medium industries. Students need to elaborate and throw some more reasonable / workable ideas .

3. From an entrepreneurial perspective, explain the significance of the statement 'A good idea is not enough.' 5

**Students need to elaborate five stages of product planning & development**

- 1) Idea stage;
- 2) Concept stage;
- 3) Product development
- 4) Test marketing and
- 5) Product launch/e-commerce

4. Why 'test marketing' is important for making key decisions?

5

Although the results of the product development stage provide the basis of the final marketing plan, market test can be done to increase the certainty of successful commercialization. This last step in the evaluation process, the test marketing stage, provides actual sales results, which indicate the acceptance level of consumers.

Positive test results indicate the degree of probability of a successful product launch and company formation

This stage is important for making key decisions.

5. Describe how innovation is important as a dimension of entrepreneurship?

5

Entrepreneurs need to be highly creative and always look for creative ideas and thinking. They also need to practice innovative ways of doing things. This is highly essential not only for the very survival of their businesses, but also to gain competitive advantages.

Ex : 3M, GE etc.

Students need to elaborate on these points.