

**SECTION A(50 MARKS)**  
**ANSWER ALL QUESTIONS**

**Question 1**

a) For each question, there are four alternatives: A, B, C and D. Choose the correct alternative and circle it. Do not circle more than ONE alternative. If there is more than one choice circled, NO score will be awarded. [20]

i. The process that makes use of advanced techniques to change existing ideas and produce unique solutions that benefit both business and society is

A creativity.  
B innovation.  
C imagination.  
D entrepreneurship.

ii. After participating in entrepreneurship training, a group of five aspiring entrepreneurs decided to come up with several ideas. The group focused more on the quantity aspect over quality ideas. Which is this method?

A Focus Group  
B Brainwriting  
C Brainstorming  
D Reverse brainstorming

iii. Seldon has a dynamic business idea and decided to pitch it during the "Startup Flagship Program" organized by MoLHR. What is the rationale for pitching?

A To find investors  
B To frame a business model  
C To generate a business idea  
D To prepare a projected financial statement

iv. Study the table given below.

<b>Firm ABC</b>	<b>Firm XYZ</b>
Focused on targeting the entire market with their product.	Focused on targeting the small and specific market with their product.

Based on the above information, the type of customer segment that Firm ABC and Firm XYZ targeted are

A mass and niche market respectively.  
B niche and mass market respectively.  
C mass and diversified market respectively.  
D niche and diversified market respectively.

v. Study the figure given below. The correct strategy used by Lenovo Company to boost their sale is

- people strategy.
- pricing strategy.
- product strategy.
- promotion strategy.



(Source: <https://images.app.goo.gl/APrhV3DZJ8Vp8cwo8>)

vi. Dema Enterprise incurred costs on the following components to start a retail trade.

- Prime cost
- Business plan development
- Legal and professional consultant fees
- Acquisition of office computer and furniture

Which of the above options can be considered as a preliminary expense for the purpose of calculating project cost?

- I and IV
- I and III
- II and III
- III and IV

vii. Which of the following lean startup methodology cycle is correctly sequenced for a firm to succeed faster without wasting resources?

- Build idea into MVP, collect feedback, pivot or persevere and take the product to early adopters.
- Build idea into MVP, collect feedback, take the product to early adopters and pivot or persevere.
- Build idea into MVP, take the product to early adopters, collect feedback and pivot or persevere.
- Build idea into MVP, pivot or persevere, take the product to early adopters and collect feedback.

viii. Which one of the following is true in relation to Patent and Copyright?

- A Both patent and copyright have an unlimited life span.
- B Patent has short life protection whereas copyright has long life protection.
- C Patent is a right granted to authors and copyright is a right granted to inventors.
- D Patent applies to photography, art and music, etc. whereas copyright on physical inventions like technologies, medical devices, etc.

ix. Which form of business organization adopts the organizational structure given below?



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graph TD
    A[BOARD OF DIRECTORS] --> B[CEO]
    B --> C[Marketing Manager]
    B --> D[Operation Manager]
    B --> E[Human Resource Officer]
    B --> F[Sales Manager]
    B --> G[Finance Manager]
  
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- A startup
- B company
- C partnership
- D sole proprietorship

x. Yangphel Project has invested Nu.44,000 and subsequently generated cash inflow of Nu.10,000, Nu.18,000, Nu.12,000 and Nu.16,000 during I, II, III and IV years respectively. The payback period for the firm to reach its break-even point is at

- A 3 years.
- B 3 years and 3 months.
- C 3 years and 4 months.
- D 4 years.

xi. Which of the following feature(s) is correct about retained earnings?

- I. It is one of the components of equity.
- II. It decreases when net profit increases.
- III. It is used by the business for future use.

- A I only
- B I and II
- C II and III
- D I and III

xii. The management of Mipham manufacturing firm incurred costs on insurance, electricity bill and taxes. Under which type of cost should the management categorize the above expenses?

- A direct labour
- B direct expense
- C indirect labour
- D indirect expense

xiii. XYZ business acquired a computer for Nu.70,000 for office use. Depreciation is charged at the rate of 15% per annum. What would be the accumulated depreciation for the first three years using straight-line method?

- A Nu.10,500
- B Nu. 21,000
- C Nu. 31,500
- D Nu. 42,000

xiv. Contemporary businesses, unlike conventional ones, adhere to ‘Triple Bottom Line’ principally for

- A profit.
- B success.
- C reputation.
- D sustainability.

xv. The growth and expansion of a proposed business can be addressed by

- A market feasibility.
- B technical feasibility.
- C financial feasibility.
- D organizational feasibility.

xvi. “Business plan is a written document prepared by an individual entrepreneur that describes the details of the proposed business.” Which one of the following is **NOT** the reason for preparing a business plan?

- A To pitch proposed business ideas
- B To seek support from the investors
- C To provide assistance to financial institutions
- D To act as a roadmap that guides the entrepreneur

xvii. Pretty Electronic Trader has projected sales for the next ten years. To conduct the gap analysis, the firm can use

- A industry analysis.
- B financial analysis.
- C competitor’s analysis.
- D demand and supply analysis.

xviii. Druk Footwear Company has a trend to customize the design and other specifications of its product as and when the company receives orders from customers. Identify the method of operation adopted by the company.

- A job method
- B batch method
- C mass method
- D lean method

xix. All of the following factors must be fulfilled in order to create a business name and logo **EXCEPT**

- A having a symbolic meaning.
- B being identical to existing businesses.
- C being non-identical to new businesses.
- D adhering to intellectual property laws.

xx. Company A has decided to choose Business to Business (B2B) over Business to Consumer (B2C) model to reach out to its customers. What benefit can the company get from B2B over B2C model?

- A reduces cost and time.
- B reaches to larger audience.
- C makes relationship with distributors.
- D reaches goods easily and directly to end users.

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

**[5]**

i. Repayment of loan to the lenders in equated monthly installment is called _____.	
ii. The Business Model Canvas block that helps to acquire and retain the customer is _____.	
iii. The lenders assess the _____ of the business before providing loans.	
iv. The plan of how to achieve the marketing goals and objectives are _____ strategies.	
v. Manufacturing firm mostly use _____ intensive technique to transform materials into goods.	

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

[5]

Answer	Column A	Column B
	i. Method for assessing the resources at disposal to determine the goals to be achieved	a. management plan
	ii. An element that pertains to the arrangement of fund for the business	b. collateral
	iii. Additional quantity stored to prevent an out-of-stock situation	c. property, plant & equipment
	iv. The component that describes the legal form of business and its organizational structure	d. financial plan
	v. Asset charged against the debt by the lender	e. effectuation
		f. net profit margin
		g. safety inventory

d) State TRUE or FALSE against the statements in the space given below.

[5]

i. The audience prefer to know the level of competition that business faces during the pitching under the competitive analysis component.		
ii. The duration agreed between the lender and the borrower in repayment of the loan is called the grace period.		
iii. Marketing analysis is done prior to a marketing plan.		
iv. Operation schedule refers to the continuous production of the same product in large quantities.		
v. The skills, experiences and qualifications of the proponents must be clearly described under the organizational plan.		

**e) Answer the following questions.**

i. "More often entrepreneurs tend to succeed faster than businessmen." Do you agree? [2]  
List any **TWO** valid reasons to support your view.

ii. The ongoing war between Russia and Ukraine has disrupted the supply chain globally resulting in inflation, particularly the imported edible oil. Considering the issue, generate a business idea for the aforementioned product and create a prototype using any method. [2]

iii. Ministry has placed an additional order for 10,000 numbers of Business and Entrepreneurship textbooks to 'P.T Printing and Publishing House' to meet the demand in schools across the country. Which type of operation method would you suggest to the firm to adopt? Support with **ONE** reason.

[1]


iv. "The business driven by cost is better than value driven." Is it true? Justify the statement by giving **TWO** reasons.

[2]


v. Rigphel Enterprise expects to make a revenue of Nu.45,000 in its first year of operation. The firm projects the total costs of Nu. 25,500 for the same year and revenue growth by 5% and 10% for the second and third year respectively. Determine the firm's projected revenue for the II and III years. [2]


vi. Study the table given below.

Deezang Company	Lhawang Company
Planning to raise capital through issuing shares.	Planning to raise capital through issuing bonds.

As a prospective investor, which company would you choose to invest in and why? [2]  
Explain any **TWO** reasons.


vii. The borrowers have the option of choosing a longer or shorter credit term for loan repayment. As a borrower, which option would you prefer and why? Support with **TWO** reasons.

[2]

viii. “Computer Vision Syndrome (CVS) cases is on the rise in Bhutan.

Ophthalmologists describe that it is the condition that occurs when a person uses a digital screen device for a prolonged period of time.”

(Source: BBS, July 15, 2021)

Considering the above problem, generate a business idea and mention at least **TWO** value propositions that you are going to deliver.

[2]

**SECTION B (50 MARKS)**  
**ANSWER ANY FIVE QUESTIONS**

## Question 2

a) Design Thinking is one of the contemporary entrepreneurial methods that entrepreneurs adopt to start, build and sustain their enterprises. Describe any **THREE** benefits of using it. [3]

b) The demand for dairy products is gradually rising in Bhutan due to the country's growing number of vegetarian customers. Develop a brief Business Model Canvas on any diary product using the template developed by Alexander Osterwalder and Yves Pigneur. [3]

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c) The following information is presented for Kinga Sales during 2020.

Beginning cash balance Nu.100,000

Cash sales Nu.32,500

Working capital loan Nu.45,650

Capital expenditure Nu.32,800

Loan repayment Nu.16,500

Tax paid Nu.8,800

i. List any **TWO** reasons for preparing a projected cash flow statement. [2]

ii. Calculate net cash and ending cash balance.

[2]

### Question 3

a) When evaluating potential business ideas, SWOT analysis is performed. Explain each component of SWOT with suitable examples. [4]

b) "For the growth and survival of a business, internal stakeholders are more important than external stakeholders." Support or argue the statement with **TWO** reasons. [2]

c) Write **TWO** points of differences between business plan and business plan pitching. [2]

<b>Business plan</b>	<b>Business plan pitching</b>

d) Imagine you are going to start a business specializing on garments to meet the ongoing demand in the market. Create a logo for the business. [2]

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#### Question 4

a) Despite its popularity, the principle of GNH is still not generally used by businesses. However, it appears to be essential for the sustainability of modern businesses. Explain any **THREE** GNH indicators that can be infused into a business. [3]


b) Majority of entrepreneurs carry out competitor's analysis to understand their competitor's strategies and develop their marketing mix accordingly.

i. List down **TWO** advantages the firm will gain when analyzing its competitors. [2]

ii. Identify any **TWO** ways a business could improve its physical evidence strategies to ensure efficient functioning. [2]


d) Discuss the steps involved in Tina Seeling's invention cycle that must be completed before the entrepreneurship stage of bringing idea into fruition. [3]

## Question 5

a) The following table of Kaka Ltd. shows the estimated revenue and cost for 2 years.

Particulars	Year I (Nu)	Year II (Nu)
Revenue	123,450	220,500
Cost	88,410	165,505

i. Calculate Return on Investment and Net profit Margin for the firm for Year I and II. [2]

ii. Compare and comment on the investment decision of the firm based on the result of Return on Investment.

[2]


b) “The incubation centre is an initiative of the Department of Cottage and Small Industry of the Ministry of Economic Affairs. The centre will provide an enabling space for aspiring entrepreneurs to shape and develop their business ideas.”

[4]

(Source: BBS, June 26, 2018)

Is it necessary for all aspiring entrepreneurs to get enrolled in such incubation centres? Justify with **FOUR** valid points.


c) Write any **TWO** differences between a business idea and a business opportunity. [2]

## Question 6

a) The proposed business must develop the recruitment, selection and training processes in order to choose the best candidates for the position. [3]

i. List any **TWO** tools used under each of the three processes mentioned above.

ii. State **ONE** reason why employee training is important.

[1]


b) The information given below is the estimated cost and revenue for Kinjung Manufacturing firm.

Particulars	Amount (Nu)
Revenue	285,575
Wages	22,500
Direct material cost	20,200
Indirect material cost	14,000
Indirect labour cost	12,500
Indirect expenses	8,500

Determine the total factory overhead cost for the firm and mention any **TWO** examples of indirect expenses.

[2]



c) The sixth edition of the Innopreneurs International Startup Contest in India received a total of 31 applications from Bhutan of which 19 startups were shortlisted for pitching at the regional pitching rounds. [2]

Innopreneurs is an established name in the startup community in India and is focused on providing a stage to innovators and change-makers, be it startups, non-profits, or anyone who is building solutions (tech or non-tech) to solve real problems.

*(source: <https://businessbhutan.bt/six-bhutanese-startups-make-it-to-the-top-100-cohort-of>)*

i. There are several benefits of pitching the startups in such forum mentioned above. List down **FOUR** benefits.



ii. Discuss any **TWO** challenges faced by startups in getting finance.

[2]

## Question 7

a) “The Loden Foundation, in partnership with Boiling Point and Society Switzerland Bhutan, invites business proposals from aspiring Bhutanese entrepreneurs to support interest-free and collateral-free loans up to BTN 1.5 million.”

(Source: *Loden Foundation Page*)

If you were to submit a business proposal in response to the aforementioned request. What essential plans would you incorporate? List **FOUR**.



b) “Operation uses an *input-transformation-output* process to produce and deliver product or services.”

i. How is the operation process involved in manufacturing different from the service firm? Identify any **THREE** points of difference. [3]

<b>Manufacturing firm</b>	<b>Service firm</b>

ii. Design a simple flow chart of the operation process involved in opening a bank account. [2]

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c) What is market analysis? State any **ONE** fundamental reason for conducting market analysis by a business. [3]


