

SECTION A [50 MARKS]
ANSWER ALL QUESTIONS

Question 1

[20]

- a) For each question there are FOUR responses: A, B, C and D. Choose the corresponding letter of your response and CIRCLE it neatly. NO score will be awarded if you circle more than ONE letter.**
- i. Which of the following best describes demographic segmentation in market segmentation?
- A Dividing the market based on geographic locations.
 - B Segmenting the market based on consumer lifestyle.
 - C Targeting consumers who have similar needs and choice.
 - D Grouping consumers based on age, income, gender and education.
- ii. “Customizing products to meet each customer's specifications or needs based on their orders, as best described by them”. Which method of production is it?
- A Job method
 - B Flow method
 - C Lean method
 - D Batch method
- iii. Despite having an outstanding acquisition rate, a business is having trouble with high churn rates. In line with the Lean Startup methodology, what should be its primary priority?
- A Increase marketing spending to draw in new customers.
 - B Make the product more appealing by adding new features.
 - C Lower the product's price to motivate customers to stick around.
 - D Ensure that new users understand the value of the product by improving the product.
- iv. Pema is launching a new company to produce reusable, environmentally friendly water bottles. She is determined that outdoor enthusiasts and those who care about the environment are her main customers. Additionally, she has developed connections with a number of online stores and distributors. Pema also intends to produce interesting social media material to advertise her goods. Which Business Model Canvas parts has Pema handled based on the information provided?
- A Revenue Stream, Customer Segments, and Channels
 - B Revenue Stream, Customer Segments, and Channels
 - C Cost Structure, Key Resources, and Value Propositions
 - D Customer Relationships, Channels, and Customer Segments

- v. Dawa is tasked with identifying the administrative and management personnel required for the business. He also works on estimating the pre-operating expenses as well as the management and administrative expenses. Which component of a business plan is Dawa primarily working on?
- A Financial Plan
 - B Marketing Plan
 - C Operational Plan
 - D Organizational Plan
- vi. What is the most accurate way to explain the concept of entrepreneurship?
- A The process of managing finances in a business.
 - B The study of market trends and consumer behavior.
 - C The ability to start, organize and manage a new business venture.
 - D The practice of maximizing profits through cost-cutting measures.
- vii. Sonam works as an HR officer for Gelephu City Corporation which has branches all over the world. She has promoted employees from within the company, transferred extra personnel from the branch to the main office, and issued press releases in an effort to hire individuals. Which one of the following best describes the human resource planning stage from the above context?
- A Training
 - B Selection
 - C Appraisal
 - D Recruitment
- viii. Sam Company obtained a five-year loan of Nu. 100,000 from Bank of Bhutan. The loan has a yearly interest rate of 9.95%, and the company must make monthly payments of Nu. 2122.25. The first installment is paid by the company at each month's end. How much interest the company will pay the bank on the first installment?
- A Nu. 817.17
 - B Nu. 819.71
 - C Nu. 829.17
 - D Nu. 928.71
- ix. Calculate the prime cost from the following information:
- Direct materials consumed Nu. 90,000
 - Direct labour Nu. 60,000
 - Direct expenses Nu. 20,000
 - Manufacturing overheads Nu. 30,000
- A Nu. 200,000
 - B Nu. 180,000
 - C Nu. 170,000
 - D Nu. 110,000

- x. A manufacturing plant has a maximum production capacity of 3,800 units per year. The table below shows the actual production quantities for the first three years to meet the projected sales and inventory level.

Year 1	Year 2	Year 3
2,000 units	2,600 units	2,900 units

Calculate the capacity utilization for year 1 assuming the plant has used 100 percent capacity.

- A 100%
B 57.14%
C 53.72 %
D 52.63%
- xi. XYZ Company wants to design its logo to better align with its brand values of sustainability and environmental friendliness. Which of the following logos will best suit their company image?
- A A sleek, minimalist design in metallic silver
B A vibrant, colorful design featuring abstract shapes
C A design incorporating a green leaf and earthy tones
D A retro-style logo with a bold, red and black color scheme
- xii. A business is thinking about getting into a different industry. They are looking at the competitive environment with the help of Porter's Five Forces framework. Which of the following characteristics should point to a low risk of new competitors?
- A The industry requires high level of initial investment.
B Government regulations are minimal and easy to follow.
C The technology required to compete in the industry is readily available.
D Customer have low switching cost and can easily switch to new suppliers.
- xiii. Which of the following users of a business plan is most likely to need a thorough examination of the financial projections of the organization in order to make wise decisions?
- A Customers
B Employees
C Investors
D Traders
- xiv. All of the following are examples of non-current assets **EXCEPT**
- A Property, Plant and Equipment
B Investment Property
C Intangible assets
D Inventory

- xv. Druk Company fitness tracker aims to attract clients by offering features such as personalized coaching and seamless integration with popular fitness apps.
Which option best describes the value proposition of Druk Company fitness tracker?
- A Positioning the product as the most cost-effective option in the market.
 - B Customer service with focus on 24/7 support and personalized assistance.
 - C Emphasizing a competitive advantage through advanced health technology.
 - D Offering a fitness experience through personalized coaching and app integration.
- xvi. You have sixty seconds to make an impression on a prospective investor in an elevator.
What is the best way to start your elevator pitch?
- A Start with a brief overview of your team's background and expertise.
 - B Share the company's detailed financial projections and growth metrics to demonstrate its potential.
 - C Outline the competitive landscape and explain how your product compares to existing solutions in detail.
 - D Present a compelling story or scenario that illustrates the unique value proposition of your product or service.
- xvii. A marketing team is conducting a session to gather new product ideas. The team is encouraged to freely share their thoughts without any criticism, and the emphasis is on generating a large number of ideas.
What method is most appropriate for this session?
- A Focus group
 - B Brainwriting
 - C Brainstorming
 - D Reverse Brainstorming
- xviii. The long-term success and sustainability of a business is not just determined by how much the business makes profit but it is also determined by
- A how business answers to the needs and tastes of its customers.
 - B how business fulfils its social and environmental responsibilities.
 - C how business makes plans and work towards achieving those plans.
 - D how business collaborates with its stakeholders and plan for the future.
- xix. A team of engineers has identified a problem with current battery technology as it doesn't last long enough for new portable devices. Through brainstorming and creative problem-solving, they have generated unique solutions for revolutionary new battery material which will last for longer duration.
Identify which stage of invention cycle is described in the above case.
- A Creativity
 - B Innovation
 - C Imagination
 - D Entrepreneurship

xx. The 10 slides pitch deck was propounded by

- A Brown
- B Tina Seelig
- C Guy Kawasaki
- D Dr. Saras Sarasvathy

b) Fill in the blanks with appropriate word(s).

[5]

i.	The two components of imagination are engagement and _____.	
ii.	Customers are conscious of their purchasing habits and are prepared to pay higher prices for environmentally friendly goods. This trend is known as _____.	
iii.	The medium through which an organization provides its value proposition to its customer segment is known as _____.	
iv.	The entire amount of money earned by a company's regular operations is referred to as _____.	
v.	Presentation of business plan to potential partners to garner support is known as business plan _____.	

c) Match each item under column A with the most appropriate item in column B. Write the correct letter in the space provided under the 'answer' column.

[5]

Answer	Column A	Column B
i.	i. Singye Business received complaints about low-quality products. A specialist group was formed to identify negative aspects and debate solutions, ensuring issues are addressed while maintaining group morale.	a. Validated Learning
ii.	ii. Sonam, a young entrepreneur, is analyzing the attractiveness of an industry or market by examining the needs of various market segments.	b. Indirect expense
iii.	iii. Company Y intend to test their hypotheses through experiments and evaluate the results to confirm their assumptions are accurate.	c. Reverse brainstorming
iv.	iv. A company incurs a cost for the salary of the marketing manager responsible for overseeing the launch of a new product.	d. Direct expense
v.	v. The BoB provided Sangay Company with a loan to aid in its expansion. Since the business is not growing profitably, the bank demands that the company secure the loan.	e. Market analysis
		f. Brainstorming
		g. Collateral

b) Write TRUE or FALSE for the following statements in the space provided. [5]

i.	In SWOT analysis, opportunities are beyond the control of the entrepreneur. ()	
ii.	The assessment of business model is not essential to test the overall relevance and appropriateness of the model. ()	
iii.	The suppliers use business plan as a reference point for reminding them of the vision, mission and objectives of the business. ()	
iv.	The name and the logo of the business should not be a replication of the existing businesses. ()	
v.	The business with higher return on investment is considered as unfavorable. ()	

c) Answer the following questions briefly.

i. “Entrepreneurs are born not made”. Do you agree? Justify with **ONE** reason. [1]

ii. Do you agree that the duration of protection for patent should be extended from 20 years to 30 years? Give **ONE** reason. [1]

iii. As a marketing officer of ABC Ltd., a company engaged in garment production, develop **TWO** pricing strategy to gain competitive advantages over your competitors. [2]

- iv. Do you think assessing the capability of proponents in an organizational plan is important? Justify with **ONE** point. [1]

- v. Imagine you are the CEO of a Startup Company, specializing in eco-friendly packing. You are thinking of moving your business operation to a new location. Create **TWO** plan that outlines the criteria you will use to assess the new location's viability. [2]

- vi. "Shorter payback periods are desired over longer ones". Do you agree? Justify with **TWO** points. [2]

- vii. How does incubation centers help in the growth of startups in the country? Mention **TWO** points. [2]

viii. Calculate the Break Even Point from the following information:

[2]

- Selling price per unit Nu. 200
- Variable cost per unit Nu. 120
- Fixed cost Nu. 240,000

ix. Calculate the Net Profit Margin of the company from the following information:

[2]

- Total Revenue Nu. 1,200,000
- Cost of goods sold Nu. 720,000
- Operating expenses Nu. 250,000

SECTION B (50 MARKS)
ANSWER ANY FIVE QUESTIONS

Question 2

- a) In a startup, Pema handles marketing, sales, and customer service. Without clear role definitions, he is struggling to manage tasks effectively, leading to missed deadlines, low productivity, and frustrated team members. As an outside observer, what would you suggest Pema do to correct the lapses? Mention **TWO** suggestions. **[2]**

- b) Design a clear and effective organizational structure for Fresh Harvest Foods, including the finance, HR, marketing, and production departments. Briefly outline **ONE** key responsibilities for Finance and HR Department. **[4]**

- c) "The executive summary serves as the first impression to potential investors, lenders, or stakeholders." Explain any **TWO** of its importance. [2]

- d) Do you agree that the success of securing investors for a business depends on how well you pitch your business plan? Justify with **TWO** points. [2]

Question 3

- a) Prepare a comprehensive income statement from the information given below. [5]

Particulars	Amount
Revenue	45,000,000
Marketing expenses	850,000
Direct expenses	1650,000
Interest on loan	120,000
Direct labour expenses	4300,000
Organizational & management cost	3200,000
Pre-operating expenses	450,000
Depreciation	200,000

Note: 30% BIT as per the rules on Income Tax Act of Kingdom of Bhutan, 2001.

b) Karma Limited plans to expand Apple Wine sales in Punakha Dzongkhag. The value per unit is Nu. 200.

i. Using the information provided, complete the volume and value columns in the table below: [1]

Supply Analysis			
Target Market	Name of Product	Volume	Value
Punakha	Apple Wine		
Demand Analysis			
Target Market	Name of Product	Volume	Value
Punakha	Apple Wine		

ii. Perform a Gap Analysis [1]

iii. Why is it important to conduct a gap analysis? Mention **ONE** point. [1]

c) Why is design thinking also called human-centric? Give **TWO** valid justifications. [2]

Question 4

- a) Lean Startup methodology helps reduce risks by turning ideas into commercial ventures using rapid experimentation, customer feedback, and iterative product development. Elaborate in **TWO** ways in which the Lean Startup methodology helps reduce risk. [2]

- b) The total materials requirement for the year is given below along with cost per unit:

Material	Quantity (unit)	Cost per unit (Nu)
Material A	500	Nu. 50
Material B	600	Nu. 60
Material C	800	Nu. 55
Material D	600	Nu. 70

- i. Calculate the cost of each material. [2]

- ii. Calculate the total annual material cost. [1]

Question 5

a) Mention **TWO** area of assessment of Business Model Canvas.

[2]

b) “GNH certification is important for a business”. Do you agree? Elaborate with **TWO** points.

[2]

c) Define non-current assets with **TWO** examples.

[2]

Question 6

- a) “Finance is considered as lifeblood of a business organization”. Mention **TWO** [2]
importance of financial plan.

- b) Explain any **TWO** principles of effectuation. [2]

- c) Dawa company, a leading apple juice producer in Bumthang, relies solely on farmer Zala for raw materials. Due to increased demand and manufacturing costs, Dawa raised apple juice price by 20% last year. This dependence on Zala has led to higher production costs, decreasing profit margins, and extended supply times, delaying production, and missing market opportunities. This supply chain dependence has consequently affected Dawa’s market share and reputations.

Based on above case, answer the following questions;

- i. How farmer Zala, as a key supplier, affects the bargaining power of Dawa Company? [1]

ii. How does the increase in price of raw materials impacts profit margin of Dawa company? [1]

d) In today's market, understanding competitors has proven crucial for a firm's success. However, there has been criticism that it leads to a waste of time and resources. Do you agree? Support your stance with **TWO** points. [2]

e) As the owner of a company manufacturing eco-friendly water bottles, what **TWO** unique value propositions would you highlight to effectively position your product in the market? [2]

Question 7

- a) Mention any **TWO** global megatrends that can lead to business idea generation. [2]

- b) Who would be the primary audience for a business plan, and why is this audience important? Give **TWO** points. [2]

- c) Why is it not advisable to depend on a single source of revenue stream? Mention **TWO** reasons. [2]

d) Write down **TWO** differences between manufacturing process and service process. **[2]**

Manufacturing Process	Service Process	

e) Imagine that you are going to pitch your business plan at the Young Entrepreneurs Meet. How will you design your marketing strategy? Mention **TWO** key elements. **[2]**
