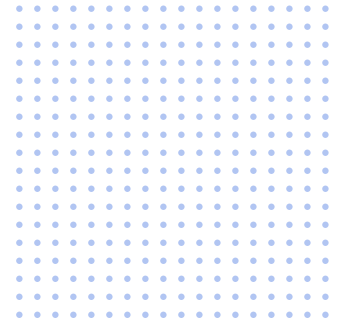




FOR CMA FINAL EXAM PREPARATION

CMA Final 2023 Question Paper · Paper 20C Entrepreneurship and Startup

EXAM	YEAR	TYPE
CMA Final	2023	Question Paper

SUBJECT	DATE
Paper 20C Entrepreneurship and Startup	December 2023

FINAL EXAMINATION

December 2023

P-20C(ENTS)**Syllabus 2022****ENTREPRENEURSHIP AND START UP**

Time Allowed: 3 Hours

Full Marks: 100

*The figures in the margin on the right side indicate full marks.**All working notes must form part of the answer.**Where considered necessary, suitable assumptions may be made and clearly indicated in the respective answer.***Section-A***Answer Question No. 1 which is compulsory.***1. Choose the correct answer from the given four alternatives.****2×15=30**

- (i) In _____ Crowdfunding, the money pledged by the backers is a loan and must be repaid with interest by a certain deadline.

(A) Donation
(B) Equity
(C) Debt
(D) Rewards

- (ii) Calculate coefficient of variation from the following information:

Expected return = 8%; Variance of return = 9%, Correlation = + 0.70

(A) 1.125
(B) 0.375
(C) 0.875
(D) 0.889

- (iii) Which of the following is/are the motives of holding cash?

(A) Transaction motives
(B) Precautionary motive
(C) Speculation motive
(D) All of the above

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(2)

- (iv) Which of the following is a challenge to the Agritech Industry in India?
- (A) Lack of financial services
 - (B) Less use of digital infrastructure
 - (C) Issues in marketing
 - (D) All of the above
- (v) In which strategy of change management, the top management discusses the various issues with those who are affected by the change?
- (A) Directive strategy
 - (B) Expert strategy
 - (C) Negotiated strategy
 - (D) Educative strategy
- (vi) Which of the following is not an example of fintech companies?
- (A) Paytm
 - (B) WhiteHat Jr.
 - (C) Lendingkart
 - (D) Incred
- (vii) Which of the following is a mental barrier to entrepreneurship?
- (A) Lack of confidence in business
 - (B) Lack of market knowledge
 - (C) Lack of technical knowledge
 - (D) Lack of viable concept
- (viii) _____ marketing strategy hits consumers' emotion.
- (A) Relationship
 - (B) Persuasive
 - (C) Cause
 - (D) Proximity

(3)

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- (ix) The _____ Agreement was negotiated at the end of the Uruguay Round of the GAAT treaty in 1994.
- (A) TRIPS
 - (B) TIFAC
 - (C) CIPAM
 - (D) CGPDTM
- (x) _____ is the combination of Artificial Intelligence (AI) and Big Data.
- (A) Descriptive Analytics
 - (B) Diagnostic Analytics
 - (C) Prescriptive Analytics
 - (D) Predictive Analytics
- (xi) _____ is the process of breaking a dataset into groups of similar data, often broken into a customer demographic.
- (A) Factor Analysis
 - (B) Regression Analysis
 - (C) Cohort Analysis
 - (D) Time Series Analysis
- (xii) Laundry and dry-cleaning industry follows _____ business model.
- (A) Disintermediation
 - (B) Marketplace
 - (C) On-demand
 - (D) Subscription

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(4)

(xiii) _____ is known as the creator of design thinking.

- (A) David Kelley
- (B) McClelland
- (C) Rotter
- (D) Melissa Cardon

(xiv) Organization change can be

- (A) Evolutionary
- (B) Revolutionary
- (C) Both (A) and (B)
- (D) None of (A) and (B)

(xv) Scaling up people does not include _____.

- (A) Leaders
- (B) Vendors
- (C) Teams
- (D) Managers

Section-B

Answer any five questions out of seven questions given. Each question carries 14 marks.

14×5=70

2. (a) "Psychological theories of entrepreneurship put emphasis on the emotional and mental aspects of the individual that drives their entrepreneurial activities." – In the light of the above statement, analyze Rotter's Locus of Control theory of entrepreneurship. 7
- (b) Briefly discuss various types of After Sales Services. 7

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3. (a) Discuss the general steps to be followed while incorporating a new company. 7

(b) RONEX Ltd., a newly formed company, has applied to Commercial Bank for the first time for financing its working capital requirements. The following information is available about the projections for the current years:

Elements of Cost:	Per Unit (₹)
Raw materials cost	40
Direct labour	15
Overhead	30
Total Cost	85
Profit	15
Sales	100

Other Information:

Raw Material in Stock: Average 4 weeks consumption, Work-in progress (completion stage 50 per cent) : on an average half a month. Finished goods in stock : on an average, one month.

Credit allowed by suppliers is one month.

Credit allowed to debtors is two months.

Average time lag is 1½ weeks in payment of wages and 4 weeks in overhead expenses.

Cash in hand and at bank is desired to be maintained at ₹ 50,000.

All Sales are on credit basis only.

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Required :

- (i) **Prepare** a statement showing estimate of working capital needed to finance an activity level of 96,000 units of production. Assume that production is carried on evenly throughout the year, and wages and overhead accrue similarly. For the calculation purpose, 4 weeks may be taken as equivalent to a month and 52 weeks in a year.
 - (ii) From the information stated supra, **asses** the Maximum permissible bank finance under second and third method of financing as per Tandon Committee norms. Assume that the core current assets constitute 25% of the current assets. 7
4. (a) Analyze various sources of finance in different stages of a start-up business. 7
 - (b) Briefly discuss any seven applications of data analytics in business. 7
5. (a) Describe the process of design thinking. 7
 - (b) Critically analyze the Freemium Business Model and Reseller Business Model in the context of a start-up. 7
6. (a) Discuss the challenges and opportunities of sustainability. 7
 - (b) What do you mean by COSO ERM Framework? List the components of COSO ERM framework with a brief explanation of each. 7
7. (a) Critically assess various strategies for change management. 7
 - (b) Discuss the barriers to Agri-entrepreneurship development in India. 7
8. PQR Ltd. is a leading start-up operating in healthcare segment. It has a healthy revenue stream and its revenue and profits are growing at a CAGR of 10% p.a. The company regularly procures medical equipment from USA on credit and buys other supplies from domestic suppliers. The operations of the company are well integrated through modern technology

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and a sophisticated information system. The company is heavily dependent on some key managerial personnel for smooth functioning. The company is a highly leveraged firm. It invests its surplus funds in both debt and equity securities. The company is expecting certain new regulations to come in place in near future.

PQR Ltd. wants to introduce an Enterprise Risk Management system to monitor the risks it is subject to and to come up with some effective solutions to the same. The company has hired your consultancy firm.

Required :

Prepare a detail report by highlighting the risk exposures and possible responses for each type of risk that should be taken care by the company for introduction of ERM system in the Company.

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