



UCSC

University of Colombo, Sri Lanka

University of Colombo School of Computing



**DEGREE OF BACHELOR OF INFORMATION TECHNOLOGY
(EXTERNAL)**

Academic Year 2025 — 3rd Year Examination — Semester 6

**EN6502 (R) — Introduction to Entrepreneurship
(Repeat Paper)**

Multiple Choice Question Paper
(1 Hour)

Important Instructions

- The duration of the paper is **1 Hour**.
- The medium of instructions and questions is English.
- This paper has **20 MCQ questions** on **5 pages**. Answer **all** questions.
- Each question will have **5 (five)** choices with **ONE OR MORE** correct answers.
- This paper consists of 100 marks and all the questions will carry equal marks.
- There will be a penalty for incorrect responses to discourage guessing.
- The mark given for a question will vary from -1 (All the incorrect choices are marked & no correct choices are marked) to +1 (All the correct choices are marked & no incorrect choices are marked). However, **the minimum mark per question would be zero**.
- Answers should be marked on the **special answer sheet** provided.
- Note that questions appear on both sides of the paper. If a page or part of a page is not printed, please inform the supervisor/invigilator immediately.
- Mark the correct choices on the question paper first and then transfer them to the given answer sheet which will be machine marked. **Please completely read and follow the instructions given on the other side of the answer sheet before you shade your correct choices.**
- Any electronic device capable of storing and retrieving text, including electronic dictionaries, smartwatches, and mobile phones, is not allowed.
- Calculators are **not** allowed.
- *All Rights Reserved*. This question paper can NOT be used without proper permission from the University of Colombo School of Computing.

- 1) Which of the following statement/s do/does not correctly describe the concept of entrepreneurship?
- (a) It is a mentality that motivates people to change the future.

(b) It is a way of logical thinking and acting.

(c) It consists only of technical knowledge required to run a business.

(d) It is a collection of attitudes, behaviours, and skills of individuals.

(e) It involves the ability to identify a suitable business idea and transform it into a practicable business enterprise.
- 2) Ravi, an entrepreneur, plans to launch a new product. Which action/s correctly reflect/s entrepreneurial risk-taking?
- (a) Accepting that the product may succeed or fail.

(b) Expecting high profits without taking any risk.

(c) Taking extremely high risks with no recovery plan.

(d) Taking only risks that are manageable.

(e) Evaluating the risks before investing.
- 3) A manager handles several tasks at the office. Which of the following tasks mainly require/s good communication skills?
- (a) Explaining new workplace procedures to employees.

(b) Calculating the break-even point of a business.

(c) Conducting a meeting to discuss customer complaints.

(d) Estimating the demand for a new product.

(e) Evaluating the profitability of an investment project.
- 4) Which of the following action/s demonstrate/s achievement competencies of entrepreneurs?
- (a) Continuing to pursue a business goal despite repeated setbacks.

(b) Avoiding every uncertain situation.

(c) Looking for ways to improve product quality and efficiency.

(d) Waiting until others assign tasks.

(e) Choosing projects solely based on luck.
- 5) Which of the following is/are internal environmental factors of a business?
- (a) Employees of the company (b) Government Regulations (c) Owners of the business

(d) Competitors in the market (e) Inflation of the country
- 6) Which type/s of business environment/s is/are emphasized by the following statement?
"When there is a larger population of children, it creates more opportunities for toy manufacturers."
- (a) Demographic Environment (b) Economic Environment (c) Legal Environment

(d) Scientific Environment (e) Political Environment

- 7) A company studies changes in government policies, inflation rates, and new technologies before launching a product. Which of the following tools is/are more suitable for this purpose?

(a) SWOT Analysis	(b) Break-even Analysis	(c) PESTEL Analysis
(d) Ratio Analysis	(e) Value Chain Analysis	

- 8) Which of the following is/are characteristic/s of a sole proprietorship?

(a) The business and the owner are legally separate entities.
(b) Raising capital may be difficult because resources are limited to those of the owner.
(c) Business income and losses are reported on the owner's personal income tax return.
(d) The business is subject to many charter restrictions on its operations.
(e) Many reports need to be filed with government agencies.

- 9) Two coffee shops operate in the same neighbourhood. Shop A attracts more repeat customers as it offers a mobile ordering app and a consistently faster service. Shop A's success is mainly due to its:

(a) Legal environment	(b) Competitive advantage	(c) Economies of scale
(d) Business cycle	(e) Political environment	

- 10) An entrepreneur observes that customers are most likely to purchase winter jackets and identifies that sales peak during November and December. Which aspect/s of identifying ideal customers is/are being analyzed here?

(a) Customer location	(b) Product benefits	(c) Timing of purchase
(d) Customer's buying strategy	(e) Customer demographics	

- 11) Which of the following activities is/are associated with scheduling feasibility?

(a) Estimating the time needed to complete the project
(b) Assessing whether the project can be completed on time
(c) Determining the amount of profit the project will generate
(d) Using estimation methods to predict project duration
(e) Evaluating customer demand for the product

- 12) A company develops a statement describing why it exists and the markets it intends to serve. This statement is known as its:

(a) Vision	(b) Mission	(c) Goal
(d) Policy	(e) Strategy	

- 13) Which of the following is/are typically included in a standard business plan?
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|-------------------------|----------------------------------|-----------------------------|
| (a) Executive Summary | (b) Marketing & Selling Strategy | (c) Management/Organization |
| (d) Company Description | (e) Employee Biographies | |
- 14) A sportswear company markets premium yoga apparel to consumers who value health, fitness, and an active lifestyle. This is an example of:
- | | |
|--------------------------------|---------------------------------|
| (a) Geographic Segmentation | (b) Demographic Segmentation |
| (c) Economic Segmentation | (d) Behaviouristic Segmentation |
| (e) Psychographic Segmentation | |
- 15) A Sri Lankan clothing retailer sells school uniforms, office wear, sportswear, and wedding attire. In addition, customers can order garments tailored to their individual measurements. Which of the following targeting strategy/strategies is/are the retailer using?
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|--------------------------------|------------------------------|
| (a) Undifferentiated marketing | (b) Differentiated marketing |
| (c) Focused marketing | (d) Customized marketing |
| (e) Mass marketing | |
- 16) A smartphone model has been on the market for several years. Sales have stabilized, competition is intense, and the company focuses on defending its market share rather than attracting first-time buyers. In which stage of the product life cycle is the smartphone?
- | | | |
|------------------|-----------------|--------------|
| (a) Introduction | (b) Growth | (c) Maturity |
| (d) Decline | (e) Development | |
- 17) Which of the following statement/s correctly describe/s liabilities?
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| (a) They represent resources controlled by the business. |
| (b) They arise from past transactions or events. |
| (c) They are obligations of the business. |
| (d) They belong to the owners of the business |
| (e) They are expected to provide future economic benefits. |
- 18) A company has current assets of Rs. 900,000 and a current ratio of 3. What is the value of its current liabilities?
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|-------------------|-----------------|-----------------|
| (a) Rs. 100,000 | (b) Rs. 150,000 | (c) Rs. 200,000 |
| (d) Rs. 2,700,000 | (e) Rs. 300,000 | |

19) A business had the following performance levels during a year:

- Cash sales: Rs. 50,000
- Credit sales: Rs. 70,000
- Opening stock: Rs. 15,000
- Purchases: Rs. 65,000
- Closing stock: Rs. 25,000

What is the gross profit for the year?

- | | | |
|----------------|----------------|----------------|
| (a) Rs. 55,000 | (b) Rs. 65,000 | (c) Rs. 75,000 |
| (d) Rs. 85,000 | (e) Rs. 95,000 | |

20) A Sri Lankan exporter is concerned that fluctuations in the USD/LKR exchange rate may reduce its profits. Which type of business risk/s is/are the company primarily facing?

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|--------------------|------------------------|----------------------|
| (a) Strategic risk | (b) Financial risk | (c) Operational risk |
| (d) Legal risk | (e) Technological risk | |