



## CERTIFIED INFORMATION SYSTEMS SOLUTIONS EXPERT (CISSE)

### FOUNDATION LEVEL

#### ENTREPRENEURSHIP AND INNOVATION

**WEDNESDAY: 3 December 2025. Morning Paper.**

**Time Allowed: 2 hours.**

**This paper consists of fifty (50) Multiple Choice Questions. Answer ALL questions by indicating the letter (A, B, C or D) that represents the correct Answer. Each question is allocated two (2) marks.**

1. Which one of the following factors has led to the rise of women entrepreneurs worldwide?  
A. Fewer competitors in the market  
B. Access to education and networks  
C. Decline in innovative ventures  
D. Reduced government interference (2 marks)
  
2. Which one of the following terms did Joseph Schumpeter attribute to entrepreneurs?  
A. Risk bearers  
B. Innovators  
C. Managers  
D. Investors (2 marks)
  
3. Which one of the following challenges is experienced by entrepreneurs as a result of rapid technological changes?  
A. Market uncertainty  
B. Reduced competition  
C. Customer experience  
D. Elimination of innovation (2 marks)
  
4. A country encourages entrepreneurship by offering subsidies. Which one of the following approaches is adopted through this action?  
A. Economic approach  
B. Psychological approach  
C. Sociological approach  
D. Traditional approach (2 marks)
  
5. Which one of the following behaviours is displayed when engaging in business competitions within a specific industry?  
A. Entrepreneurial  
B. Risk-taking  
C. Manipulation  
D. Segmentation (2 marks)
  
6. Which one of the following is a contribution of small businesses to the economy?  
A. Enhance balanced regional growth  
B. Inflexible business locations  
C. Reduce exploitation of resources  
D. Promote dependence on imports (2 marks)

7. An organisation sets up an innovation lab where employees undertake experimentation. This is an example of \_\_\_\_\_.

- A. corporate entrepreneurship
- B. independent entrepreneurship
- C. personal skills challenge
- D. franchise system

(2 marks)

8. Which one of the following types of entrepreneurship makes use of business models that involve combating climate change?

- A. Traditional entrepreneurship
- B. Sustainable entrepreneurship
- C. Imitative entrepreneurship
- D. Creative entrepreneurship

(2 marks)

9. Peter notices that students struggle with finding affordable tutors and decides to create an online tutoring platform. This action is an indication of \_\_\_\_\_.

- A. routine business practice
- B. creative problem solving
- C. social responsibility
- D. knowledge sharing

(2 marks)

10. Which one of the following sequences correctly represents the steps involved in the creative process?

- A. Preparation → Incubation → Illumination → Verification
- B. Incubation → Verification → Preparation → Illumination
- C. Illumination → Preparation → Verification → Incubation
- D. Verification → Illumination → Preparation → Incubation

(2 marks)

11. An entrepreneur creates an application that uses artificial intelligence (AI) to recommend personalised fitness routines. Which one of the following trends does this reflect \_\_\_\_\_.

- A. social entrepreneurship
- B. innovative behaviour
- C. circular economy model
- D. green economy model

(2 marks)

12. Which one of the following pairs correctly matches a barrier to adapting new ideas?

- A. Resistance to change – Customer feedback
- B. Fear of failure – Lack of confidence
- C. Market trends – Closed mind-set
- D. Lack of resources – Bureaucracy

(2 marks)

13. Which one of the following actions encourages employees to openly share innovative ideas without fear of criticism?

- A. Suppressing wild ideas
- B. Protecting legal rights
- C. Open-door policy
- D. Adherence to rules

(2 marks)

14. Which one of the following types of innovation represents the correct order of originality?

- A. Synthesis, invention, extension and duplication
- B. Invention, duplication, extension and synthesis
- C. Invention, extension, duplication and synthesis
- D. Extension, invention, synthesis and duplication

(2 marks)

15. Which one of the following terms represents sources of innovation that occur where there is a gap between expectations and reality?

- A. Incongruities
- B. Perceptual
- C. Knowledge-based
- D. Process needs

(2 marks)

16. Which one of the following types of innovation uses creative advertising to build a company's identity?  
A. Channel innovation  
B. Service innovation  
C. Process innovation  
D. Brand innovation (2 marks)

17. Principles of innovation can be learned. Identify an entrepreneurial element that is combined with innovative skill to come up with a new product.  
A. Technology  
B. Manufacturing  
C. Processing  
D. Opportunity (2 marks)

18. Which one of the following stages in the creative process involves transforming a viable business opportunity into something of value?  
A. Preparation  
B. Evaluation  
C. Implementation  
D. Insight (2 marks)

19. Which one of the following types of innovation represents progressive growth in a firm?  
A. Aggressive innovation  
B. Radical innovation  
C. Revolutionary innovation  
D. Incremental innovation (2 marks)

20. A corporate venture team exaggerates product capabilities in order to attract investors. This is an example of \_\_\_\_\_.  
A. strategic presentation  
B. strategic innovation  
C. hyperbole  
D. ethical innovation (2 marks)

21. Which one of the following functions identifies the **MAIN** role of an entrepreneur?  
A. Production processing  
B. Risk taking ability  
C. Sole decision making  
D. Market sufficiency (2 marks)

22. Which one of the following statements show the reason why businesses today should adopt an entrepreneurial culture?  
A. Predictable markets  
B. Static markets  
C. Competitive markets  
D. Rigid environments (2 marks)

23. Which one of the following statements describe the process of identifying and evaluating a business opportunity?  
A. Writing business proposal plan  
B. Scanning business environment  
C. Seeking extra business finances  
D. Registering the business name (2 marks)

24. Which one of the following factors enhances the competitive advantage of a new product?  
A. High prices  
B. Size of business  
C. Unique products  
D. Quantity of products (2 marks)

25. Which one of the following actions should be avoided during an oral presentation of a business plan?  
A. Reading from the notes  
B. Clear articulation of ideas  
C. Logical flow of presentation  
D. Visual presentation of budget(2 marks)

26. Which one of the following sections of a business plan provides the strategy for gaining competitive advantage in the industry?  
A. Financial plan  
B. Marketing plan  
C. Organisational plan  
D. Operational plan (2 marks)

27. Which one of the following statements describe the role played by business incubators?  
A. Opportunity to test idea feasibility  
B. Offer zero risks in entrepreneurship  
C. Run start-ups on behalf of entrepreneur  
D. Offer sample products to all customers (2 marks)

28. Which one of the following is an internal source of business finance?  
A. Retained earnings  
B. Bank loans  
C. Venture capital  
D. Leasing (2 marks)

29. Which one of the following sources of finance could be considered low-cost but limited in quantity?  
A. Bank loan  
B. Public share  
C. Trade credit  
D. Angel investors (2 marks)

30. Which one of the following sources of funding is MOST suitable for a business that wants to avoid giving up ownership?  
A. Commercial loans  
B. Equity investors  
C. Venture capital  
D. Stock market (2 marks)

31. Which one of the following is a way in which short-term working capital could be financed?  
A. Trade credit  
B. Issuing shares  
C. Angel financing  
D. Venture capital (2 marks)

32. Which one of the following is a key role played by a franchisor within a franchise system?  
A. Offer ongoing business support  
B. Manage all franchise outlets  
C. Gain operational control  
D. Offer operational allowances (2 marks)

33. Which one of the following types of franchise involves selling its brand and sell designated products?  
A. Trade name franchise  
B. Business format franchise  
C. Master franchise  
D. Joint venture franchise (2 marks)

34. Which one of following segmentation strategy is adopted when a company settles on selling winter coats in a selected region?  
A. Geographic segmentation  
B. Demographic segmentation  
C. Psychographic segmentation  
D. Behavioural segmentation (2 marks)

35. Which one of the following segmentation methods would target eco-conscious consumers?  
A. Psychographic segmentation  
B. Social segmentation  
C. Market segmentation  
D. Sustainable segmentation (2 marks)

36. Which one of the following marketing mix elements is adopted when offering products through e-commerce platforms?  
A. Distribution  
B. Promotion  
C. Pricing  
D. Product (2 marks)

37. Which one of the following statements describes a market segment?  
A. Customers who are emotionally attached to a brand  
B. Customers that share similar characteristics  
C. Prospective buyers for a business product  
D. Customers with buying power (2 marks)

38. Which one of the following statements is an advantage of using telemarketing strategy in a business?  
A. Limited geographic coverage  
B. Promotes customer attrition  
C. Interactive customer relationship  
D. Costly employee's training (2 marks)

39. Which one of the following elements is a psychographic segmentation of a market?  
A. Life style  
B. Gender  
C. Occupation  
D. Brand loyalty (2 marks)

40. Which one of the following approaches to managerial ethics does not consider the impact of decisions made on stakeholders?  
A. Immoral management  
B. Amoral management  
C. Moral management  
D. Ethical management (2 marks)

41. Which one of the following approaches to managerial ethics considers the goal of profitability within the confines of legal obedience?  
A. Strict management  
B. Ethical management  
C. Principled management  
D. Moral management (2 marks)

42. Which one of the following types of business does the owner have more powerful ethical leadership influence?  
A. Large business  
B. Medium-sized business  
C. Small business  
D. Start-up business (2 marks)

43. Which one of the following managerial dilemmas do middle level managers encounter in their pursuit of entrepreneurial activities?  
A. Restricted communication channels  
B. Long complex approval cycles  
C. Misdirected reward and evaluation  
D. Unrealistic performance criteria (2 marks)

44. Which one of the following ethical responsibility is required of entrepreneurs when generating new business ideas?  
A. Focus only on profitability  
B. Respect intellectual rights  
C. Hide product limitations  
D. Minimal consumer solution (2 marks)

45. Which one of the following sources of business finance involves pitching through an online platform?  
A. Bank loans  
B. Venture capital  
C. Lease finance  
D. Crowd funding (2 marks)

46. A business owner transfers the company to a member of the family. Which one of the following exit strategies did the entrepreneur adopt?  
A. Acquisition management  
B. Business protection  
C. Succession management  
D. Capital management (2 marks)

47. Which one of the following elements represent sustainability-led innovation in the manufacturing industry?  
A. Market-led products  
B. Green energy  
C. Plastic products  
D. Consumer products (2 marks)

48. Which one of the following types of industry is more receptive to new business entrants?  
A. Stable industry  
B. Concentric industry  
C. Mature industry  
D. Fragmented industry (2 marks)

49. Which one of the following items does the founder include in the survival kit for the successor?  
A. Business accounts  
B. Business licence  
C. Operational plan  
D. Business plan (2 marks)

50. Which one of the following benefits is realised when a founder chooses an early entry succession strategy in a family business?  
A. Successor skills are judged with objectivity  
B. A broad perspective of business environment  
C. Specific business skills required are developed  
D. Independent development of self-confidence (2 marks)

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**CISSE FOUNDATION LEVEL**  
**ENTREPRENEURSHIP AND INNOVATION**

**THURSDAY: 24 April 2025. Morning Paper.**

**Time Allowed: 2 hours.**

**This paper consists of fifty (50) Multiple Choice Questions. Answer ALL questions by indicating the letter (A, B, C or D) that represents the correct answer. Each question is allocated two (2) marks.**

1. Which one of the following statements provides a clear definition of entrepreneurship?
  - A. Process of gaining the market in a competitive environment
  - B. Dynamic process of creating incremental wealth and change
  - C. Process of utilising material resources to meet customer needs
  - D. Process of managing capital resources for profitability

(2 marks)

**ANSWER: B**

2. Which one of the following types of entrepreneurs apply a creative problem-solving approach to a firm's challenges?
  - A. Serial entrepreneurs
  - B. Adaptive entrepreneurs
  - C. Imitative entrepreneurs
  - D. Social entrepreneurs

(2 marks)

**ANSWER: B**

3. Which one of the following statements represents the contribution made by entrepreneurs to development of a country?
  - A. Transportation systems in the country
  - B. Creating economic gap in the country
  - C. Create wealth through business ventures
  - D. Promotion of taxation procedures

(2 marks)

**ANSWER: C**

4. Which one of the following requirements is necessary for an entrepreneur to gain admission to a business incubator?
  - A. Proven business experience
  - B. Successful existing business
  - C. Viable business idea
  - D. Adequate start-up capital

(2marks)

**ANSWER: C**

5. Which one of the following statements describes a behaviour displayed by a person who has an entrepreneurial mindset?
  - A. Ability to follow rules
  - B. Application of technology
  - C. Ability to recognise opportunities
  - D. Invest in high-risk ventures

(2 marks)

**ANSWER: C**

6. Which one of the following statements indicates the benefit of choosing to become an entrepreneur?

- A. Able to maximise use of potential skills
- B. Income at start-up stage is inconsistent
- C. Standard of living initially lowered
- D. Business income depends on efforts

(2 marks)

**ANSWER: A**

7. Which one of the following entrepreneur's traits could lead to negative results to the business?

- A. Ability to trust
- B. Ambition for success
- C. High need for control
- D. Unrealistic pessimism

(2 marks)

**ANSWER: C**

8. Which one of the following activities takes place during the harvesting stage of the entrepreneurial process?

- A. Writing an analysis report
- B. Consulting an entrepreneur
- C. Maximise return on investment
- D. Choose sustainable exit strategy

(2 marks)

**ANSWER: D**

9. Which one of the following characteristics contribute to an individual's low ability to recognise business opportunities?

- A. Introversion
- B. Excess products
- C. Market gaps
- D. A closed mind

(2 marks)

**ANSWER: D**

10. Which one of the following statements represents the **MAIN** advantage of forming a partnership?

- A. Limited liability
- B. Shared responsibility
- C. Easy transfer of ownership
- D. No need for legal agreements

(2 marks)

**ANSWER: B**

11. Which one of the following statements describes the reason why members of distribution channels are considered as sources for new ideas?

- A. They are familiar with the needs of the market
- B. They earn a handsome profit from new business
- C. They are bothered if entrepreneurs make losses
- D. They have well-developed sales forces

(2 marks)

**ANSWER: A**

12. Which one of the following statements indicates the action taken by an innovator at the transformation phase of the creative process?

- A. Obtain clear understanding of the problem
- B. Reflect and assess information collected
- C. Analyse similarities and connections in data
- D. Validating an idea as realistic and useful

(2 marks)

**ANSWER: C**

13. Which one of the following stages of marketing research is considered to be the **MOST** difficult for an entrepreneur due to lack of knowledge or experience in marketing?

- A. Gathering data from primary sources
- B. Gathering data from secondary sources
- C. Analysing and interpreting results
- D. Defining purpose and the objectives

(2 marks)

**ANSWER: A**

14. Which one of the following types of experiences is essential as the business venture becomes more established and begins to grow?

- A. Technical
- B. Financial
- C. Operational
- D. Marketing

(2 marks)

**ANSWER: B**

15. Which one of the following statements is **NOT** considered as a myth associated with entrepreneurship?

- A. All entrepreneurs must willingly invest in sums of money
- B. Successful entrepreneurs must have a break-through invention
- C. Successful entrepreneurs are born and not made
- D. Start-up entrepreneurs are always successful

(2 marks)

**ANSWER: D**

16. Which one of the following is the purpose of a feasibility study for starting a new venture?

- A. To explore if there are potential customers
- B. To estimate the cost of the commodities
- C. To understand if there are barriers to success
- D. To analyse the market trends in the region

(2 marks)

**ANSWER: C**

17. Which one of the following examples represent a vertical merger?

- A. A supermarket chain merging with a competing supermarket chain
- B. A furniture producer merging with a clothing retailer
- C. A book publisher merging with a bookshop chain
- D. A local bank merging with a foreign larger bank

(2 marks)

**ANSWER: C**

18. Which one of the following industries is **MOST** likely to benefit from sustainable entrepreneurship?

- A. Renewable energy
- B. Tea manufacturing
- C. Tobacco manufacturing
- D. Fossil fuel extraction

(2 marks)

**ANSWER: A**

19. Which one of the following terms refers to decisions relating to the policies, goals and objectives of a business venture?

- A. Routine decisions
- B. Strategic decisions
- C. Organisational decisions
- D. Personal decisions

(2 marks)

**ANSWER: B**

20. Which one of the following statements describes a key risk associated with venture capital funding?

- A. Loss of strategic control due to investor influence
- B. Increased regulatory oversight to the investor
- C. High fixed interest costs on the loans
- D. Limited access to public capital markets

(2 marks)

**ANSWER: A**

21. Which one of the following statements explains the effect of Big Data in nurturing innovation?

- A. It reduces the need and purpose for decision-making
- B. It provides insights that drive informed decision-making
- C. It replaces human creativity with artificial intelligence
- D. It eliminates the need and review for market research

(2 marks)

**ANSWER: B**

22. Which one of the following statements describes a challenge when integrating artificial intelligence into business decision making process in an organisation?

- A. Ethical concerns and data privacy issues
- B. Reduced computing power requirements
- C. Replacing most of the duties done by employees
- D. Making human judgment completely unnecessary

(2 marks)

**ANSWER: A**

23. Which one of the following cybersecurity innovations provides the highest level of security against quantum computing threats?

- A. Simple password authentication
- B. Relying solely on traditional firewalls
- C. Disabling encryption on sensitive data
- D. Post-Quantum Cryptography

(2 marks)

**ANSWER: D**

24. Which one of the following factors could a start-up consider to be an opportunity to be seized when the economy is weak?

- A. Sales for prime-priced food products
- B. Sales with few discounted items
- C. Service assisting consumers save money
- D. Sales for upscale products at a premium

(2 marks)

**ANSWER: C**

25. Which one of the following statements describes the primary challenge faced by green entrepreneurs in scaling their businesses?

- A. High production costs for sustainable materials and technologies
- B. Increasing consumer demand for non-sustainable products
- C. Government restrictions on green innovations
- D. Lack of interest in environmental conservation

(2 marks)

**ANSWER: A**

26. Which one of the following is a measure taken by leaders to protect the creative process within an organisation?

- A. Discourage employees from discussing their ideas with others
- B. Providing guidelines on how intellectual property should be handled
- C. Encouraging employees to share ideas on internal platforms only
- D. Keep creative discussions confined to closed-door meetings

(2 marks)

**ANSWER: B**

27. Which one of the following statements describes the importance of protecting intellectual property rights?

- A. Encourages enhanced quality of shared ideas to trusted partners
- B. Ensures that ideas can be shared freely without consequences
- C. Safeguards original ideas and ensures that creators benefit from it
- D. Ensuring everyone strives to come up with their own new ideas

(2 marks)

**ANSWER: C**

28. Which one of the following emerging trends is associated with sustainable entrepreneurship?

- A. Increased use of digital platforms
- B. Adoption of eco-friendly products
- C. Focus on full-time business operations
- D. Serving only local markets for better control

(2 marks)

**ANSWER: B**

29. Which one of the following actions form part of the important factors considered when developing a winning elevator pitch?

- A. Production process
- B. Benefits to customers
- C. Firm competitors
- D. Industry analysis

(2 marks)

**ANSWER: B**

30. The following are characteristics of business owners:

- (i) Aims to create a lasting impact and legacy
- (ii) Aims to serve a specific local market
- (iii) Prefer proven business model to minimise risk
- (iv) Often seek venture capital and angel investment
- (v) Take high risks that have potential for high rewards
- (vi) Have no plan or strategy to exit the business

Which one of the following sets of characteristics distinguishes a small business owner from an entrepreneur?

- A. (i), (iv), (v)
- B. (iii), (iv), (vi)
- C. (ii), (iii), (vi)
- D. (ii), (iii), (vi)

(2 marks)

**ANSWER: C**

31. The objective of regularly updating a business plan is to \_\_\_\_\_.

- A. reflect changes in the business environment
- B. allocate enough time to write a detailed plan
- C. ensure there is clarity and professionalism
- D. help in understanding specific customer needs

(2 marks)

**ANSWER: A**

32. Which one of the following statements explains the role of web-based surveys in opportunity identification?

- A. Generate opportunities
- B. Screen opportunities
- C. Develop opportunities
- D. Reflective opportunities

(2 marks)

**ANSWER: B**

33. Which one of the following business arrangements is an example of a franchise business model?

- A. A chain of restaurants using the same name, logo, and operating procedures
- B. A single, independent restaurant owned by one entrepreneur
- C. A cooperative of independent businesses working together
- D. A publicly traded company operating under a corporate structure

(2 marks)

**ANSWER: A**

34. Which one of the following actions is a common ethical dilemma in international business?

- A. Complying with the legal requirements of all countries
- B. Paying attention to local market preferences and needs
- C. Deciding between using local or global suppliers based on ethics
- D. Avoiding interaction with competitors to focus on market expansion

(2 marks)

**ANSWER: C**

35. Which one of the following reasons gives a description why new ventures fail?

- A. A lack of a well-developed business plan
- B. Under estimating the demand for the product
- C. The absence of competition in the market
- D. Absence of solid business structures

(2 marks)

**ANSWER: D**

36. Which one of the following reasons state the goal of writing and signing a partnership agreement before commencing operations?

- A. To participate in management
- B. To share profits from operations
- C. To protect each partner's interest
- D. To be compensated for expenses

(2 marks)

**ANSWER: C**

37. Which one of the following statements show the advantage gained by new firms for undertaking market segmentation?

- A. Provides a broader market base
- B. Homogeneity of consumer needs
- C. Preferential service delivery
- D. Optimal use of limited resources

(2 marks)

**ANSWER: D**

38. Which one of the following is a **KEY** aspect of the financial statement of the business plan?

- A. A statement of management skills
- B. A productivity capacity
- C. A realistic sales forecast
- D. A description of competitors

(2 marks)

**ANSWER: C**

39. Which one of the following stages indicates where the idea of new product is tested with potential customers to determine consumer acceptance?

- A. Product diversification
- B. Idea Conception
- C. Product development
- D. Test Marketing

(2 marks)

**ANSWER: D**

40. Which one of the following statements explains what should be contained in a memorandum of association of a company?

- A. Rules relating the constitution activities of a company
- B. Rules relating the internal management of a company
- C. Rules relating the external management of a company
- D. Rules relating the operation activities of a company

(2 marks)

**ANSWER: A**

41. Which one of the following examples represents psychographic segmentation of a market?

- A. Offering herbal products to health-conscious individuals
- B. Offering loyalty programs to repeat customers
- C. Adjusting offerings to the needs of different locations
- D. Selling toys to parents with young children

(2 marks)

**ANSWER: A**

42. Which one of the following ethical issues could arise when exploiting new business entries?

- A. Entrepreneurs use customer data without consent to design products
- B. Products are appropriately designed to meet the needs of few of the markets
- C. Legal guidelines for business formation are not understood clearly
- D. Social responsibility activities are not performed by business

(2 marks)

**ANSWER: A**

43. Which one of the following marketing strategies involves connecting with audiences to create word of mouth marketing and boost sales?

- A. Business promotion campaigns
- B. Social media marketing
- C. Unique sales marketing
- D. Press relations programme

(2 marks)

**ANSWER: B**

44. Which one of the following creative processes refers to a moment when a solution emerges suddenly?

- A. Evaluation
- B. Incubation
- C. Implementation
- D. Illumination

(2 marks)

**ANSWER: D**

45. Which one of the following risks is commonly associated with organisations undertaking the innovation process?

- A. Technological failure
- B. Precedented risks
- C. Workplace dynamics
- D. Adapting to change

(2 marks)

**ANSWER: A**

46. In market research, focus group are used for \_\_\_\_\_.  
A. analysing raw data collected from customer  
B. interpreting raw data collected from customers  
C. organising data collected from customer  
D. gathering raw data from customers

(2 marks)

**ANSWER: D**

47. Which one of the following terms refers to a formal statement of an organisation's values on specific social and moral issues?

- A. Legal framework
- B. Confidential rules
- C. Integrity principle
- D. Code of conduct

(2 marks)

**ANSWER: D**

48. Which one of the following sections of a business plan describes facilities and equipment that a business need?

- A. Company description
- B. Business description
- C. Operating plan
- D. Marketing analysis

(2 marks)

**ANSWER: C**

49. Which one of the following factors show the benefit of having a collateral when seeking business financing?

- A. Provides terms of lending
- B. Increases capacity to get a loan
- C. Considers the rate of interest
- D. It is a pledge by the borrower

(2 marks)

**ANSWER: B**

50. Which one of the following statements describes the benefit obtained for establishing a strong organisation's ethical culture?

- A. Employee's commitment
- B. Access to business capital
- C. Increased vulnerability
- D. Public relations reputation

(2 marks)

**ANSWER: A**

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## CISSE FOUNDATION LEVEL

### ENTREPRENEURSHIP AND INNOVATION

**WEDNESDAY: 20 August 2025. Morning Paper.**

**Time Allowed: 2 hours.**

**This paper consists of fifty (50) Multiple Choice Questions. Answer ALL questions by indicating the letter (A, B, C or D) that represents the correct answer. Each question is allocated two (2) marks.**

1. Which one of the following types of entrepreneurs starts small and develops gradually with limited resources?  
A. Serial entrepreneur  
B. Social entrepreneur  
C. Hustler entrepreneur  
D. Economic entrepreneur (2 marks)
  
2. Which one of the following early entrepreneurs is recognised for introducing the modern concept of mass production?  
A. Andrew Carnegie  
B. Thomas Edison  
C. Henry Ford  
D. John D. Rockefeller (2 marks)
  
3. Which one of the following is a major historical development that has influenced entrepreneurship?  
A. Lack of internet and digital technologies  
B. Shift from agrarian to industrial economy  
C. The decline of labour unions  
D. Growth of corporate monopolies (2 marks)

4. Which one of the following challenges was faced by entrepreneurs during the Industrial Revolution?  
A. Low competition  
B. Over-regulation by governments  
C. Lack of access to cheap labour  
D. Limited access to capital (2 marks)

5. Which one of the following challenges faced by entrepreneurs is related to poor infrastructure?  
A. Lack of capital  
B. High taxation  
C. Nearness to competitors  
D. Inaccessible markets (2 marks)

6. Which one of the following is a feature of social approach to entrepreneurship?  
A. Maximisation of profits  
B. Focus on community solutions  
C. Follow rigid systems  
D. Short-term development (2 marks)

7. Which one of the following entrepreneurial approach focuses on positioning a business for competitive advantage?  
A. Economic approach  
B. Psychological approach  
C. Opportunity-based approach  
D. Strategic approach (2 marks)

8. Which one of the following statements describes sustainable entrepreneurship?

- A. Reducing operational costs for term survival
- B. Generate profits while addressing social needs
- C. Technological operations for competition
- D. Adoption of trends for competitiveness

(2 marks)

9. Which one of the following factors is likely to lead to opportunity recognition in the market place?

- A. High employee turnover
- B. A saturated market
- C. Technology development
- D. Decline in company profits

(2 marks)

10. Which one of the following statements describes entrepreneurs' contribution to economic growth?

- A. Reporting one entrepreneurial challenge
- B. Discussions on infrastructure growth
- C. Create entrepreneurial ventures
- D. Registration of companies

(2 marks)

11. Which one of the following statements describes a window of opportunity?

- A. Business risk opportunity
- B. Market opportunity gap
- C. Time to enter a new market
- D. An idea for start-up business

(2 marks)

12. Which one of the following is a stage in creativity where an individual may experience frustration?

- A. Evaluation

- B. Illumination
- C. Incubation
- D. Preparation

(2 marks)

13. Which one of the following statements describes lateral thinking in the context of creativity?

- A. Apply linear thinking approach
- B. Using logic to solve problems
- C. Explore different views and ideas
- D. Repeating proven strategies

(2 marks)

14. Which one of the following statements describe a way in which groupthink could hinder creativity in a team?

- A. It tends to increase conflict
- B. Develop many competing ideas
- C. Pressure on members to conform
- D. Team's abstract thinking

(2 marks)

15. Which one of the following behaviours discourages creativity within an established venture?

- A. Active listening
- B. Judgmental attitude
- C. Learning environment

D. Employee participation (2 marks)

16. Which one of the following is a way in which taking breaks could benefit the individual creative process?

- A. Hastens overall process
- B. Encourages reflection
- C. Enhances collaboration
- D. Allows brainstorming

(2 marks)

17. Which one of the following statements describes the impact of disruptive innovation?

- A. Sustains the dominance of existing companies
- B. Creates additional features for luxury products
- C. Dismantles existing market leaders over time
- D. Focuses solely on incremental technical upgrades

(2 marks)

18. Which one of the following is a way in which innovation could lead to increased sustainability in a business?

- A. Creating products to meet future needs
- B. Reduce waste in production processes
- C. Focusing only on short-term profits
- D. Limiting research and development

(2 marks)

19. Which one of the following concepts allows large organisations to tap the innovative talents of their employees?  
A. Individual creativity  
B. Intrapreneurship  
C. Staff development  
D. Rigid culture (2 marks)

20. Which one of the following is a benefit that could accrue to an entrepreneur by registering intellectual property rights?  
A. Leads to identification of new opportunities  
B. Attracts government subsidy and support  
C. Reduces the number of licenses required  
D. Enhances the distinctiveness of a brand (2 marks)

21. Which one of the following is a common cause of innovation fatigue in organisations?  
A. High expectations for constant innovation  
B. Too few meetings and collaborations  
C. Having unlimited time for new ideas  
D. Lack of competition in the industry (2 marks)

22. Which one of the following statements indicate a problem entrepreneurs face when selecting new ventures?  
A. The over availability of viable ideas  
B. Identifying an over-simplified business idea  
C. Underestimating risks involved in a new venture  
D. Having too much market demand for a new idea (2 marks)

23. Which one of the following types of startup would benefit **MOST** from joining a business incubator?  
A. Public limited company  
B. A stable private business  
C. Start-up innovative firm  
D. A franchise outlet firm (2 marks)

24. Which one of the following skills is **MOST** important for effective opportunity recognition in a business environment?

- A. Communication skills
- B. Analytical thinking
- C. Physical endurance
- D. Technological skills

(2 marks)

25. Which one of the following influences does a good market analysis have on investors during a business plan pitching?

- A. Describes the employee benefits
- B. Highlights the business entity
- C. Displays knowledge of customers
- D. It outlines distribution schedules

(2 marks)

26. Which one of the following sections of the business plan is **MOST** relevant to investors evaluating financial risk?

- A. Marketing strategies
- B. Financial projections
- C. Business partners
- D. Executive skills

(2 marks)

27. Which one of the following statements indicate when an elevator pitch could be **MOST** useful?

- A. Meeting a potential investor
- B. Writing a business proposal
- C. Revising employee salary
- D. Preparing tax documents

(2 marks)

28. Which one of the following guidelines is considered when writing a business plan?

- A. Avoid highlighting the critical risks
- B. Writing to capture the reader's interest
- C. Excess sales potential of the business
- D. Focus on diverse multiple markets

(2 marks)

29. Which one of the following disadvantages could apply to debt financing?

- A. Limited number of lenders
- B. Sharing of profits generated
- C. Pressure on repayments
- D. Dilution of ownership

(2 marks)

30. Which one of the following is a reason why a company might choose to issue preference shares?

- A. Avoid paying dividends
- B. Give shareholders voting rights
- C. Avoid diluting its control
- D. Reduce overall tax liability

(2 marks)

31. Which one of the following sources of finance is appropriate for obtaining expensive fixed assets?

- A. Trade credit
- B. Overdraft
- C. Leasing
- D. Cash payment

(2 marks)

32. Which one of the following statements refer to "perpetual succession" in a corporation?  
A. Shareholders have a lifetime membership  
B. Company must renew its license yearly  
C. Continues to exist despite changes in ownership  
D. Board of directors must be re-elected every year (2 marks)

33. Which one of the following strategies involves expanding by merging with a distributor in the supply chain?  
A. Horizontal integration  
B. Diversification  
C. Vertical integration  
D. Market penetration (2 marks)

34. Which one of the following statements indicates a situation where a sole proprietorship is regarded as a favourable form of ownership?  
A. Where the owner prefers autonomy in decision making  
B. Where promptness is not required in decision making  
C. Where personal attention is not an important business aspect  
D. Where the market is broad and requires large capital investment (2 marks)

35. Which one of the following statements describes a disadvantage of a public limited company?  
A. Unlimited liability of the shareholders  
B. Shareholders loss of direct control  
C. Risks are shared on agreed proportions  
D. Ability to raise large sums of capital (2 marks)

36. The following are appropriate business management strategies at decline stage of a company, **EXCEPT** \_\_\_\_--  
A. exit the business  
B. upscale equipment

C. product improvement  
D. maximise production (2 marks)

37. Which one of the following terms refer a business expansion strategy?  
A. Borrowing  
B. Acquisition  
C. Lending  
D. Succession (2 marks)

38. Which one of the following is a way in which a professional manager adds value to a company?  
A. Social connections  
B. Expertise in strategy  
C. Personal investment  
D. Family background (2 marks)

39. Which one of the following factors enhances competitive advantage of a new venture?  
A. High prices  
B. Size of business  
C. Unique products  
D. Quantity of products (2 marks)

40. Which one of the following statements gives the advantage of primary market research?  
A. Informed benchmarking  
B. Up to date and relevant  
C. Faster than secondary research  
D. It requires no planning (2 marks)

41. Which one of the following types of segmentation is applied by a mobile phone company offering a loyalty discount to long-time users?

- A. Geographic segmentation
- B. Demographic segmentation
- C. Behavioural segmentation
- D. Technological segmentation

(2 marks)

42. Which one of the following is a psychographic segmentation of the market?

- A. Gender
- B. Lifestyle
- C. Occupation
- D. Brand loyalty

(2 marks)

43. Which one of the following challenges is faced by green entrepreneurs?

- A. Excess demand for their products
- B. Competition by unsustainable products
- C. Too much funding from investors
- D. Lack of interest in social responsibility

(2 marks)

44. Which one of the following is a way in which Artificial Intelligence (AI) could support entrepreneurs?

- A. Replacing employees entirely
- B. Improving decision-making
- C. Limiting business growth

D. Reduce customer interaction (2 marks)

45. Which one of the following business strategies involves transferring rights to use a business's product to another party?  
A. Licensing  
B. Liquidation  
C. Franchising  
D. Merger (2 marks)

46. Which one of the following terms refer to a situation in which an employee needs to make a choice but faces a conflicting situation between one or more alternatives?  
A. Ethical conduct  
B. Moral dilemma  
C. Work ethics  
D. Moral principle (2 marks)

47. Which one of the following is a distinguishing factor between a merger and an acquisition?  
A. Mergers create a new different entity  
B. Mergers allow expansion of business  
C. Mergers enable access to new markets  
D. Mergers lead to economies of scale (2 marks)

48. Which one of the following is a reason why entrepreneurs should educate their employees on cybersecurity best practices?  
A. It improves customer retention rates  
B. They are a target for cyberattacks  
C. Ensure they regulate insecurity  
D. It helps reduce marketing costs (2 marks)

49. Which of the following factors distinguishes a video conference from a webinar?  
A. Allows more interaction and collaboration  
B. Takes place real-time over the internet  
C. Videoconferencing allows screen sharing  
D. Enables discussions to be recorded (2 marks)

50. Which one of the following statements is a disadvantage of telemarketing of a business?  
A. Limited geographic coverage  
B. Indirect customer engagement  
C. Inadequate customer relationship  
D. It is expensive as employees need training (2 marks)

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**CISSE FOUNDATION LEVEL**  
**ENTREPRENEURSHIP AND INNOVATION**

**WEDNESDAY: 4 December 2024. Morning Paper.**

**Time Allowed: 2 hours.**

**This paper consists of fifty (50) Multiple Choice Questions. Answer ALL questions by indicating the letter (A, B, C or D) that represents the correct answer. Each question is allocated two (2) marks.**

1. Which one of the following statements describes an entrepreneur who is engaged in the process of creative destruction?
  - A. A person who organises the factors of production in the right proportions
  - B. A person who creates new businesses making existing ones obsolete
  - C. A person who operates a business in the face of risks and uncertainty
  - D. A person who has a vision of transforming society through businesses(2 marks)
  
2. Which one of the following terms refers to a person who starts multiple businesses through-out their career?
  - A. Opportunistic entrepreneur
  - B. Lifestyle entrepreneur
  - C. Innovative entrepreneur
  - D. Serial entrepreneur(2 marks)
  
3. Which one of the following types of entrepreneurs engages in testing whether the business will be able to provide gainful employment?
  - A. Home-based entrepreneurs
  - B. Family based entrepreneurs
  - C. Part-time entrepreneurs
  - D. Immigrant entrepreneurs(2 marks)
  
4. Which one of the following challenges faced by entrepreneurs applies to small start-up businesses?
  - A. Internal competition
  - B. Inadequate skills
  - C. Inadequate taxation
  - D. Presence of demand(2 marks)
  
5. Which one of the following myths of entrepreneurship has been dispelled through contemporary research findings?
  - A. Entrepreneurs are born, not made
  - B. Creativity relies on dreams and ideas
  - C. Technology is driving force and success
  - D. Big projects are better in innovations(2 marks)

6. Which one of the following schools of thought describes the external factors that influence a potential entrepreneurs' lifestyle?  
A. Venture opportunity school of thought  
B. Strategic formulation school of thought  
C. The environmental school of thought  
D. Entrepreneurial trait school of thought (2 marks)

7. Which one of the following approaches to entrepreneurship examines factors relating to an entrepreneurs' internal locus of control?  
A. Macro view of entrepreneurship  
B. Micro view of entrepreneurship  
C. Capital view of entrepreneurship  
D. Displacement view of entrepreneurship (2 marks)

8. Which one of the following sets of dimensions are elaborated in the multidimensional approach to entrepreneurship?  
A. Individual, environment, organisation and process  
B. Environment, market, process and individual  
C. Organisation, capital, environment and process  
D. Process, opportunity, organisation and individual (2 marks)

9. Which one of the following terms refers to a person who creates the entrepreneurial spirit and allows innovations to thrive within an organisation?  
A. Manager  
B. Entrepreneur  
C. Intrapreneur  
D. Team leader (2 marks)

10. Which one of the following factors describes the **MAJOR** obstacle to corporate entrepreneurship?  
A. Balancing risks and rewards  
B. Setting interim project milestones  
C. Traditional management practices  
D. Resourceful management practices (2 marks)

11. Which one of the following methods could an entrepreneur use to deal with stress during the high growth phase of a business?  
A. Sourcing of funds  
B. Delegating tasks  
C. Marketing drive  
D. Collaboration (2 marks)

12. The first step of the entrepreneurial process is the decision to become an entrepreneur. Which one of the following steps should an entrepreneur take after writing a business plan?  
A. Feasibility analysis  
B. Turning idea to reality  
C. Generating business idea  
D. Assessing financial status (2 marks)

13. Which one of the following terms refers to the ability to see different ways of looking at a problem and opportunities?  
A. Implementation  
B. Creativity  
C. Innovation  
D. Generating (2 marks)

14. Which one of the following terms refers to the process of creating innovations in response to customer feedback?  
A. Revolutionary innovation  
B. Proactive innovation  
C. Reactive innovation  
D. Market innovation (2 marks)

15. The process of developing market-sustaining ideas that elaborate on existing processes is known as \_\_\_\_\_.  
A. radical innovation  
B. product innovation  
C. revolutionary innovation  
D. evolutionary innovation (2 marks)

16. Which one of the following types of innovations enables an organisation to provide value to its target customers?  
A. Networking and alliances  
B. Business model  
C. Core processes  
D. Organisation structure (2 marks)

17. Which one of the following leadership styles enhances creativity in an organisation?  
A. Autocratic  
B. Transformational  
C. Bureaucratic  
D. Transactional (2 marks)

18. When an invention is transferred to the business sector to change the production function, it becomes \_\_\_\_\_.  
A. a product  
B. model  
C. innovation  
D. evolution (2 marks)

19. Which one of the following statements describes a method used by creative businesses to reduce barriers to creativity during the idea generation stage?  
A. Fearing mistakes and failures  
B. Having a non-expert in the team  
C. Avoiding ambiguous situations  
D. Encouraging logical thinking (2 marks)

20. Which one of the following steps in the creative process involves establishing a small-scale pilot program?  
A. Incubation  
B. Transformation  
C. Verification  
D. Investigation (2 marks)

21. Which one of the following processes of creative thinking describes the ability to identify similarities and connections among various events?  
A. Investigative thinking  
B. Convergent thinking  
C. Illuminative thinking  
D. Divergent thinking (2 marks)

22. Which one of the following steps in the creative process could an entrepreneur take after noticing a missing product in the market?  
A. Establish distribution channel  
B. Engage promotion campaign  
C. Develop production method  
D. Develop a business plan (2 marks)

23. Which one of the following techniques for improving the creative process aims at creating a visual representation of ideas?  
A. Mind mapping  
B. Force-field analysis  
C. Brainstorming  
D. Focus group (2 marks)

24. Which one of the following techniques for improving creative process transforms an idea into a model that points out flaws in the original idea?  
A. Business modelling  
B. Rapid prototyping  
C. Contradiction matrix  
D. Creative designing (2 marks)

25. Which one of the following terms refers to the identification of a product that people need and are willing to buy?  
A. Opportunistic idea  
B. Window of opportunity  
C. Opportunity trending  
D. Opportunity recognition (2 marks)

26. Which one of the following statements represents a social trend while observing the environment and how it affects opportunity recognition?  
A. Consumer spending patterns  
B. Levels of disposable incomes  
C. New changes in governing arena  
D. Interest in healthy and green products (2 marks)

27. Which one of the following statements describes a situation where people cannot find a product that they need?  
A. Discrimination in the market  
B. Gap in the marketplace  
C. Discrimination in products  
D. Mainstream target market (2 marks)

28. Which one of the following facilities are designed to help early innovators create a plan to commercialise their products?  
A. Marketing booths  
B. Business modelling  
C. Business incubator  
D. Business promoters (2 marks)

29. Which one of the following statements gives a reason why a new venture with a high potential for growth could fail at the start-up phase?  
A. Presence of loyal customers  
B. Product differentiation  
C. Working capital deficit  
D. Product diversification (2 marks)

30. Which one of the following factors motivate potential entrepreneurs to start new ventures in a country?  
A. Cultural values that penalise failure  
B. Subcultures that encourage dependency  
C. Role models that engage in social activities  
D. Unregulated financial resource suppliers (2 marks)

31. Which one of the following statements describes the benefits gained by an entrepreneur by writing a business plan before setting up a business?  
A. It is a tool of comparing actual results against targeted performance  
B. It is a tool used for identifying established joint venture businesses  
C. A systematic and realistic evaluation of venture's chance for success  
D. A method of managing the principal risks facing the business venture (2 marks)

32. Which one of the following business tools allows the entrepreneur to subject an idea to one last test of reality before launching the business?  
A. Strategic plan  
B. Mission statement  
C. Vision statement  
D. Business plan (2 marks)

33. Which one of the following sections of a business plan contains the company's name, logo, address and names and contact information of founders?  
A. Executive summary  
B. Title page  
C. Business description  
D. Business profile (2 marks)

34. Which one of the following guidelines should be adhered to by a potential entrepreneur pitching to potential investors?

- A. Making the visual presentation elaborate
- B. Proof of plan's claims in technical terms
- C. Communicate the dynamic opportunity identified
- D. Detailed explanation of benefits to the industry

(2 marks)

35. Which one of the following terms refers to a brief, carefully constructed statement that outlines the advantages of a business opportunity presented to potential lenders in a very short time?

- A. Oral presentation
- B. Elevator pitch
- C. Motivation pitch
- D. Entrepreneur profile

(2 marks)

36. Which one of the following factors could reduce the likelihood of getting capital if not well elaborated in the financial sourcing plan?

- A. Bootstrapping strategy
- B. An exit strategy
- C. Crowdfunding strategy
- D. Layered financing

(2 marks)

37. Which one of the following statements explains the reason why equity capital is regarded as risk capital?

- A. Lenders assume the risk of losing their investment if the business fails
- B. Creditors assume the risk of losing their investment if the business fails
- C. Owners assume the risk of losing their investment if the business fails
- D. Management assume the risk of losing their investment if the business fails

(2 marks)

38. Which one of the following tools could an entrepreneur use to minimise chances of disputes when obtaining family finance to start a business venture?

- A. Business plan
- B. Credit statement
- C. Written contract
- D. An exit plan

(2 marks)

39. Which one of the following programs bridges the gap in funding experienced by first-time entrepreneurs who do not have credibility to attract professional investors?

- A. Incubators
- B. Crowd fund
- C. Accelerator
- D. Angel fund

(2 marks)

40. Which one of the following legal forms of entrepreneurial organisations has relative freedom from governmental controls and regulations?

- A. Cooperative societies
- B. Partnership firms
- C. Credit societies
- D. Private companies

(2 marks)

41. Which one of the following legal forms of entrepreneurial organisations sells shares in the stock market?  
A. Public limited company  
B. Private limited company  
C. Joint venture business  
D. Limited partnerships (2 marks)

42. Which one of the following terms refers to an organisation that has a legal entity separate and distinct from its owners?  
A. Business trust  
B. Corporation  
C. Syndicate  
D. Partnership (2 marks)

43. Which one of the following elements relate to the marketing skills possessed by entrepreneurs?  
A. Maintaining status quo without challenging it  
B. Driven by environmental factors without control  
C. Insights to spot opportunities overlooked by others  
D. They view market strategy as a short-term tool (2 marks)

44. Which one of the following methods of gathering primary data involves avoiding contact with respondents?  
A. Questionnaires  
B. Surveys methods  
C. Experimentation  
D. Observational (2 marks)

45. Which one of the following variables could help an entrepreneur to identify unsatisfied needs within specific market segments?  
A. Benefit variables  
B. Geographic variables  
C. Regulatory variable  
D. Environmental variables (2 marks)

46. Which one of the following benefits could be obtained by a business venture for using internet in the overall marketing strategy?  
A. Broad coverage in the marketing costs  
B. Presence and brand equity in the market  
C. Rigidity in direct marketing opportunities  
D. Inconsistent navigation pathways (2 marks)

47. Which one of the following elements could be stated in the corporate code of ethics?  
A. Norms and beliefs  
B. Conflict of interest  
C. Knowledge gathering  
D. Agency engagement (2 marks)

48. Which one of the following is a reason why organisations practice business ethics?  
A. Ensure efficiency and effectiveness  
B. Enhance credibility with stakeholders  
C. Ensure diversity of skills and talents  
D. Promote implementation of plans (2 marks)

49. Which one of the following terms refers to the positioning of a business venture for the realisation of a cash return for the owners and investors?

- A. Dividend policy
- B. Public offering
- C. Exit strategy
- D. Business sale

(2 marks)

50. Which one of the following terms describes types of entrepreneurship created to solve environmental problems and operate sustainably?

- A. Intrapreneurship
- B. Ecopreneurship
- C. Co-prenuership
- D. Entrepreneurship

(2 marks)

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## CISSE FOUNDATION LEVEL

### ENTREPRENEURSHIP AND INNOVATION

WEDNESDAY: 21 August 2024. Morning Paper.

Time Allowed: 2 hours.

This paper consists of fifty (50) Multiple Choice Questions. Answer ALL questions by indicating the letter (A, B, C or D) that represents the correct answer. Each question is allocated two (2) marks.

1. Which one of the following terms describes entrepreneurs in the 18<sup>th</sup> century?  
A. Economy heroes  
B. Innovators of time  
C. Risk takers  
D. Lead creators (2 marks)
2. Which one of the following statements gives the meaning of necessity – driven entrepreneurship?  
A. Creating a firm to improve a product or service  
B. Creating a firm as an alternative to unemployment  
C. Creating a firm to replace an existing organisation  
D. Creating a firm to extend an existing production (2 marks)
3. Which one of the following myths has been dispelled through research findings on entrepreneurship?  
A. Entrepreneurs fear taking risk  
B. Entrepreneurs are industrious  
C. Entrepreneurs are always inventors  
D. Entrepreneurs have high motivation (2 marks)
4. Which one of the following statements describes a person who has an entrepreneurial mindset?  
A. Having a critical attitude  
B. Identifying technology  
C. Recognise opportunities  
D. Having managerial attitude (2 marks)
5. The act of creating a firm to improve one's income is referred as \_\_\_\_\_.  
A. corporate entrepreneurship  
B. opportunity-driven entrepreneurship  
C. social-driven entrepreneurship  
D. intrapreneurial strategies (2 marks)
6. Which one of the following guidelines can management use to promote an innovative corporate environment?  
A. Constant use of formal meeting as a policy  
B. Office layout designed for formal interactions  
C. Develop small teams for future-oriented projects  
D. Encourage personnel to follow procedures (2 marks)
7. Which one of the following terms refer to entrepreneurial activities supported by top management to enhance innovation in an organisation?  
A. Academic entrepreneurship  
B. Collective entrepreneurship  
C. Corporate entrepreneurship  
D. Social entrepreneurship (2 marks)
8. Which one of the following elements could make an individual in an organisation avoid displaying corporate entrepreneurial behaviour?  
A. Learning methods that test assumptions  
B. Changing plans that reflect new learning  
C. Traditional management practices  
D. Promoting compatible individuals (2 marks)

9. Which one of the following organisation systems promote corporate entrepreneurship?  
A. Flat structure  
B. Horizontal structure  
C. Single structure  
D. Vertical structure (2 marks)

10. Which one of the following items represents sustainability-led innovation in the manufacturing industry?  
A. Market-led products  
B. Green energy  
C. Plastic products  
D. Consumer products (2 marks)

11. Which one of the following steps in the creative process requires courage, self-discipline and perseverance?  
A. Incubation process  
B. Idea experience  
C. Implementation  
D. Background (2 marks)

12. Which one of the following elements could prohibit a person from taking calculated risks?  
A. Stereotyping  
B. Security hunting  
C. Fear of uncertainty  
D. Probability thinking (2 marks)

13. The process of inventing and building a tangible object in an organisation can be referred to as \_\_\_\_\_.  
A. idea creativity  
B. event creativity  
C. material creativity  
D. inner creativity (2 marks)

14. Which one of the following types of innovation represents the correct order of originality?  
A. Synthesis, invention, extension and duplication  
B. Invention, duplication, extension and synthesis  
C. Invention, extension, duplication and synthesis  
D. Extension, invention, synthesis and duplication (2 marks)

15. The source of innovation that occurs where there is a gap between expectations and reality is known as \_\_\_\_\_.  
A. incongruities  
B. perceptual  
C. knowledge-based  
D. process needs (2 marks)

16. Which one of the following refers to the process by which entrepreneurs convert opportunities into marketable ideas?  
A. Enterprise  
B. Innovation  
C. Intrapreneurship  
D. Evaluation (2 marks)

17. Which one of the following behaviours do entrepreneurs who have learned to develop their right brain thinking skills display?  
A. Highly focused and systematic  
B. Make logical conclusions  
C. Linear vertical thinking  
D. Challenge custom and routine (2 marks)

18. The type of innovation that uses creative advertising to build a company's identity is known as \_\_\_\_\_.  
A. channel innovation  
B. service innovation  
C. process innovation  
D. brand innovation (2 marks)

19. Which one of the following creative process stages require the application of logical and analytical thinking?  
A. Implementation, idea generation and incubation  
B. Knowledge accumulation, evaluation and implementation  
C. Implementation, idea generation and incubation  
D. Incubation, knowledge accumulation and idea generation (2 marks)

20. An environmental situation combined with principles of innovation that enables individuals to innovate is known as \_\_\_\_\_.  
A. technology  
B. manufacturing  
C. processing  
D. opportunity (2 marks)

21. The stage in the creative process where innovation is transformed into something of value is known as \_\_\_\_\_.  
A. preparation  
B. evaluation  
C. implementation  
D. insight (2 marks)

22. Which one of the following types of innovation is applied progressively in a growing firm?  
A. Aggressive innovation  
B. Radical innovation  
C. Revolutionary innovation  
D. Incremental innovation (2 marks)

23. Which one of the following types of industry is more receptive to new business entrants?  
A. Stable industry  
B. Concentric industry  
C. Mature industry  
D. Fragmented industry (2 marks)

24. Which one of the following business processes provides an entrepreneur with external support to accelerate business growth?  
A. Business outsourcing  
B. Business re-engineering  
C. Venture capital process  
D. Business incubation (2 marks)

25. Which one of the following offers start-ups business networking relationships within the industry?  
A. Association  
B. Collaborator  
C. Incubator  
D. Laboratory (2 marks)

26. Which one of the following is a natural part of the business creation that entrepreneurs use to refocus their business venture growth?  
A. Creativity  
B. Innovation  
C. Failure  
D. Profits (2 marks)

27. Which one of the following is employed by entrepreneurs at start – up stage to increase the chances of business survival?  
A. Invest little capital  
B. Limit delegation  
C. Adequate capital  
D. Engage competition (2 marks)

28. Which one of the following tools assists in making a realistic evaluation of a venture's success in the market place?  
A. Evaluation form  
B. Analytical form  
C. Sketch pad  
D. Business plan (2 marks)

29. Which one of the following sections in a business plan describes the services a business venture intends to outsource?  
A. Partnership plan  
B. Financial plan  
C. Operational plan  
D. Service plan (2 marks)

30. Which one of the following states the internal objective of writing a business plan?  
A. Introduce potential investors to firm's strategies  
B. Road map to finding investors for the business  
C. Proposal given to stakeholders of the business  
D. Guideline when executing firm's strategies (2 marks)

31. Which one of the following is regarded as a red flag in a business plan that could hinder an investor from investing in a proposed business venture?  
A. Founder's financial contribution  
B. Market share defined broadly  
C. Balance sheet statement  
D. Research findings summary (2 marks)

32. The business description section of a business plan that displays the purpose for which a business exists is known as \_\_\_\_\_.  
A. business objective  
B. founder's objective  
C. mission statement  
D. vision statement (2 marks)

33. Which one of the following elements represent the personal investment employed by the owner of a business venture?  
A. Credit cards  
B. Venture capital  
C. Angel capital  
D. Equity capital (2 marks)

34. A method of raising capital by posing an elevator pitch on specialised websites is known as \_\_\_\_\_.  
A. accelerator fund  
B. crowdfunding  
C. bootstrapping  
D. elevated funds (2 marks)

35. Which one of the following benefits accrues to an entrepreneur who has a collateral when seeking business finance?  
A. Allow charging of interest  
B. Pledge by finance provider  
C. Higher chance of success  
D. Pitching idea to financier (2 marks)

36. Which one of the following investors finance start-up firms that display exceptionally high growth capabilities?  
A. Capital market authority  
B. Security capital firms  
C. Venture capital firms  
D. Franchise firms (2 marks)

37. An approach to managerial ethics that does not consider the impact of decisions made on stakeholders is referred as \_\_\_\_\_.  
A. immoral management  
B. amoral management  
C. moral management  
D. ethical management (2 marks)

38. Which one of the following approaches to managerial ethics considers the goal of profitability within the confines of legal obedience?  
A. Strict management  
B. Ethical management  
C. Principled management  
D. Moral management (2 marks)

39. Which one of the following has been identified by entrepreneurs as an issue that demands strong ethical position?  
A. Collusion in bidding  
B. Tax evasion  
C. Competitiveness  
D. Insider trading (2 marks)

40. Which one of the following types of businesses does the owner exercise powerful ethical influence?  
A. Public companies  
B. General partnerships  
C. Sole proprietorship  
D. Amalgamations (2 marks)

41. Which one of the following organisational systems could lead to ethical dilemma among middle level managers?  
A. Communication channels  
B. Complex product cycles  
C. Ambiguous reward system  
D. Performance criteria (2 marks)

42. Which one of the following advantages is gained by an organisation that uses in-home trial market research technique among their customers?  
A. Information on technology uptake  
B. Information on production capacity  
C. Information on product performance  
D. Production procedure adopted (2 marks)

43. Which one of the following objectives is attained when an organisation develops a clear market entry strategy?  
A. Show the nature of market  
B. Highlight market share  
C. Provide market schedule  
D. Give value proposition (2 marks)

44. Which one of the following items refer to a process of starting a firm which contributes to preservation of the environment?  
A. Corporate responsibility  
B. Corporate entrepreneurship  
C. Sustainable entrepreneurship  
D. Environmental management (2 marks)

45. Which one of the following items is included in a survival kit for the successor?  
A. Business accounts  
B. Business licence  
C. Branding plan  
D. Business plan (2 marks)

46. Which one of the following exit strategies **MAY NOT** be preferred by an investor who chooses to surrender control of the company gradually?  
A. Selling to employees  
B. Selling to outsiders  
C. Employee stock plan  
D. Acquisition bid (2 marks)

47. Which one of the following benefits is realised by a founder who chooses to implement an early entry succession strategy of a family business?  
A. Successor skills are judged with subjectivity  
B. A broad perspective of business environment  
C. Specific business skills required are developed  
D. Independent development of self-confidence (2 marks)

48. The use of creative advertising and promotion strategies to build a desirable identity is known as \_\_\_\_\_.  
A. motivation  
B. expertise  
C. branding  
D. modelling (2 marks)

49. Which one of the following items is a barrier to individual creativity in an organisation?  
A. Perceptual biases  
B. Enhanced diversity  
C. Focus on trends  
D. Being curious (2 marks)

50. Which one of the following environmental trends is observed when identifying a business opportunity?

- A. Infrastructure
- B. Capital
- C. Economic
- D. Location

(2 marks)

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## CISSE FOUNDATION LEVEL

### ENTREPRENEURSHIP AND INNOVATION

**WEDNESDAY: 24 April 2024. Morning Paper.**

**Time Allowed: 2 hours.**

**Answer ALL questions by indicating the letter (A, B, C or D) that represents the correct answer. This paper is up made of fifty (50) Multiple Choice Questions. Each question is allocated two (2) marks.**

1. Choose a term that is used to describe innovators who collect information about changes in the technical environment.  
A. Idea generators  
B. Champions  
C. Gatekeepers  
D. Coaches (2 marks)
2. Which one of the following could favour act as a source of innovative ideas for entrepreneurs to generate new opportunities?  
A. Demographic changes  
B. Stable industry  
C. Saturated market  
D. Conservative ideas  
E. (2 marks)
3. Entrepreneurs are faced with many challenges. Which one of the following is a drawback to entrepreneurship?  
A. Job security  
B. Enhanced investment  
C. Complex responsibility  
D. Generate impressive profit (2 marks)
4. Choose a method used by an adaptive entrepreneur to creatively solve a problem.  
A. Approaches tasks from unusual angles  
B. Employ a disciplined methodical approach  
C. Has little tolerance for routine work  
D. Discovers problems and avenues of solution (2 marks)
5. Identify a term used to describe entrepreneurial culture and behaviour inside large organisations.  
A. Innovation  
B. Autonomy  
C. Intrapreneurship  
D. Entrepreneurship (2 marks)
6. Which one of the following type of entrepreneurs focus on helping communities and building a better world?  
A. Virtual  
B. Lifestyle  
C. Serial  
D. Social (2 marks)
7. Choose a term used to describe a person who utilises opportunities in the market to add value in the society.  
A. Technologist  
B. Entrepreneur  
C. Developer  
D. Architect (2 marks)

8. Which one of the following is a force driving the growth of entrepreneurship in the 21<sup>st</sup> century?  
A. Population growth  
B. Political advances  
C. Technology advances  
D. Sociological advances (2 marks)

9. Which one of the following describes the process of determining whether an idea is a viable foundation for creating a successful business?  
A. Idea assessment  
B. Idea recognition  
C. Opportunity gap  
D. Feasibility analysis (2 marks)

10. Identify the results of a disciplined systematic process of applying creativity and innovation to opportunities in a market place.  
A. Capitalism  
B. Development  
C. Commercialisation  
D. Entrepreneurship (2 marks)

11. Select the purpose of undertaking an entrepreneur's feasibility analysis in the entrepreneurial process?  
A. Entrepreneurial opportunity  
B. Entrepreneurial alertness  
C. Entrepreneurial readiness  
D. Entrepreneurial efficiency (2 marks)

12. Choose an objective attained by an organisation after acquiring an intellectual property right.  
A. Confusing competitors  
B. Promote sharing of ideas  
C. Encourage healthy competition  
D. Safeguard their inventions (2 marks)

13. Choose from the following a role played by creativity in the innovation process.  
A. Slowing the innovation process  
B. Stifles generation of new ideas  
C. Generation of viable ideas  
D. Increase in bureaucracy (2 marks)

14. Identify the stage in the creative process when logical thinking can restrict creativity and generation of ideas.  
A. Investigation  
B. Transformation  
C. Preparation  
D. Illumination (2 marks)

15. Choose a technique along the creative process that involves weighing the alternatives available in making a particular decision.  
A. Rapid prototyping  
B. Mind mapping  
C. Force-field analysis  
D. Brainstorming (2 marks)

16. Select a term businesses use to distinguish their products from other similar products in the market.  
A. Patent right  
B. Promotion mark  
C. Trade mark  
D. Copyright (2 marks)

17. Which one of the following terms refer to a person who uses intellectual property without permission of the owner?  
A. Informant  
B. Infringer  
C. Offender  
D. Imitator (2 marks)

18. Identify the four stages through which technology progresses to become an applicable innovation.  
A. Research, demonstration, development, commercialisation  
B. Development, research, demonstration, commercialisation  
C. Research, development, demonstration, commercialisation  
D. Research, commercialisation, development, demonstration (2 marks)

19. Identify the actions taken by an innovator at the transformation phase of the creative process.  
A. Develop a clear understanding of the problem  
B. Reflecting on information collected  
C. Validating an idea as realistic and useful  
D. View similarities and connections in an idea (2 marks)

20. Which one of the following types of innovation involves making a different application of a current idea?  
A. Duplication  
B. Synthesis  
C. Extension  
D. Revolutionary (2 marks)

21. Which one of the following statements describes the significance of networking in business?  
A. It helps in avoiding competition  
B. To create business connections  
C. It increases production costs  
D. It leads to increased prices (2 marks)

22. Choose a term used to describe the process of identifying a service that creates value in the marketplace.  
A. Value addition  
B. Value chain  
C. Service generation  
D. Opportunity recognition (2 marks)

23. Choose an opportunity that a start-up business can exploit during the period when the economy is declining.  
A. Selling prime-priced food products  
B. Offering consumer items without discount  
C. Offering consumer items at a discount  
D. Store for upscale products at a premium (2 marks)

24. Select the type of innovation that results in a firm gaining a competitive position within the industry.  
A. Revolutionary  
B. Evolutionary  
C. Monopolistic  
D. Mandatory (2 marks)

25. Choose an approach to running a business that an entrepreneur could use to avoid business failure.  
A. Prepare financial statements  
B. Learn to manage people  
C. Develop a rigid structure  
D. Resource capitalisation (2 marks)

26. Choose a primary goal an entrepreneur attains by presenting a business plan when launching a new business.  
A. A tool to attract capital  
B. A guide to consumers  
C. A tool for production  
D. Assessing viability (2 marks)

27. Which one of the following features is an important element of the framework for developing an effective elevator pitch?  
A. Product techniques  
B. Benefits to customers  
C. Firm competitors  
D. Industry analysis (2 marks)

28. Identify a purpose for specifying a market entry strategy to be applied in the business planning process.  
A. Show pricing strategy  
B. Identify customer strategy  
C. State value proposition  
D. Obtain market value (2 marks)

29. Choose a valuable tip an entrepreneur could use when making a business plan presentation to potential investors.  
A. Detailed visual aids  
B. Risk taking ability  
C. Show enthusiasm  
D. Communication gap (2 marks)

30. Identify the purpose of making a business plan presentation to equity investors.  
A. To demonstrate presentation skills  
B. Demonstrate viability of opportunity  
C. Create complex presentation outlook  
D. Analyse customers buying behaviour (2 marks)

31. Which one of the following roles is played by a mentor in a business incubator?  
A. A competitive business owner  
B. Give professional guidance  
C. Offer marketing expert advice  
D. A person who invests in start-ups (2 marks)

32. Which one of the following statements gives the meaning of crowdfunding?  
A. Using initial public offer to generate funds  
B. Raising capital online to support an idea  
C. Borrowing money from a single investor  
D. Disposing assets to raise additional funds (2 marks)

33. Identify a source of funds for start-ups which display exceptional high growth potential.  
A. Angel financing  
B. Debt financing  
C. Venture capital  
D. Equity financing (2 marks)

34. Identify a factor considered by an entrepreneur when evaluating the form of ownership in terms of liability exposure.  
A. Protection from tax liability  
B. Control given up in a firm  
C. Switching business forms  
D. Personal liability protection (2 marks)

35. Who among the following a partners has unlimited liability and takes an active role in managing the business.  
A. Silent partner  
B. Registered partner  
C. General partner  
D. Junior partner (2 marks)

36. Identify a form of business that licenses its trademark and the method of doing business to other businesses at a cost.  
A. Corporation  
B. A merger  
C. Joint venture  
D. Franchise (2 marks)

37. Which one of the following benefits involves having a complete decision-making authority in a sole proprietorship form of business?  
A. Ability to earn huge profits  
B. Fast response to opportunities  
C. Personal liability for debts  
D. Personal knowledge and skill (2 marks)

38. Identify the importance of having a partnership deed when running a partnership firm.  
A. It is used for maintenance of account and audit  
B. Helps to resolve disputes among partners  
C. It stipulates the relationship with government  
D. Provides profit generating activities (2 marks)

39. Identify the goal of having a partnership agreement stating the terms under which partners will operate within the firm.

- A. To participate in management
- B. To share profits from operations
- C. To protect each partner's interest
- D. To be compensated for expenses

(2 marks)

40. Choose a role played by market research during the innovation process.

- A. Provides insights into customer needs and guides product development
- B. Unnecessary for innovative businesses since creativity drives all decisions
- C. It focuses on competitors' strategies without considering customer feedback
- D. It determines the pricing strategy for the innovative product

(2 marks)

41. Identify a primary research tool for conducting market research during product development process.

- A. Demographic data
- B. Market report
- C. Census data
- D. Prototypes

(2 marks)

42. Choose a term that refers to a value proposition that sets a business apart through a unique position in the market.

- A. Product brand
- B. Product promotion
- C. Competitive advantage
- D. Market Penetration

(2 marks)

43. Which one of the following terms describes a place within a market segment representing a narrow group of customers with similar interests?

- A. Attribute map
- B. Target market
- C. Market positioning
- D. Niche market

(2 marks)

44. Identify the term used to describe the means by which entrepreneurs create wealth-producing resources.

- A. Production
- B. Resourcefulness
- C. Innovation
- D. Creativity

(2 marks)

45. Which one of the following intellectual property rights protects new changes in an existing product and leads to an increase in firm sales?

- A. Utility patent
- B. Service mark
- C. Design patent
- D. Branding

(2 marks)

46. Choose the similarities between a public corporation and a private corporation.

- A. Perpetual existence
- B. Loss of control by founders
- C. Transferability of shares
- D. Publish financial statements

(2 marks)

47. Choose the term used to describe a technique in which franchisors sell their company-owned outlets to franchisees.

- A. Conversion franchising
- B. Refranchising
- C. Master franchise
- D. Cobranding

(2 marks)

48. Which one of the following objectives is the **MAIN** reason for involving a professional advisor to develop a succession plan?

- A. To perform an audit of accounts
- B. To perform financial analysis
- C. To provide objective perspective
- D. To choose and prepare successor

(2 marks)

49. Identify a business exit strategy that suits an entrepreneur who desires to step down from business ownership.

- A. Leveraged buyouts
- B. Employee stock ownership
- C. Selling to outsiders
- D. Equity holding

(2 marks)

50. Identify a process of exploiting opportunities that create social and economic value and take into account environmental impact.

- A. Social entrepreneurship
- B. Corporate entrepreneurship
- C. Public sector entrepreneurship
- D. Green entrepreneurship

(2 marks)

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## CISSE FOUNDATION LEVEL

### ENTREPRENEURSHIP AND INNOVATION

**WEDNESDAY: 6 December 2023. Morning Paper.**

**Time Allowed: 2 hours.**

**Answer ALL questions by indicating the letter (A, B, C or D) that represents the correct answer. This paper is made of fifty (50) Multiple Choice Questions. Each question is allocated two (2) marks.**

1. Which of the following is a characteristic of a successful entrepreneur?
  - A. A risk taker
  - B. Reactive Planner
  - C. Tolerate ambiguity
  - D. Great conformist

(2 marks)
2. Which among the following is a characteristic of an opportunistic entrepreneur?
  - A. Identifies a successful concept duplicated by others
  - B. Buys a business and uses new ideas to make it successful
  - C. Initiates a venture that will expand and grow rapidly
  - D. Buys a company and improves it before selling for a profit

(2 marks)
3. Select the term that classical theorists used to define entrepreneurs in the 17<sup>th</sup> century.
  - A. Heroes of enterprise
  - B. Profit makers
  - C. Economic giants
  - D. Risk takers

(2 marks)
4. Which of the following quality does psychological theorists of entrepreneurship emphasise?
  - A. Innovation
  - B. Actualisation
  - C. Personality
  - D. Accountability

(2 marks)
5. Choose a social context proposed by sociological theorists relating to entrepreneurial opportunities.
  - A. Population ecology
  - B. Cultural practices
  - C. Locus of control
  - D. Personality traits

(2 marks)
6. Identify a term for a process by which individuals pursue opportunities without regard to resources they currently control.
  - A. Self-employment
  - B. Entrepreneurship
  - C. Differentiation
  - D. Intrapreneurship

(2 marks)
7. Which of the following defines the ability to notice things without engaging in deliberate search?
  - A. Entrepreneurial firms
  - B. Entrepreneurial services
  - C. Entrepreneurial awareness
  - D. Entrepreneurial alertness

(2 marks)
8. Which of the following explains the process of perceiving the possibility of a profitable product?
  - A. Opportunity market gap
  - B. Window of opportunity
  - C. Opportunity recognition
  - D. Environment scanning

(2 marks)

9. Identify the term used for a firm's behaviour orientation with an emphasis of innovation and risk taking.  
A. Entrepreneurial mind-set  
B. Necessity entrepreneurship  
C. Opportunity entrepreneurship  
D. Corporate entrepreneurship (2 marks)

10. Which of the following is an economic impact made by entrepreneurial firms to a country?  
A. Innovation  
B. Registration  
C. Exploitation  
D. Adaptation (2 marks)

11. Which of the following refers to operating a firm and taking into account environmental conservation?  
A. Total quality management  
B. Continuous improvement  
C. Undifferentiated strategy  
D. Sustainable entrepreneurship (2 marks)

12. Which of the following refers to an innovative mind-set?  
A. Resistant to change and new ideas  
B. Creative and problem-solving  
C. Focus only on profit-making  
D. High risk taking personality (2 marks)

13. Why do businesses protect their intellectual property?  
A. Prevent competitor's entry  
B. To promote sharing of ideas  
C. Encourage healthy competition  
D. Eliminate inventions copying (2 marks)

14. Identify the chronological steps followed when generating creative ideas.  
A. Elaboration, preparation, insight, incubation and evaluation  
B. Incubation, preparation, insight, evaluation and elaboration  
C. Incubation, elaboration, preparation, insight and evaluation  
D. Preparation, incubation, insight, evaluation and elaboration (2 marks)

15. Which of the following refers to the ability to apply creative solutions to problems?  
A. Creativity  
B. Risk taking  
C. Innovation  
D. Enterprising (2 marks)

16. Which of the following is a barrier to individual creativity?  
A. Perceptual biases  
B. Enhanced diversity  
C. Focus on trends  
D. Being curious (2 marks)

17. Which of the following is a method entrepreneurs apply in order to enhance organisational creativity?  
A. Apply rules and strict procedures  
B. Encourage idea capturing procedures  
C. Prohibit positive attitudes and emotions  
D. Inhibit diversity in organisations (2 marks)

18. Which of the following is a key factor driving innovation in businesses?  
A. Economic stability and resistance to change  
B. Complacency and satisfaction with status quo  
C. Embracing creativity experimentation  
D. Strict adherence to traditional methods (2 marks)

19. What is the purpose of a prototype in the innovation process?  
A. Create a final version of the product  
B. Test and validate ideas before production  
C. To secure funding from investors  
D. To file for a patent right registration (2 marks)

20. Which of the following defines disruptive innovation?  
A. Incremental changes in existing products  
B. New products that displace competitors  
C. Maintaining status quo and resisting change  
D. Competitors' products to gain market share (2 marks)

21. What role does market research play in the innovation process?  
A. Provides insights into customer needs and preferences  
B. Guides decisions in regards to financial projections  
C. Competitors' strategies with minimal customer feedback  
D. Determines the pricing strategy for the innovative product (2 marks)

22. Identify an organisation's cultural trait that could foster innovation in a business?  
A. Punish employees for taking risks and making mistakes  
B. Encourage communication, collaboration and idea-sharing  
C. Limited access to information and financial resources  
D. Maintaining tight hierarchical organisation structures (2 marks)

23. Identify a unique process that results to a complete transformation of the existing markets.  
A. Production innovation  
B. Process innovation  
C. Radical innovation  
D. Market innovation (2 marks)

24. Select the term that describes processes used to make improvements and add value to existing services.  
A. Process innovation  
B. Value proposition  
C. Service orientation  
D. Incremental innovation (2 marks)

25. Which of the following is a benefit of effective innovation for businesses?  
A. Increased competition  
B. Encourage high costs  
C. Increased market share  
D. Improve management (2 marks)

26. Identify a benefit entrepreneurs obtain by employing a viable, tested business model at start-up stage.  
A. Lower costs of service  
B. High chances of success  
C. Enhanced licensing  
D. Inflexible activities (2 marks)

27. Which of the following represents a set of favourable circumstances that create a need for a new product?  
A. Competition gap  
B. Business opportunity  
C. Consumer opportunity  
D. Customer perceptions (2 marks)

28. Identify a socio-economic trend observed when identifying a business opportunity.  
A. Political  
B. Income  
C. Legal  
D. Ecological (2 marks)

29. Which of the following offers financial, technical and managerial support to start-up businesses?  
A. Mentor program  
B. Angel investor  
C. Business incubator  
D. Commercial banks (2 marks)

30. Which of the following elaborates the importance of business incubators?  
A. Provide a detailed budget  
B. Offers legitimate location  
C. Offers minimum returns  
D. High margin business (2 marks)

31. Identify a document that describes how to turn a business model into a successful business.  
A. Marketing plan  
B. Production plan  
C. Business plan  
D. Competitive plan (2 marks)

32. Which section of a business plan identifies intellectual property issues of a business?  
A. Management plan section  
B. Design and development  
C. Industry analysis section  
D. Business description section (2 marks)

33. Which section of the business plan shows the structure and governing team of a business?  
A. Organisation plan  
B. Designing plan  
C. Description plan  
D. Operational plan (2 marks)

34. Which of the following is a function of a well-designed business plan?  
A. Has proof of risk  
B. Tests proficiency  
C. Attracts investors  
D. Competitive test (2 marks)

35. Which of the following defines broadly the long-term direction of a business?  
A. Business and industry profile  
B. Business competitor analysis  
C. Tactical and operational plan  
D. Mission and vision statement (2 marks)

36. Identify the term used for making a business plan presentation to a specific audience.  
A. Brainstorming session  
B. Power point presentation  
C. An elevator pitch  
D. Competition speech (2 marks)

37. What is the advantage of venture capital as a means of raising funds?  
A. Helps in building business networks  
B. Takes short time to make decision  
C. Founder ownership stake is increased  
D. Funds released on a performance schedule (2 marks)

38. Which of the following is an advantage of debt financing?  
A. Permanent source of finance  
B. Challenges in repayment  
C. Disclosure of information  
D. Maintaining business control (2 marks)

39. Which of the following is a source of funding for innovative products?  
A. Research and development  
B. Venture capital firms  
C. Financial Planning.  
D. Bank interests (2 marks)

40. Which of the following is contained in the article of association of a business?  
A. The overall objectives of a company  
B. Nominal authorised capital of a company  
C. Internal rules and regulations of a business  
D. Statement that liability of members is limited (2 marks)

41. Which form of business arrangement allow others to use an established brand name.  
A. Companies  
B. Franchise  
C. Mergers  
D. Corporation (2 marks)

42. Identify a type of business that has no separation between ownership and management.

- A. Private company
- B. Public company
- C. Sole proprietor
- D. Franchisee

(2 marks)

43. Identify a disadvantage of franchising as a method of business expansion.

- A. Accesses to ideas
- B. Operation restrictions
- C. Paying royalties
- D. Inconsistent quality

(2 marks)

44. Which of the following is a common reason for starting part-time entrepreneurship?

- A. Develop high growth venture
- B. Narrow window of opportunity
- C. High capital investment
- D. Specialised management

(2 marks)

45. Choose the term used for the process of determining the potential target markets in an industry.

- A. Market positioning
- B. Marketing strategy
- C. Market segmentation
- D. Niche marketing

(2 marks)

46. Which of the following plays a key role in establishing a firm's strong ethical culture?

- A. Employees
- B. Founders
- C. Suppliers
- D. Financiers

(2 marks)

47. Which term describes how a business responds to the needs of communities?

- A. Ethical procedures
- B. Social responsibility
- C. Sustainability plan
- D. Ethical standards

(2 marks)

48. Identify an item included in a survival kit for the successor in management succession process.

- A. Employment act
- B. Training programs
- C. Bank accounts
- D. First aid kit

(2 marks)

49. Which of the following is a process that a business conducts over a computer-mediated network?

- A. Information technology
- B. Electronic business
- C. Artificial intelligence
- D. Crowd computing

(2 marks)

50. Which of the following service is provided on the crowdfunding sites to entrepreneurs?

- A. Sell accounts receivable
- B. Deferment of payments
- C. Peer-to-peer lending
- D. Create a profile

(2 marks)

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## CISSE FOUNDATION LEVEL

### ENTREPRENEURSHIP AND INNOVATION

**WEDNESDAY: 23 August 2023. Morning Paper.**

**Time Allowed: 2 hours.**

**Answer ALL questions by indicating the letter (A, B, C or D) that represents the correct answer. This paper is made of fifty (50) Multiple Choice Questions. Each question is allocated two (2) marks.**

1. Choose the term used for a process applied to an existing firm that leads new venture creation.
  - A. Technopreneurs
  - B. Intrapreneurship
  - C. Co-prenuership
  - D. Entrepreneurship

(2 marks)
2. Which of the following is a distinguishing characteristic of an entrepreneur?
  - A. Financial ability
  - B. Technical skills
  - C. Industrious nature
  - D. Opportunity recognition

(2 marks)
3. Which of the following gives the meaning of corporate entrepreneurship?
  - A. Entrepreneurship in an existing firm
  - B. Re-structuring management structure
  - C. External marketing in unique ways
  - D. Managerial appraising roles

(2 marks)
4. Which of the following is a key component to the concept of entrepreneurship development?
  - A. Regulation
  - B. Stabilisation
  - C. Innovation
  - D. Construction

(2 marks)
5. Select a strategy that well established firms use to promote intrapreneurship.
  - A. Establish rigid organisation structures
  - B. Apply complex organisation structure
  - C. Allow flexibility in operations
  - D. Penalise for failed projects

(2 marks)
6. Which of the following describes the goal of social entrepreneurship?
  - A. Social environmental infrastructure
  - B. Individual profits through innovative ways
  - C. Supplies goods and services to the society
  - D. Provide solutions using innovative methods

(2 marks)
7. Which of the following is a common source of entrepreneurial stress?
  - A. Environmental stress
  - B. Business cycles
  - C. Political environment
  - D. Need to achieve

(2 marks)
8. Select the statement that indicates the difference between a business idea and a business opportunity.
  - A. An opportunity represents favorable conditions, idea needs more analysis
  - B. A business idea can be executed while an opportunity cannot be executed
  - C. A method to apply the means and a method to benefit from the need
  - D. Business idea consists of a need, the means to fulfill the need unlike opportunity

(2 marks)

9. What is the last step taken by an entrepreneur when selecting a business opportunity?  
A. Identifying the needs and wants of customers  
B. Evaluating self and community  
C. Preparing a business plan  
D. Screening of business opportunity (2 marks)

10. Which of the following represent characteristics of a good business opportunity?  
A. Implement with no competition  
B. Customer focused production  
C. Attractive, achievable and sustainable  
D. Productive, repetitive and imitative (2 marks)

11. Identify the first step in the entrepreneurial process.  
A. Resource mobilisation  
B. Business development  
C. Opportunity identification  
D. Idea generation (2 marks)

12. Identify an activity undertaken at the harvesting stage of the entrepreneurial process?  
A. Writing a business analysis report  
B. Consulting an entrepreneur  
C. Choosing sustainable exit strategy  
D. Getting a return on investment (2 marks)

13. Which statement explains the contribution of entrepreneurship to economic growth of a country?  
A. Discussions and reports about the economy  
B. Widening the economic gap in the country  
C. Creation of ventures that create wealth  
D. Develop country's economic policies (2 marks)

14. Choose a common principle applied by successful innovative companies.  
A. A broad organisational vision  
B. Use of a single management approach  
C. Structure with professional project teams  
D. A complex market approaches (2 marks)

15. Identify one characteristic associated with entrepreneurial ego that may have destructive implications on the business.  
A. Sense of trust  
B. Desire for success  
C. Need for control  
D. Pessimistic view (2 marks)

16. Identify personal characteristic that may hinder business opportunity recognition.  
A. Limited targeted customers  
B. Lack of intense competition  
C. Poor customer service  
D. Inability to solve problems (2 marks)

17. Which of the following statements describes the behaviour that encourages creativity?  
A. Rigid organisational structure  
B. Investing in human resource  
C. Workers on same job for many years  
D. Penalising new failed ideas (2marks)

18. Which of the following statements gives the meaning of a business plan?  
A. An entrepreneur's description of opportunity  
B. A list of business ideas and proven concepts  
C. Written document of a proposed business venture  
D. A diary of entrepreneur's financial commitment (2 marks)

19. Choose an element expressed in the harvest strategy section of a business plan.  
A. Obstacles and risks  
B. Budgeting plans  
C. Management team  
D. Continuity of business (2 marks)

20. Identify a guideline observed when writing a business plan to attract financial investors.  
A. Limited critical risks analysis  
B. Focus to capture reader's interest  
C. Low revenue business potential  
D. Focus on overdiversification (2 marks)

21. Which of the following is a private form of business organisation.  
A. Partnerships  
B. Cooperatives  
C. Social venture  
D. Parastatals (2 marks)

22. Which of the following is a characteristic of a public limited company?  
A. Unlimited liability of members  
B. Local ownership limited  
C. Share on agreed proportions  
D. Ability to raise equity capital (2 marks)

23. Which of the following is a similarity between sole proprietorship and partnerships.  
A. Perpetual continuity of business  
B. Unlimited liability of members  
C. Control of business by the owners  
D. High cost of setting up business (2 marks)

24. Choose a major difference between a general partnership and a private limited company.  
A. Unlimited liability  
B. Continuity of business  
C. Liquidity of investment  
D. Management control (2 marks)

25. Which statement gives a distinction between an entrepreneurial firm and a small business?  
A. Number of start-ups  
B. Wealth generation  
C. Ability to innovate  
D. Employment status (2 marks)

26. Which of the following is a similarity between a limited company and a public limited company?  
A. Shares transferability  
B. Limited liability  
C. Similarity of shares  
D. Writing a prospectus (2 marks)

27. Which of the following is an example of paradigm innovation?  
A. Servitisation  
B. Incremental  
C. Radical  
D. Technological (2 marks)

28. Identify a reason for organisations shift from incremental to radical innovation.  
A. Upgrading a product  
B. Rules and regulations  
C. Increase in novelty  
D. Predicted new markets (2 marks)

29. Which statement describes the cradle-to-cradle approach to production?  
A. Products that could be re-used or recycled  
B. Dimensions of ecological impact  
C. Emissions and global foot prints  
D. Innovative production systems (2 marks)

30. Which term is used for innovation that occurs within a firm progressively?  
A. Revolutionary  
B. Evolutionary  
C. Radical  
D. Aggressive (2 marks)

31. Which of the following is an example of sustainability-led innovation in production industry.  
A. Radical innovation  
B. Incremental innovation  
C. Green products  
D. Process innovation (2 marks)

32. Why is it difficult for management to select a sustainability-led innovation?  
A. High uncertainty of returns  
B. Internal acquisition of skills  
C. Corporate paradigm shift  
D. Unfamiliarity sector growth (2 marks)

33. Which is the first step in the creative process of entrepreneurship?  
A. Investigation  
B. Transformation  
C. Preparation  
D. Illumination (2 marks)

34. Which of the following is the third step of a creative process in entrepreneurship?  
A. Insight  
B. Refinement  
C. Transformation  
D. Recognition (2 marks)

35. Which of the following is an inhibitor of creativity at the organisation level?  
A. Insisting on precision and certainty  
B. Human resource in same job for long time  
C. Being pessimistic and judgmental  
D. Being critical and inattentive (2 marks)

36. Choose a method used to encourage creativity at the supervisory level of a firm.  
A. Investing in creative works  
B. Rewarding employees in a firm  
C. Openness to other people's ideas  
D. Engaging people with different skills (2 marks)

37. Which of the following term refers to a negotiated revolving loan that is accessible when needed up to a certain limit?  
A. Trade credit  
B. Lease agreement  
C. Long term debt  
D. Funds are used in various business functions line of credit (2 marks)

38. Which of the following statement describes an entrepreneurial mindset?  
A. A trait displayed by intrapreneurs  
B. Recognising and exploiting opportunity  
C. A trait common by technopreneurs only  
D. Ability to invest in a profitable venture (2 marks)

39. Which of the following refers to funds invested in start-ups and small businesses with exceptional growth capital?  
A. Debt capital  
B. Lease funds  
C. Venture capital  
D. Equity capital (2 marks)

40. Which statement describes the purpose of target market feasibility analysis?  
A. Assess the appeal of a proposed product  
B. Gain attractiveness for proposed product  
C. Determine consumer behaviour  
D. Assess attractiveness of the business (2 marks)

41. Choose a major hindrance to accessing external financing presented in a business plan.

- A. Broadly defined market size
- B. Sources of data are not cited
- C. Absence of owner's risk
- D. Owners' credibility evidence

(2 marks)

42. Which statement shows the focus of marketing plan section of a business plan?

- A. Consumer behaviour in the industry
- B. Cost reduction in new business
- C. Marketing and selling techniques
- D. Prospecting approach for services

(2 marks)

43. Choose the benefit attained by applying in-home trial market research technique.

- A. Gives information on the technology uptake
- B. Obtains information on product utilisation
- C. Shows industrial technology development
- D. Shows production procedures adopted

(2 marks)

44. Choose the objective of developing an entrepreneur's market entry strategy.

- A. Shows entry strategy and its value proposition
- B. Shows the nature of the market entry value
- C. Shows the demand schedule of the product
- D. Shows the customer's interest in product

(2 marks)

45. Identify the reason for businesses to use leader pricing in the market.

- A. Compete and gain more power in market
- B. Sustain a constant pricing system
- C. Attract customers through a popular product
- D. Attract customers through change in product

(2 marks)

46. Identify the advantage of providing a collateral when seeking business financing?

- A. It provides the entrepreneur's proposal
- B. It increases ability to get a loan
- C. Provides the rate of interest
- D. It is a pledge by the borrower

(2 marks)

47. Which of the following gives the meaning of pure franchising.

- A. Right to use the franchisor's name
- B. Buying complete business format and system
- C. Selling products under franchisor name
- D. Selling all the products of a franchisor

(2 marks)

48. Which term is used for formal statement of an organisation's values on certain social and moral issues?

- A. Legal framework
- B. Code of conduct
- C. Integrity principle
- D. Private laws

(2 marks)

49. Identify a potential benefit for establishing a strong organisation's ethical culture.

- A. Improved employee commitment
- B. Increased business capital
- C. Increased employee turn-over
- D. High performance appraisal

(2 marks)

50. Which of the following term is used for entrepreneurship centers and economic germinators?

- A. Franchise centers
- B. First movers
- C. Business incubators
- D. Entrepreneurship labs

(2 marks)

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## CISSE FOUNDATION LEVEL

### ENTREPRENEURSHIP AND INNOVATION

**WEDNESDAY: 26 April 2023. Morning Paper.**

**Time Allowed: 2 hours.**

**Answer ALL questions by indicating the letter (A, B, C or D) that represents the correct answer. This paper is made of fifty (50) Multiple Choice Questions. Each question is allocated two (2) marks.**

1. Identify an entrepreneur who adapts technology that has been tested.
  - A. Exploiter entrepreneurs
  - B. Innovative entrepreneurs
  - C. Imitative entrepreneurs
  - D. Techno entrepreneurs
  
2. Which of the following characteristic presents an entrepreneur's ability to make decisions under uncertainty?
  - A. Self-confidence
  - B. Risk taking
  - C. Forward looking
  - D. Patience
  
3. Which of the following is an obstacle to the growth of corporate entrepreneurship?
  - A. Standard procedures
  - B. Multidiscipline skills
  - C. Flexible plans
  - D. Tolerating failure
  
4. The following are stages of the creative process:
  - (i) Verification
  - (ii) Implementation
  - (iii) Illumination
  - (iv) Incubation
  - (v) PreparationWhich of the following set represents the correct order of steps of the creative process?
  - A. (v), (i), (iii), (iv), (ii)
  - B. (iii), (iv), (i), (ii), (v)
  - C. (v), (iv), (iii), (i), (ii)
  - D. (iv), (ii), (i), (ii), (v)
  
5. What is the purpose of developing a prototype in the process of innovation?
  - A. Initiating process control
  - B. Product testing and refining
  - C. Enhancing individual creativity
  - D. Design discovery and implementation
  
6. Which of the following is an objective of presenting an elevator pitch to potential investors?
  - A. Test their knowledge
  - B. Stimulate their interest
  - C. Provide collateral
  - D. Legal compliance

7. Which section of the business plan contains the initial investment commitment needed for the new venture?

- A. Financial plan
- B. Business description
- C. Operation plan
- D. Marketing plan

8. Identify one challenge that a business could face from the use of external capital?

- A. Lower business survival rate
- B. Low business networking
- C. Business inflexibility
- D. Results to money wastage

9. Which of the following represents sources of equity capital?

- A. Trade credit, business angels, venture capital.
- B. Loan capital, debentures, share capital
- C. Venture capital, share capital, personal finances
- D. Debentures, share capital, business angels

10. Identify a reason that could make business angels reject a financing proposal.

- A. Low interest rate offered by business
- B. Lack of adequate finance collateral
- C. Lack of suitable guarantors
- D. Unfamiliarity with type of business

11. Which of the following is an advantage of face-to-face customer survey?

- A. Convenient for respondents
- B. Most effective response rates
- C. Fast method of data collection
- D. Cheap method of gathering data

12. Which of the following strategy involves tailoring of marketing programmes to the needs of individual customers?

- A. Micromarketing
- B. Niche marketing
- C. Differentiated marketing
- D. Concentrated marketing

13. Which of the following could be used as a tool for product positioning?

- A. Customer satisfaction
- B. Distribution channels
- C. Product display
- D. Product features

14. Which statement shows the difference between entrepreneurs and small business owners?

- A. Individual risk-taking ability
- B. Economic resources borrowed
- C. Method of production utilised
- D. Attitude on growth and innovation

15. Choose the term used to describe the art of turning an idea into a successful business.

- A. Proposal
- B. Entrepreneurship
- C. Innovation
- D. Business plan

16. Choose the reason to apply creativity at the start up stage of business.

- A. Solve problems of keeping the entrepreneurial advantages
- B. Improve across frontiers by mobilising human resource
- C. Develop a creative vision by incremental improvement
- D. Solve problems of opening new markets

17. Choose a term used in describing the ability to fashion an idea into a viable business.

- A. Moderate risk
- B. Business protocol
- C. Execution intelligence
- D. Creative ability

18. Choose an objective of promoting the growth of corporate entrepreneurship in 21<sup>st</sup> century.

- A. Broader organisational vision
- B. Change in organisational structure
- C. Growth in global competition
- D. Decline in business start-ups

19. Identify a contribution made by entrepreneurs to the economic development of a country.

- A. Broader organisational vision
- B. Even distribution of income
- C. Growth in international competitors
- D. Reduction in government revenue

20. Identify a business practice that saves costs and promotes the principle of sustainability.

- A. Environmental pollution
- B. Using high energy
- C. Use recycled materials
- D. High level consumption

21. Select the term used to describe the ability to develop new ideas in the market place.

- A. Innovation
- B. Discovery
- C. Application
- D. Creativity

22. Identify the term used to describe the ability to apply solutions to problems and enrich lives.

- A. Idealism
- B. Innovation
- C. Equity
- D. Optimism

23. Which of the following is a limiting factor during the early imaginative phase of the creative process?

- A. Focusing on being logical.
- B. Business social networks
- C. Entrepreneurial awareness
- D. Inability to solve problems

24. Choose a method used to enhance individual creativity within an organisation.

- A. Planning ahead
- B. Analytical tools
- C. Fundraising
- D. Collaborate

25. Choose the reason why progressive businesses are adopting innovations aggressively.

- A. To enable mass production
- B. To gain competitive success
- C. Market research and analysis
- D. Manage industry profitability

26. Select the type of innovation that results to the transformation of existing markets.

- A. Design
- B. Incremental
- C. Process
- D. Radical

27. Identify the goal of implementing process innovation in a manufacturing firm.

- A. Increase the unit cost of production
- B. Increase the unit cost of delivery
- C. To increase quality production.
- D. Engage in over diversification.

28. Identify a common characteristic of incremental innovation.

- A. New products in market
- B. Improvement in functionality
- C. Unique and novel products
- D. New services in market

29. Choose a critical factor considered when selecting a form of business organisation.

- A. Cost of setting up
- B. Government initiative
- C. Liquidity of investment
- D. Amount of assets

30. Which of the statements gives the best description of creative destruction?

- A. Newly created goods that hurt existing goods in the market
- B. Creativity allows a firm competitive product in the market
- C. Firms in a competitive industry combining resources to survive
- D. Fast-growing industry engaging in aggressive competition

31. Identify a common cause of businesses failure during the early stages of growth.

- A. Low administrative support
- B. Low market demand
- C. High market sales
- D. Lack of competition

32. Identify a role played by government to promote entrepreneurship in the country.

- A. Resource diversification
- B. Business registration
- C. Market mobilisation.
- D. Enabling environment

33. Identify an important tool used to attract capital in a regulated financial market.

- A. Business models
- B. Business liabilities
- C. Business plan
- D. Business registration

34. Choose an important item that should stand out when making an elevator pitch.

- A. The general source of idea
- B. The problem to be solved
- C. The prospective team
- D. The general target markets

35. What term is used to describe the technique of raising capital from multiple sources?

- A. Equity financing
- B. Debt financing
- C. Layered financing
- D. Crowd funding

36. Choose the title given to wealthy entrepreneurs who invest in start-ups in exchange for equity.

- A. Accredited investors
- B. Venture funding
- C. Angel financing
- D. Equity capital

37. Identify the type of capital that represents personal investment of the owner in a business.

- A. Personal savings
- B. Equity capital
- C. Private capital
- D. Venture capital

38. Identify the criteria used by venture capital companies to select the business where they can purchase equity positions.

- A. High demand for finances
- B. High profit potential
- C. Need of large market
- D. Desire for short term loan

39. Identify one level of ethical standards in an organisation.

- A. Business ethical level
- B. Business ethical norms
- C. Policies and procedures
- D. Business negotiations

40. Identify a factor an entrepreneur considers in ensuring e-commerce success.

- A. Skill for acquiring customers
- B. Minimise website performance
- C. Ensuring customer attrition
- D. Unfavourable customer experience

41. Choose the statement which gives description of succession in business.

- A. The process of transfer of property to founders
- B. The process of intergenerational transfer of business
- C. The process of transfer of business documents to the founder
- D. The process of establishing new business owners

42. Which statement describes the technique of rapid prototyping?

- A. Technique for evaluating the forces that support change
- B. Technique for unstructured team produces a novel idea
- C. Technique that allows discovery of flaws in the idea
- D. Technique for evaluating the forces that oppose change

43. Select the combination of factors required to be creative.

- A. Knowledge, motivation and imagination
- B. Knowledge, passion and motivation
- C. Motivation, diligence and knowledge
- D. Imagination, independence and motivation

44. Which statement explains bootstrapping marketing strategies?

- A. Conventional marketing strategy that gives a company a competitive advantage
- B. Unconventional competitive marketing strategy used by large businesses
- C. Creative marketing strategy designed to give small firms competitive advantage
- D. Creative marketing strategies that give large companies a competitive advantage

45. Choose the strategy entrepreneurs follow to achieve success in e-commerce.

- A. Focus on a mass market
- B. Develop a community of buyers
- C. Avoid the use of social media
- D. Develop an effective search engine

46. Which statement explains the concept of product-distribution franchising?

- A. A franchisee sells their own products
- B. A franchisor allows the franchisee to broaden network
- C. A franchisor licenses franchisee to sell its products
- D. A franchisee uses the franchisor's business location

47. Choose the main benefit of buying a franchise.

- A. Accessing a business system with a proven record of success
- B. Buying a successful common business enterprise
- C. Accessing a successful business model for competition
- D. Buying a business in an industry that is highly competitive

48. Which statement describes the drawbacks of buying a franchise?

- A. A wide product lines
- B. Strict standardised operations
- C. Lack of approved suppliers
- D. Entrepreneurs' freedom

49. Choose the meaning of initial public offering.

- A. An agreement between an underwriter and company
- B. A document filed with the registrar of companies
- C. A document describing a company stock offering
- D. A method of raising equity capital for business

50. Which statement describes the focus of marketing plan section of a business plan?

- A. The techniques of consumer behaviour in the industry
- B. The techniques of marketing and selling products or services
- C. The approach for marketing products and services
- D. The approach to cost reduction in new businesses

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## CISSE FOUNDATION LEVEL

### ENTREPRENEURSHIP AND INNOVATION

**WEDNESDAY: 7 December 2022. Morning Paper.**

**Time Allowed: 2 hours.**

**Answer ALL questions by indicating the letter (A, B, C or D) that represents the correct answer. This paper is made of fifty (50) Multiple Choice Questions. Each question is allocated two (2) marks.**

1. What does the harvesting stage of the entrepreneurial process involve?
  - A. Writing business analysis report
  - B. Consulting an entrepreneur
  - C. Choosing an exit strategy
  - D. Getting return on investment

(2 marks)
2. Which statement explains how organisations promote intrapreneurship?
  - A. Establishing rigid management organisation structures
  - B. Applying a long and complex organisation structure
  - C. Providing an environment where freedom is valued
  - D. Penalising project and product development failures

(2 marks)
3. Choose the statement that describes the purpose of social entrepreneurship.
  - A. Focuses on community and social environments
  - B. Encourages individuals to make incremental profits
  - C. Supplies goods and services to the very needy people
  - D. Solve community challenges in an innovative way

(2 marks)
4. Which statement describes how entrepreneurship contributes to economic growth?
  - A. Discussions and reports about the economy
  - B. Widening the economic gap in the country
  - C. Creating high growth ventures in the country
  - D. Working on the country's economic policies

(2 marks)
5. Which statement explains a step in corporate entrepreneurship strategy making process?
  - A. External environment conditions
  - B. Innovative strategic vision
  - C. Competitive business capability
  - D. Strategic business repositioning

(2 marks)
6. Choose one principle applied by successful innovative companies.
  - A. Implementation of operational organisation plan
  - B. Application of a single management approach
  - C. Flat organisational structure with project teams
  - D. Implementation of complex market approaches

(2 marks)
7. Select a common source of entrepreneurial stress.
  - A. Environmental stress
  - B. Business life cycles
  - C. Political environment
  - D. High need to achieve

(2 marks)
8. Choose the most appropriate definition of an entrepreneur.
  - A. Young, brilliant and energetic person
  - B. Gamblers who take big risk in business
  - C. Innovator contributing to economic growth
  - D. Genetically predisposed to be successful

(2 marks)

9. Identify one characteristic associated with an entrepreneurial ego.

- A. Sense of trust and mistrust
- B. Desire for business success
- C. Overbearing need for control
- D. Unrealistic view of business

(2 marks)

10. Select a personal characteristic that may hinder an entrepreneur from recognising a business opportunity.

- A. Prior business experience
- B. Business social networks
- C. Entrepreneurial awareness
- D. Inability to solve problems

(2 marks)

11. Identify one content found in the harvest strategy section of a business plan.

- A. Organisational obstacles and risks
- B. Organisational budgeting plans
- C. Organisation's continuity strategy
- D. Organisation's management team

(2 marks)

12. Choose one guideline considered when writing a business plan.

- A. Avoid highlighting the critical risks
- B. Writing to capture the reader's interest.
- C. Excess revenue potential of the business
- D. Focus on multiple markets and over diversify

(2 marks)

13. Choose the major similarity between sole proprietorship and partnership businesses.

- A. Perpetual continuity
- B. Unlimited liability
- C. Full control of owners
- D. High cost of setting up

(2 marks)

14. Choose the importance of having passion when running a successful business.

- A. To be able to gather the necessary business information.
- B. To persevere and persist when faced with challenges
- C. To find an appropriate partner with necessary resources
- D. To establish a good relationship with potential customers

(2 marks)

15. Which of the following statements describe the concept of bootstrapping?

- A. Using raw materials produced using high technology
- B. Using human capital that is highly specialised
- C. Reducing expenses to minimise cost of doing business
- D. Using technology to produce goods for a new market

(2 marks)

16. Choose the statement which gives the description of succession in business.

- A. The process of transfer of property to founders
- B. The process of intergenerational transfer of business
- C. Process of transfer of business documents to the founder
- D. The process of establishing new business owners

(2 marks)

17. Choose the factor driving the growth of corporate entrepreneurship.

- A. The growth of new markets in developing countries
- B. The growth of micro, small and medium enterprise.
- C. Growth of new competitors locally and internationally
- D. Growth of communication technology locally

(2 marks)

18. Choose the factor that contributes to successful corporate entrepreneurship.

- A. Having a tall organisation structure and lines of authority
- B. Having a team within organisation's lines of authority
- C. Having a vision and support for innovative atmosphere
- D. Having a single approach that encourages limited projects

(2 marks)

19. Which of the following is a technique for improving the creative process?

- A. Illumination
- B. Mind mapping
- C. Incubation
- D. Transformation

(2 marks)

20. Which statement describes the concept of rapid prototyping?  
A. Technique for evaluating the forces that support change  
B. Technique for unstructured team produces a novel idea  
C. Technique that allows discovery of flaws in the idea  
D. Technique for evaluating the forces that oppose change (2 marks)

21. Select a statement that describes the term patent.  
A. A design used by a company to identify the origin of a product  
B. A Symbol used by the company to distinguish a product  
C. A grant from the government to the inventor of a product  
D. A grant from associations to the inventor of a product (2 marks)

22. Choose the most distinctive quality of an imitative entrepreneur.  
A. Pursue opportunities and focus on growth  
B. Adapt successful innovations and duplicate them  
C. They go into business based on their expertise  
D. They are aggressive in experimentation of ideas (2 marks)

23. Which statement describes the force behind small business innovation?  
A. Agility and adaptability  
B. Excessive market resources  
C. Limited business market  
D. Access to information (2 marks)

24. Which of the following is a drawback of becoming an entrepreneur?  
A. Lack of control  
B. Uncertainty of income  
C. Short working hours  
D. Need for innovation (2 marks)

25. Which characteristic of entrepreneurs refer to the ability to recover and learn from business failure?  
A. Optimism  
B. Innovativeness  
C. Aggressiveness  
D. Resilience (2 marks)

26. Which of the following is an external factor that motivates people to become entrepreneurs?  
A. Large industrial base  
B. Risk-taking propensity  
C. Locus of control  
D. Need for independence (2 marks)

27. Which of the following is a reason for encouraging corporate entrepreneurship?  
A. Increased competition  
B. Increased unemployment  
C. Lack of skilled labour  
D. Unexploited resources (2 marks)

28. Which of the following technique could be used to enhance creativity in an organisation?  
A. Rules and regulations  
B. Standardised procedures  
C. Variety of skill types  
D. Autocratic leadership (2 marks)

29. What term refers to the creative stage where the new idea clearly emerges in the mind?  
A. Evaluation  
B. Imagination  
C. Incubation  
D. Illumination (2 marks)

30. Which of the following describes the term invention?  
A. Discovery of new and novel products  
B. Finding new solutions to problems  
C. Implementing new business ideas  
D. Coming up with new business ideas (2 marks)

31. Identify a factor that could determine the success of a new product in the market.

- A. Competitors' knowledge of the product
- B. Customers' perceived risk of the product
- C. Quantity of the product produced and sold
- D. Compatibility with customer's values

(2 marks)

32. Which of the following could lead to failure of a new venture?

- A. Compliance with legal requirements
- B. Failure to differentiate the products
- C. Mass production of goods and services
- D. Termination of the business life-cycle

(2 marks)

33. What role is played by business incubators?

- A. Enhance capacity of entrepreneurs
- B. Promote business competition
- C. Generation of new business ideas
- D. Allow entrepreneurs to use their brands

(2 marks)

34. Which intellectual property rights protect computer software programs against infringement?

- A. Patents
- B. Trademarks
- C. Copyrights
- D. Trade secrets

(2 marks)

35. Which of the following could contribute to the success of a brainstorming session?

- A. Evaluate every idea
- B. Limit number of ideas
- C. Involve a large group
- D. Allow wild ideas

(2 marks)

36. What term explains owner's personal investment in a business?

- A. Retained earnings
- B. Venture capital
- C. Start-up capital
- D. Equity capital

(2 marks)

37. Which of the following is a benefit that could accrue to an entrepreneur from using debt finance?

- A. No restrictions imposed
- B. Retention of control
- C. Payment is mandatory
- D. It is a permanent source

(2 marks)

38. Identify a reason that makes a business plan important to an entrepreneur?

- A. Increases the market share of a business
- B. Increases demand of goods and services
- C. Helps deal with uncertainties that arise
- D. Helps in maintaining financial records

(2 marks)

39. Which component of a business plan should be written last?

- A. Executive summary
- B. Financial plan
- C. Human resource plan
- D. Operations plan

(2 marks)

40. Why should an entrepreneur arrive early during an oral presentation of a business plan?

- A. To avoid anxiety
- B. Rehearse adequately
- C. Develop visual aids
- D. To impress investors

(2 marks)

41. Identify an advantage associated with sole proprietorships?

- A. Limited liability
- B. Quality decisions
- C. Unlimited life
- D. Flexibility

(2 marks)

42. Which form of business organisation suffers from double taxation?  
A. Partnership  
B. Joint venture  
C. Company  
D. Cooperative (2 marks)

43. Identify a restriction that a franchisor could impose on a franchisee?  
A. Amount of profit to be generated  
B. Business methods and standards  
C. Use of franchisor's brand name  
D. Training facilities and fees (2 marks)

44. Which of the following is a challenge of buying an existing business?  
A. No established suppliers and employees  
B. A lot of time needed to launch the business  
C. Change and innovation are hard to implement  
D. It is difficult to attract financing from lenders (2 marks)

45. Which of the following is a requirement of an effective market segment?  
A. Substantial  
B. Ethical  
C. Reputable  
D. Equitable (2 marks)

46. Which of the following describes undifferentiated marketing?  
A. Micromarketing  
B. Niche marketing  
C. Segmented marketing  
D. Mass marketing (2 marks)

47. Which of the following is a tool that could facilitate product positioning?  
A. Competitors  
B. Demand  
C. Slogan  
D. Employees (2 marks)

48. Identify the importance of insurance to an entrepreneur?  
A. Risk avoidance.  
B. Risk transfer  
C. Risk prevention  
D. Risk elimination (2 marks)

49. Identify a way in which an entrepreneur could demonstrate ethical business practices.  
A. Wide distribution of goods  
B. Concern for the environment  
C. High sales and business growth  
D. Selling goods at lower prices (2 marks)

50. Which of the following is a use of artificial intelligence in business?  
A. Predicting customer preferences  
B. Ensuring supply of goods to customers  
C. Reduce the level of customer service  
D. Reduce customer engagement (2 marks)

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## CISSE FOUNDATION LEVEL

### ENTREPRENEURSHIP AND INNOVATION

**WEDNESDAY: 3 August 2022. Morning paper.**

**Time Allowed: 2 hours.**

**This paper is made of fifty (50) Multiple Choice Questions. Answer ALL questions by indicating the letter (A, B, C or D) that represents the correct answer. Each question is allocated two (2) marks.**

1. Select the item that is not a component of types of innovation.
  - A. Product
  - B. Structure
  - C. Process
  - D. Position

(2 marks)
2. Which of the following is an example of paradigm innovation?
  - A. Servitization
  - B. Incremental
  - C. Radical
  - D. Technological

(2 marks)
3. Which statement describes experience innovation as a business model of innovation?
  - A. Personalized service together with a platform for co-creating
  - B. Concept of transformation from ownership to rental.
  - C. Providing a service alongside experience around a core product
  - D. Internet and enabled substitution of physical encounters

(2 marks)
4. Choose the major cause of a shift from incremental to radical innovation.
  - A. Upgrading a product
  - B. High degree of novelty
  - C. New rules and regulations
  - D. Emergence of new markets

(2 marks)
5. Which statement describes the cradle-to-cradle approach to production?
  - A. Sustainable products with components that can be re-used or recycled.
  - B. Improvements to processes with one or more dimensions of ecological impact.
  - C. Compliance with regulations on emissions and global foot prints.
  - D. Approach that considers consequences of innovation decisions

(2 marks)
6. Choose an example of sustainability-led innovation in the production industry.
  - A. Radical innovation
  - B. Incremental innovation
  - C. Green products
  - D. Process innovation

(2 marks)
7. Which statement describes the concept of developing firm-level capabilities through process upgrading?
  - A. Upgrading through adaptation, design and production development
  - B. Improving the range of functions undertaken by the organization.
  - C. Upgrading by moving to sectors with higher-value added benefits
  - D. Incremental process improvements to improve quality and reduce costs.

(2 marks)

8. Select the reason management finds it a challenge to select a sustainability-led innovation.

- A. Challenge of resource allocation under high uncertainty
- B. Challenge of internal mobilization requiring new skills
- C. The need for a new corporate paradigm shift
- D. Challenge of searching in unfamiliar field or sector

(2 marks)

9. Which statement gives the best definition of creativity?

- A. A logical process of imagination and ability
- B. Ability to generate ideas in the production process
- C. Ability to produce novel and useful work
- D. Ability to solve problems rather than find problems

(2 marks)

10. Choose the third step in the model of the creative process in entrepreneurship.

- A. Insight
- B. Transformation
- C. Refinement
- D. Recognition

(2 marks)

11. Choose the reason to apply creativity at the start up stage of business.

- A. Solve problems of keeping the entrepreneurial advantages.
- B. Improve across frontiers by mobilizing human resource.
- C. Develop a creative vision by incremental improvement.
- D. Solve problems of opening new markets

(2 marks)

12. Which statement describes an entrepreneurial mindset?

- A. A trait common to intrapreneurs only
- B. Ability to recognize opportunity and take risks
- C. A trait common to technopreneurs only
- D. Ability to invest in a profitable venture

(2 marks)

13. Choose the best definition of opportunity recognition.

- A. Identifying the business opportunity with high returns
- B. Identifying the gaps existing in the market in the short-run
- C. Identifying a needed product that creates value to consumers with ability to buy
- D. Identifying a problem that needs to be resolved with an innovative way

(2 marks)

14. Which of the following is a benefit gained by entrepreneurs?

- A. Financial insecurity
- B. Independence
- C. Long hours of work
- D. Dissatisfaction

(2 marks)

15. Which statement gives the best description of a lifestyle entrepreneur

- A. Entrepreneur who focuses on building a better world
- B. Entrepreneur whose focus is protecting the environment
- C. Entrepreneurship suited to the living pattern of the entrepreneur
- D. Entrepreneur with the ability to build multiple businesses

(2 marks)

16. Which statement gives the best description of execution intelligence?

- A. Ability to identify a viable business idea
- B. Ability to evaluate an entrepreneurial opportunity
- C. Ability to write a business plan on new opportunity
- D. Ability to transform an idea into a viable business

(2 marks)

17. Choose a common misconception about entrepreneurs in the world.

- A. Entrepreneurs are moderate risk takers
- B. Entrepreneurs are born not made.
- C. Entrepreneurs seek financial rewards.
- D. Entrepreneurial activity is spread out over age ranges

(2 marks)

18. The first step of the entrepreneurial process can be described as?  
A. Developing a successful business idea  
B. Evaluating the viability of a business idea  
C. The decision to become an entrepreneur  
D. The decision to write a business plan (2 marks)

19. Which statement describes corporate entrepreneurship?  
A. An innovative entrepreneurial firm within an industry  
B. Conceptualization of entrepreneurship at the organization level  
C. High impact entrepreneurial firms within an industry  
D. High growth entrepreneurial firms in the technology industry (2 marks)

20. Which statement describes the term ‘window of opportunity?’  
A. An opportunity gap that creates a need to fill it  
B. An opportunity in a mature industry that needs to be filled  
C. An opportunity generated after a thorough scanning  
D. Time period within which a firm can enter new market (2 marks)

21. Choose an economic force that helps to determine areas for new business.  
A. Level of disposable income  
B. Level of demographic changes  
C. Level of emerging technologies  
D. Level of new technological advances (2 marks)

22. Choose the approach used by entrepreneurs to identify opportunities.  
A. Elaboration of an idea  
B. Observing the trends  
C. Incubation of an idea  
D. Evaluation of an idea (2 marks)

23. Choose an inhibitor of creativity at the organization level.  
A. Insisting on precision and certainty  
B. Retaining human resource in same job for long time  
C. Being pessimistic and judgmental  
D. Being critical and inattentive (2 marks)

24. Choose a facilitator of creativity at the supervisory level of a firm.  
A. Investing business resources in creative works  
B. Rewarding creative employees in a firm  
C. Being open to other people’s ideas  
D. Hiring people with different skills (2 marks)

25. Which statement gives the best description of feasibility analysis?  
A. The business research process of viability  
B. The business proposal process of viability  
C. The business monitoring process of viability  
D. The process of determining if business idea is viable (2 marks)

26. Choose the purpose of product/service feasibility analysis.  
A. To assess the overall appeal of the product or service proposed.  
B. To assess the components of the product or service proposed  
C. To assess the industrial competitiveness of the product or service proposed  
D. To assess the competitors of product or service proposed (2 marks)

27. Choose the main purpose of financial feasibility analysis.  
A. To determine the sources of funds for the proposed business  
B. To assess the industry profitability of the proposed business  
C. To assess the financial attractiveness of the proposed business  
D. To assess the equipment needed to start the proposed business (2 marks)

28. Which statement describes the purpose of target market feasibility analysis?  
A. To assess the appeal of the industry and target market for the proposed product  
B. To assess the industry attractiveness for the proposed product or service  
C. To determine the market feasibility and consumer behaviour for proposed product  
D. To determine the characteristics of the attractive industries producing proposed product (2 marks)

29. Choose a major hindrance to accessing external financing displayed in a business plan.  
A. A broadly defined market size  
B. When the sources of data are not cited  
C. Founders with none of their own money at risk  
D. Unrealistic credibility of the entrepreneur (2 marks)

30. Identify the **BEST** definition of a business plan.  
A. Written document by an entrepreneur describing the business opportunity  
B. Written narrative describing what a business intends to achieve its goals  
C. Written document on the best sources of finance for a new business  
D. Written narrative describing the entrepreneurs' ability to start a business (2 marks)

31. Which statement describes the focus of marketing plan section of a business plan?  
A. The techniques of consumer behaviour in the industry  
B. The techniques of marketing and selling products or services  
C. The approach for marketing products and services  
D. The approach to cost reduction in new businesses (2 marks)

32. Choose the strongest force in Porter's Five Forces Model.  
A. The bargaining power of buyers  
B. The rivalry among competing companies  
C. The threat of substitute products  
D. The threat of new entrants (2 marks)

33. Choose the most common entry strategy for new entrepreneurial businesses.  
A. Franchising the business  
B. Corporate entrepreneurship  
C. Acquisitions  
D. Market niches (2 marks)

34. Identify the advantage of undertaking windshield market research for a new product.  
A. Ability to learn what customers like or do not like about businesses within an industry  
B. Ability to learn what customers like about products and services  
C. Ability to learn the product positioning in an industry  
D. Ability to learn the marketability of products in the industry (2 marks)

35. Choose the benefit attained by applying in-home trial market research technique.  
A. It provides information on the technology uptake in product usage  
B. It provides information into how customers use a product or service  
C. It provides information on the industrial technology development  
D. It provides information on the production procedures adopted (2 marks)

36. Which statement explains the objective of entrepreneurs' feasibility analysis?  
A. Personal entrepreneurial awareness  
B. Personal entrepreneurial capacity  
C. Personal entrepreneurial readiness  
D. Personal entrepreneurial finance (2 marks)

37. Choose the main purpose entrepreneurs undertake the process of business prototyping.  
A. Test the product development process  
B. Test the service development process  
C. Test business models on a small scale  
D. Test the marketability of the product (2 marks)

38. Choose the second step of the business modelling process.  
A. Pivoting the business model  
B. Testing the product  
C. Testing the value proposition  
D. Developing the business model (2 marks)

39. Identify the best explanation of the term ‘minimal viable product’  
A. The simplest version of a product or service  
B. The simplest form of product development  
C. The simplest form of service development  
D. The simplest form of business start-up (2 marks)

40. Choose the objective of developing an entrepreneur’s market entry strategy.  
A. To explain the entry strategy and its value proposition.  
B. To show the nature of the market entry value  
C. To show the demand schedule of the product  
D. To show the customer’s interest in product (2 marks)

41. What role does an entrepreneur’s collateral play when seeking financing?  
A. It is required by the lending institutions  
B. It is part of the business proposal  
C. It provides evidence of business commitment  
D. It is a pledge to the lender as security for repayment (2 marks)

42. Choose a component that DOES not form part of Intellectual capital.  
A. Human capital  
B. Structural capital  
C. Product capital  
D. Customer capital (2 marks)

43. Which statement describes a silent partner in a partnership?  
A. Partners who are financial investors in a partnership  
B. Partners who are not active nor generally known to be members  
C. Partners who have unlimited liability for the partnership  
D. Partners who are not active but generally known as members (2 marks)

44. Choose the statement that explains the meaning of pure franchising.  
A. Purchasing the right to use the franchisor’s name  
B. Franchisor sells a complete business format and system  
C. Franchisee sells the products under franchisor name  
D. Franchisee sells the all the products of a franchisor (2 marks)

45. Which statement gives the best description of revolutionary products?  
A. Products that are created with new features for future market  
B. Products that are new and unique and transform existing market  
C. Products that offer the same basic features as existing products  
D. Products that offer customer satisfaction selectively (2 marks)

46. Which statement gives the best description of evolutionary products?  
A. Products that offer upgrades and enhancements to the existing products.  
B. Products that offer unique features to test their marketability  
C. Products that offer customer minimal satisfaction but are unique  
D. Products that provide a competitive advantage in a new industry (2 marks)

47. Identify the reason entrepreneurs use leader pricing in the market.  
A. To fight the competitor and gain more power  
B. To compete effectively without changing the price  
C. To attract more customers by marking down a popular product.  
D. To attract more customers by making a change in product elements (2 marks)

48. Choose the benefit that accrue to a customer when an entrepreneur offers price bundling.

- A. Customer gets a lower price of the product
- B. Customer gets extra value at a special price
- C. Customer gets a discount on product purchased
- D. Customer gets added benefits from the product

(2 marks)

49. Which is the first step in the creative process of entrepreneurship?

- A. Investigation
- B. Transformation
- C. Preparation
- D. Illumination

(2 marks)

50. Identify the statement that gives the **BEST** description of cost leadership strategy.

- A. Firm strategy of offering the lowest cost in the industry
- B. Firm strategy of offering a competitive price in the industry
- C. Firm strategy of offering the highest price to premium customer
- D. Firm strategy of offering low prices for all their products

(2 marks)

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CISSE

**FOUNDATION LEVEL**

**ENREPRENEURSHIP AND INNOVATION**

**WEDNESDAY: 6 April 2022. Morning paper.**

**Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question.**

1. The following are functions performed by an entrepreneur **EXCEPT**:  
(a) Making business decision.  
(b) Making customers attention.  
(c) Taking risks and uncertainty bearing.  
(d) Taking managerial functions. (1 mark)
2. Which of the following is an obstacle to entrepreneurship growth?  
(a) High risks involved.  
(b) High status of businessman.  
(c) Market perfections  
(d) Unrestrictive effects of customs. (1 mark)
3. \_\_\_\_\_ is a process of creating something new.  
(a) Creating.  
(b) Modelling.  
(c) Innovation.  
(d) Business model. (1 mark)
4. The following are factors that affect wireless system **EXCEPT**:  
(a) Signal encoding.  
(b) Frequency allocations.  
(c) Urgent situations.  
(d) Multiple access mechanisms. (1 mark)
5. Which one of the following is a merit of the small firm in the innovation process?  
(a) Ability to raise finance.  
(b) Ability to carry out research and development.  
(c) Ability to carry out multiple tasks.  
(d) Ability to act on new ideas development. (1 mark)
6. The following are characteristics shared by those who excel at recognising opportunities **EXCEPT**:  
(a) Prior experience.  
(b) Brainstorming.  
(c) Entrepreneurial alertness.  
(d) Social contacts and ties. (1 mark)
7. \_\_\_\_\_ is conducted to assess whether a proposed business has adequate experts and resources to successfully launch its business.  
(a) Organisational feasibility analysis.  
(b) Market feasibility analysis.  
(c) Industry feasibility analysis.  
(d) Financial feasibility analysis. (1 mark)

8. Which of the following statements **BEST** describes the content for entrepreneurship?  
(a) It takes place in small businesses.  
(b) It takes place in large businesses.  
(c) It takes place in a wide variety of contents.  
(d) It does not take place in social enterprises. (1 mark)

9. The following are roles of incubation **EXCEPT**:  
(a) It provides motivation to start up.  
(b) It provides financial support to start up.  
(c) It provides membership support.  
(d) It provides networking opportunities. (1 mark)

10. What is the innovation gap?  
(a) An opening that rivals might exploit.  
(b) The time that elapses between invention and innovation.  
(c) An opening that can be exploited by an entrepreneur with a good idea.  
(d) A nation's lack of inventiveness. (1 mark)

11. A business manager who starts a new initiative to his organisation by setting up a new business can be regarded as \_\_\_\_\_.  
(a) Ecopreneur.  
(b) Technopreneur.  
(c) Entrepreneur.  
(d) Social entrepreneur. (1 mark)

12. Which of the following is the **MAJOR** characteristic of a successful business website?  
(a) Innovation.  
(b) Speed.  
(c) Graphics.  
(d) Products. (1 mark)

13. Which of the following is a disadvantage for a franchisee in a franchise business?  
(a) Lack of independence.  
(b) Franchise business has a high failure rate.  
(c) Lack of brand identity.  
(d) Lack of training by the franchisor. (1 mark)

14. Which of the following attitudes is **NOT** associated with successful entrepreneurship?  
(a) Competition and cooperation.  
(b) Desire to influence others.  
(c) Innovation and product improvement.  
(d) Status quo in business. (1 mark)

15. Entrepreneurial culture consists of the following **EXCEPT**:  
(a) Encouraging employees to generate ideas.  
(b) Focusing on opportunities.  
(c) The desire to grow at a slow and controlled pace.  
(d) Being creative. (1 mark)

16. A business plan is important for the following reasons **EXCEPT**:  
(a) It forces firm's founders to systematically think through each aspect of their new venture.  
(b) It provides tenders and investors assurance that they will earn a decent return.  
(c) It provides an investor with something to react to.  
(d) It is a selling document that enables a business to present itself to potential suppliers and business partners. (1 mark)

17. A \_\_\_\_\_ is a professional money maker who makes risk investment from a pool of equity capital to obtain a high rate of return on investment.  
(a) Venture capitalist.  
(b) Entrepreneur.  
(c) Businessman.

(d) Buyer. (1 mark)  
18. A business arrangement where the one party allows another party to use a business name and sell the product is known as \_\_\_\_\_.  
(a) A cooperative.  
(b) An owner-manager business.  
(c) A limited company.  
(d) A franchise. (1 mark)

19. A new venture's business plan is essential because \_\_\_\_\_.  
(a) It helps to persuade others to commit funding to the venture.  
(b) Can help demonstrate the visibility of the venture.  
(c) Provides a guide for business activities by defining objectives.  
(d) Helps an entrepreneur to reach a break-even point. (1 mark)

20. \_\_\_\_\_ is a favourable set of circumstances that creates a need for a new product, service or business.  
(a) A niche.  
(b) A venture.  
(c) A trend.  
(d) An opportunity. (1 mark)

21. Which of the following is **NOT** a method of identifying an opportunity?  
(a) Observing trends.  
(b) Solving problems.  
(c) Finding gaps in the market place.  
(d) Trying out alternative uses of existing products. (1 mark)

22. Which of the following statements is **FALSE** on e-commerce?  
(a) Can allow new ventures to compete on more or less equal terms with large firms.  
(b) Can lead to small businesses having reduced contact with their customers.  
(c) Is rarely used in small businesses.  
(d) Is used in many different industries and markets. (1 mark)

23. The following element is **LEAST** to influence the timing of a new business entry.  
(a) Government policies.  
(b) Profitability.  
(c) Consumer expenditure.  
(d) Weather conditions. (1 mark)

24. The following statement is **FALSE** on the importance of small businesses:  
(a) They give an outlet for consumers.  
(b) They derive huge amount of consumer income.  
(c) They can provide specialist support to large businesses.  
(d) They can be innovative of new products. (1 mark)

25. \_\_\_\_\_ is a problem solving technique designed to produce various ideas in a short period.  
(a) Synectics.  
(b) Delphi technique.  
(c) Brainstorming.  
(d) Nominal group technique. (1 mark)

26. Goods and services reach the market place through \_\_\_\_\_.  
(a) Marketing channels.  
(b) Multilevel pyramids.  
(c) Monopolitics.  
(d) Multiplication. (1 mark)

27. The following are elements of the macro-environment **EXCEPT**:  
(a) Political and regulatory factors.  
(b) Customer needs in a given market.  
(c) Social and demographic factors.  
(d) Technological changes. (1 mark)

28. Information about business competition can be obtained from the following **EXCEPT**:  
(a) Websites.  
(b) Product information leaflets.  
(c) Telephone conversations.  
(d) Company reports. (1 mark)

29. Which of the following is **NOT** a form of intellectual property?  
(a) Trade marks.  
(b) Patents.  
(c) Copyright.  
(d) Tangible assets. (1 mark)

30. An idea of a new product is tested to potential customers to determine consumer acceptance at \_\_\_\_\_ stage.  
(a) Concept.  
(b) Product development.  
(c) Test marketing.  
(d) Commercialisation. (1 mark)

31. The purpose of a good strategy for a small business is \_\_\_\_\_.  
(a) To increase turnover.  
(b) To increase profitability.  
(c) To achieve competitive advantage.  
(d) To achieve stated objective. (1 mark)

32. The fourth step in the entrepreneurial process is \_\_\_\_\_.  
(a) Growing the entrepreneurial firm.  
(b) Deciding to become an entrepreneur.  
(c) Developing successful business ideas.  
(d) Initiating new rules. (1 mark)

33. The following is an obstacle of a person becoming an entrepreneur:  
(a) Gender.  
(b) Education.  
(c) Values.  
(d) Lack of permit to stay in the country. (1 mark)

34. Members of distribution channels are ideal sources for new ideas because \_\_\_\_\_.  
(a) They have well-developed sales force.  
(b) They are bothered when an entrepreneur bears a loss.  
(c) They earn a handsome profit from new business.  
(d) They are familiar with the needs and interest of the market. (1 mark)

35. Which one among the following is the **MOST** determinant element of entrepreneurial growth?  
(a) Government.  
(b) Politics.  
(c) Market.  
(d) Private organisations. (1 mark)

36. \_\_\_\_\_ entrepreneurs are very cautious and skeptical while practicing any change:  
(a) Innovative.  
(b) Initiative.  
(c) Fabian.  
(d) Drone. (1 mark)

37. Which of the following **BEST** explains the role of an entrepreneur in economic development?  
(a) Promotes imbalance regional development.  
(b) Promotes capital formation.  
(c) Increase unemployment problem.  
(d) Promotes imbalanced national development. (1 mark)

38. The status of entrepreneur is of \_\_\_\_\_ while of manager is \_\_\_\_\_.  
(a) Owner – servant.  
(b) Employee – servant.  
(c) Servant – owners.  
(d) Employee – employer. (1 mark)

39. Subconscious assimilation of information is reflected in \_\_\_\_\_ stage of creativity process.  
(a) Verification.  
(b) Incubation.  
(c) Illumination.  
(d) Preparation. (1 mark)

40. The idea and actions that explains how a business could make profit is known as \_\_\_\_\_.  
(a) Mission.  
(b) Strategy.  
(c) Goal.  
(d) Objective. (1 mark)

41. \_\_\_\_\_ is a concept that can be converted into a tangible product or service for commercial purposes.  
(a) Business idea.  
(b) Opportunity.  
(c) Market.  
(d) Business Plan. (1 mark)

42. The development of a new venture based on an investor's work requires \_\_\_\_\_.  
(a) Heavy investment from financiers.  
(b) Skilled human resource.  
(c) Expertise of an entrepreneur.  
(d) Highly educated staff. (1 mark)

43. A business where an individual is both the owner and conductor of business affair is regarded as \_\_\_\_\_.  
(a) Sole proprietorship.  
(b) Partnership.  
(c) Cooperative.  
(d) Small business. (1 mark)

44. The period of business where an entrepreneur must position the venture in a market and make necessary adjustments to assure survival is called \_\_\_\_\_.  
(a) Pre-startup stage.  
(b) Early growth stage.  
(c) Startup stage  
(d) Later growth stage. (1 mark)

45. An entrepreneur with an internal locus of control \_\_\_\_\_.  
(a) Has a high need for achievement.  
(b) Believes fate is a powerful force.  
(c) Feels comfortable in an unstructured situation.  
(d) Believes that success or failure depends on his/her actions. (1 mark)

46. An incubation is \_\_\_\_\_.  
(a) A government agency that advises and assist small businesses.  
(b) A programme through which private investment companies licensed by government to lend money to small businesses.  
(c) A centre that offers new businesses low-cost offices with basic business services.  
(d) A specific geographic area to which the government try to attract private businesses by a variety of means. (1 mark)

47. A business plan for a new business should include the following EXCEPT:

(a) A marketing plan.  
 (b) A discussion of the purpose of the business.  
 (c) A description of the company background.  
 (d) The name of the bank. (1 mark)

48. Which of the following is a barrier to new product creation and development?  
 (a) Opportunity cost.  
 (b) Motive.  
 (c) Attitude.  
 (d) Intrapreneurship culture. (1 mark)

49. Most organisations begin the process of establishing organisational ethics programmes by developing \_\_\_\_\_.  
 (a) Ethics training programmes.  
 (b) Codes of conduct.  
 (c) Ethics enforcement mechanisms.  
 (d) Hidden agenda. (1 mark)

50. Which of the following is **NOT** a function of an ethical committee?  
 (a) Enforcing the code.  
 (b) Terminating the employees.  
 (c) Punishing violations.  
 (d) Rewarding compliance. (1 mark)

51. Which of the following statement **BEST** explains the benefit of business ethics to employees?  
 (a) Guidance to businessmen in decision making.  
 (b) Lead to high level of corporate governance.  
 (c) Lead to fair wages and other monetary and non-monetary benefits.  
 (d) It leads to the expansion and growth of business activities. (1 mark)

52. Which of the following is **NOT** unethical practice in business?  
 (a) Supplying inadequate information on the packages.  
 (b) Giving misleading advertisements.  
 (c) Utilisation of natural resources.  
 (d) Charging higher prices. (1 mark)

53. Why is the executive summary the **MOST** important section of the business plan?  
 (a) The section provides in-depth discussion of the major trends in the business.  
 (b) The section summarises the business key executives.  
 (c) The section has to entice the vendor to read the rest of the plan.  
 (d) The section of the plan deals with the day-to-day operations of the company. (1 mark)

54. The following are causes of forced succession in family business **EXCEPT**:  
 (a) Mental breakdown.  
 (b) Planned departure.  
 (c) Severe business decline.  
 (d) Legal problems. (1 mark)

55. Which of the following is a disadvantage of a family-run business?  
 (a) Less access to capital markets.  
 (b) Less bureaucratic and impersonal.  
 (c) Less takeover risks.  
 (d) Long term orientation. (1 mark)

56. The internal source of innovation in enterprise comprise:  
 (a) Changes in industry structure.  
 (b) Demographics.  
 (c) Changes in perception.  
 (d) The unforeseen success. (1 mark)

57. The **BEST** marketing strategy to apply at decline stage of product life-cycle involve \_\_\_\_\_.  
 (a) Heavy promotional expenditure.  
 (b) Decreasing the firm's investment level selectively.

(c) Product modification.  
(d) Entering into new market segments. (1 mark)

58. A market segment should be \_\_\_\_\_.  
(a) Substantial and powerful.  
(b) Powerful and measurable.  
(c) Measurable and differentiable.  
(d) Actionable and powerful. (1 mark)

59. Which of the following is the correct sequence of creative process?  
(a) Idea germination-incubation-illumination-preparation-verification.  
(b) Idea germination-preparation-incubation-illumination-verification.  
(c) Idea germination-illumination-incubation-verification-preparation.  
(d) Idea germination-verification-preparation-incubation-illumination. (1 mark)

60. The following are activities that an entrepreneur could carry before entering into a joint venture **EXCEPT**:  
(a) Attending any trade show/trade fair organised by the potential partner.  
(b) Checking the references for each potential partner.  
(c) Collect much information as possible for the business and potential partners.  
(d) Contracting the partners management skills and techniques. (1 mark)

61. Which of the following statement **BEST** presents a business opportunity in the environment?  
(a) Change in family and work pattern.  
(b) Discovery of new production technology.  
(c) Enactment of new laws and government policies.  
(d) Entrance of intermediaries in the market. (1 mark)

62. The LAST step to be taken by an entrepreneur when selecting a business opportunity is \_\_\_\_\_.  
(a) Screening of business opportunity.  
(b) Preparing a business plan.  
(c) Identifying the needs and wants of customers.  
(d) Evaluating self and community. (1 mark)

63. All the following are goals of setting up organisation website **EXCEPT**:  
(a) Increasing opportunities for interaction with customers.  
(b) Increasing locational limitations.  
(c) Increasing the value of advertising.  
(d) Increasing promotional products. (1 mark)

64. All the following are risks to e-business **EXCEPT**:  
(a) Fraud.  
(b) Competitive edge.  
(c) Access to data.  
(d) Errors in service. (1 mark)

65. \_\_\_\_\_ is a benefit of electronic money to service providers.  
(a) Increase in the cost of making payments.  
(b) Increase of cash handling.  
(c) Reduction of misappropriation of cash.  
(d) Reduction of the access points. (1 mark)

66. All the following are desirable measures of protecting a business from cyber threats **EXCEPT**:  
(a) Set up a firewall.  
(b) Turning off network encryption.  
(c) Use of passphrase.  
(d) Use of multi factor authentication. (1 mark)

67. The following is a measure to avoid cybercriminals gaining access to a business network:  
(a) Allow use of accounts with administrative privileges.

(b) Enabling administrative access entirely.  
 (c) Allow access to accounts with administrative privileges.  
 (d) Changing all default passwords to new passphrases. (1 mark)

68. Which of the following statement is **FALSE** on training business employees on cyber threats?  
 (a) Should know how much information to use in business competition.  
 (b) Should know how to maintain strong passwords.  
 (c) Should know how to report a cyber threat.  
 (d) Should know what to do to overcome cyber threat. (1 mark)

69. Which of the following statements **BEST** describes intrapreneurship?  
 (a) A process that takes place inside an existing firm that leads to new business venture creation.  
 (b) A process by which employees take risks regarding possible negative outcomes for businesses.  
 (c) A process where an employee leaves their jobs and establishes new businesses.  
 (d) A process by which individuals in an organisation pursue opportunities based on resources in an organisation. (1 mark)

70. Starting a new business venture requires an entrepreneur who combines sound judgement, planning with risk taking to ensure business success.  
 (a) True.  
 (b) False. (1 mark)

71. \_\_\_\_\_ is a quality that represents a viable business opportunity.  
 (a) Market niche.  
 (b) Market share.  
 (c) Competitiveness.  
 (d) Timeliness. (1 mark)

72. Which of the following is a personal quality that contributes to business opportunity recognition?  
 (a) Limited social networks.  
 (b) Introvert.  
 (c) Experience in industry.  
 (d) Limited skills. (1 mark)

73. Social entrepreneurship is a form of entrepreneurship that \_\_\_\_\_.  
 (a) Focuses on social environment.  
 (b) Encourages individuals to make profits in an innovative way.  
 (c) Supplies goods and services to the society.  
 (d) Tackles social challenges in an innovative and financially sustainable way. (1 mark)

74. Which of the following statement **BEST** explains the meaning of extension innovation?  
 (a) Taking new ideas to form a new product.  
 (b) Creating of a new product.  
 (c) Expansion of a product.  
 (d) Improving on value of a product. (1 mark)

75. All the following are key sectors which enhance innovation to be accepted **EXCEPT**:  
 (a) Perceived risk.  
 (b) Product awareness.  
 (c) Incompatibility.  
 (d) Divisibility. (1 mark)

76. The following statement is **TRUE** on merits of technological innovations:  
 (a) Increases process inefficiency.  
 (b) Increases marketing dependence.  
 (c) Increases fixed capital requirements.  
 (d) Increases product consistency and reliability. (1 mark)

77. The third stage in the process of market research is \_\_\_\_\_. (1 mark)

(a) Analysing the information.  
(b) Developing the research plan and design.  
(c) Presenting the findings.  
(d) Collecting the information. (1 mark)

78. The corporate entrepreneurship strategy is composed of \_\_\_\_\_.  
(a) External environment conditions.  
(b) Innovative strategic vision.  
(c) Competitive capability.  
(d) Strategic positioning. (1 mark)

79. Which is the **MAIN** source of entrepreneurial stress?  
(a) Need to achieve.  
(b) Political environment.  
(c) Business cycles.  
(d) Environmental stress. (1 mark)

80. Marketing research helps in \_\_\_\_\_.  
(a) Identification of problem.  
(b) Searching of the customers.  
(c) Marketing of commodities.  
(d) Establishing a commodity. (1 mark)

81. A new venture business plan is essential for the following **EXCEPT**:  
(a) Helps to seek financial support from donors.  
(b) Helps to analyse the viability of the venture.  
(c) Helps to analyse the business competitiveness.  
(d) Helps in guiding business activities. (1 mark)

82. Which of the following statements is **FALSE**?  
(a) Market segmentation is a useful process for small businesses to undertake.  
(b) Entrepreneurship takes place in a wide variety contexts.  
(c) Small businesses can be innovators of new products.  
(d) It is a good idea for small businesses to compete solely on price. (1 mark)

83. Which statement describes the **BEST** definition of a business plan?  
(a) An entrepreneur's expression of interest.  
(b) A written document that details the proposed business venture.  
(c) Entrepreneur's diary of business activity.  
(d) A list of business ideas and proven concepts. (1 mark)

84. The following documents are presented to the registrar of companies during registration of a company **EXCEPT**:  
(a) Articles of Association.  
(b) Memorandum of Association.  
(c) A deed.  
(d) A statutory declaration. (1 mark)

85. Which is the major difference between a general partnership and a private limited company?  
(a) Unlimited liability.  
(b) Continuing of business.  
(c) Low liquidity of investment.  
(d) Management control. (1 mark)

86. The following statements describe circumstances favourable for operation of a sole proprietorship **EXCEPT**:  
(a) Where owner prefers autonomy.  
(b) Where promptness is required in decision making.  
(c) Where personal attention with the customer is needed.  
(d) Where the market is broad and requires large capital investment. (1 mark)

87. Green entrepreneurship can be achieved through \_\_\_\_\_.  
(a) Use of plastic in packing items.  
(b) Importing of second hand vehicles.  
(c) Draining effluent into rivers.  
(d) Use of organic materials to produce goods. (1 mark)

88. All the following are importance of using internet in building consumer relationship in business **EXCEPT**:  
(a) Helps the business to connect with distribution channels.  
(b) Helps the business to connect with customers.  
(c) Helps the business to get new customers.  
(d) Helps business to retain customers. (1 mark)

89. The entrepreneurial process of identifying and evaluating the business opportunity involves \_\_\_\_\_.  
(a) Writing a business proposal plan.  
(b) Carefully scanning the environment.  
(c) Seeking business finances.  
(d) Registering the business.

90. Which of the following is a personal characteristic that could hinder recognition of business opportunity?  
(a) Prior business experience.  
(b) Business social networks.  
(c) Inability to solve problems.  
(d) Entrepreneurial awareness. (1 mark)

91. Which one of the strategies given below is the **BEST** in encouraging creativity?  
(a) Rigid organisational structure.  
(b) Investing in human resource.  
(c) Retaining employees in the same level for long.  
(d) Penalising failed ideas. (1 mark)

92. Invention means the creation of new things and innovation means application of new things into practical use.  
(a) True.  
(b) False. (1 mark)

93. The following key element should be included on the introductory page of a business plan:  
(a) Assessment risk.  
(b) Products and services.  
(c) Name and address of the organisation.  
(d) Structure of the organisation. (1 mark)

94. All the following are sources of risks for a new venture **EXCEPT**:  
(a) Weakness in the marketing production.  
(b) Weakness of the management team.  
(c) New advances in technology.  
(d) Expansion of new market segments. (1 mark)

95. \_\_\_\_\_ is a type of financing provided by business angels.  
(a) Debt.  
(b) Equity.  
(c) Crowdfunding.  
(d) Factoring. (1 mark)

96. \_\_\_\_\_ is a form of finance for funding high risk businesses.  
(a) Venture capital.  
(b) Fixed capital.  
(c) Current capital.  
(d) Seed capital. (1 mark)

97. Which of the following is the backbone of financial plan?  
(a) Budgeting.

(b) Capital.  
(c) Name of business.  
(d) Cost of production. (1 mark)

98. Corporate venturing is also referred as \_\_\_\_\_.  
(a) Entrepreneurship.  
(b) Intrapreneurship.  
(c) Act of starting a new venture.  
(d) Offering new products by an existing company. (1 mark)

99. Which one of the following **BEST** explains the importance of a feasibility study for a new venture?  
(a) Exploring for potential customers.  
(b) Estimating sales.  
(c) Determining the viability of a business.  
(d) Forecasting the expansion of business. (1 mark)

100. Which one of the following is a social barrier to entrepreneurship?  
(a) Inadequate capital.  
(b) Change of currency.  
(c) Lack of infrastructure.  
(d) Custom of people. (1 mark)

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