



Institute of Management
JK Lakshmipat University
Jaipur

END TERM EXAMINATION, 2015



BBA– Sem VI
MM: 50 Marks

Course: Entrepreneurship
Time: 3 Hours
Subject code: BBA061

Instructions: Attempt any three questions from Section A. Section B is compulsory.

Section A

Q1. Discuss the steps involved from 'Idea to Enterprise' for a 'Day Care and Activity Center' at JKL. U.

(10 marks)

Q2. Illustrate the following:

- a) Types of Entrepreneurs
- b) Types of the Business Model

(10 marks)

Q3. Discuss the following:

- a) Sources of finance for a new venture
- b) Reasons of the failures of the Start-ups

(10 marks)

Q4. A business plan is a document, which provides flesh and blood to your business idea" in the light of the statement discuss the anatomy and significance of business plan for a venture.

(10 marks)

Q5. Explain the following:

- a) The three perspective of Opportunity Evaluation Sieve.
- b) The need for and objectives of EDP's in India

(10 marks)

Section B

Q6. Discuss the following case:

Case - "GO GOLD: HOW AND WHERE TO APPROACH FOR FINANCE?"

"Go Gold", an initiative by Lucky, had been self-funded so far to come to a proof-of-concept stage. Lucky was working out the possibility of raising some angel investment so as to continue further with his efforts in the area of coming up with a Search Engine that was expected to have great opportunity. The emergent need for raising money to take the idea to the next stage was critical, as the proof of concept was far from what the final Go Gold was supposed to be. Lucky needed more people to work on the idea further and improved infrastructure facilities, so as to successfully come up with a product that could tap the potential market looking for effective search engines.

Lucky had decided, based on interactions with his other friends who had successfully launched their start-up ventures, that it may not be a worthwhile and desirable option to approach bankers or venture capitalists for funds at this stage of their product development. Therefore, he was basically planning to approach angel investors who would understand his technology-intensive venture and were likely to appreciate the prospects of future potential to approach angel investors. Lucky had done his homework and prepared a small demo and presentation to pitch on the idea before his prospective angel investor.

In his presentation, the focus was the possibilities, technicalities involved, prospects for success and potential users. Above all, emphasis was laid on the reasons to why natural language-based search could still be an effective tool. He also attempted to work out future financial projections that could show the possibility of increasing revenue and profit over the years based on some assumptions about advertising as a major source of revenue.

His own assessment of some of the presentations that he had pitched revealed the following shortcomings:

1. Go Gold gives better results for certain keywords and bad results for certain others. However, this was not duly taken care of in the demo presentation. Lucky was not fully prepared to respond to wide-ranging queries that could have resulted from demo and presentation on the product. He did not realize that the strong points of the demo matter the most and possibly areas that need further effort to come up with workable solutions need to be suppressed, especially before prospective financiers. His presentation was more focussed on technicalities rather than on the business model as an outcome of technology application.
2. The presentation emphasized the prospects and possibilities of Go-Gold with regard to user friendliness and the financial projections. However, the business model was completely missing. He realised that it would have been desirable for him to substantiate user experiences and responses to his search engine or to gather responses in writing from some of the prominent users who had the power to influence others.
3. Above all, his proposal lacked competitive analysis as also strategic thrust. He seemed to be completely in the dark as regards competitors and their competitive advantages as also revenue models were concerned.

Questions



- Q1. After going through the case just mentioned, identify the many mistakes that were committed by Lucky, particularly from the point of view of pitching one's idea to fetch finances. Identify specific areas of improvement that can lead him to succeed in getting finances.
- Q2. Do you think his decision to pursue angel investors was a right one? If not, suggest what could have been other options to raise finance.
- Q3. Is it advisable for a guy such as Lucky to seek financial support at this stage of product development? If yes, why, and if no, why? Justify your answer.
- Q4. Suggest a business model to Lucky.

(20 Marks)