

Seat No.: \_\_\_\_\_

Enrolment No. \_\_\_\_\_

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER 4 • EXAMINATION – SUMMER 2019**

**Subject Code: 3549263**

**Date: 08/05/2019**

**Subject Name: NEW VENTURE CREATION**

**Time: 10:30 AM To 01:30 PM**

**Total Marks: 70**

**Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

| <b>Q. No.</b> | <b>Question Text and Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Marks</b>               |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <b>Q.1</b>    | Explain the following terms:-<br>(a) SWOT ANALYSIS<br>(b) Niche Marketing<br>(c) Brain Storming<br>(d) Feasibility Analysis<br>(e) Market Survey<br>(f) Guerilla Marketing<br>(g) CRM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>14</b>                  |
| <b>Q.2</b>    | <p>(a) Sanjay owns a 10 room building near Sardar Patel International Airport. He wants to start a guest house there because he knows that many visitors require low cost accommodation near the airport.</p> <p>You are required to make a business plan for him to seek finance from the investor.</p> <p>(b) Shruti has completed her B.E. in textile designing. She wants to start a ready-made garments manufacturing unit. She wants to manufacture trendy garments for children below the age of one year. She approached a popular trend spotter to help her with the same. The trend spotter demanded Rs. 1,00,000 from Shruti to help her. Looking at the high fee demanded, she decided to do the trendspotting by herself. She decided to identify the trend by talking to the parents of the newly born.</p> <p>Explain the ways that Shruti can adopt to spot the trend.</p> <p style="text-align: center;"><b>OR</b></p> <p>(b) The first step of any business is 'Idea germination'. Explain next steps that follows it</p> | <b>07</b><br><br><b>07</b> |

- Q.3**      **(a)**      Instant Rasoi is a fast food chain selling Indian items like Kathi Roll, Samosa, Idli, Dhoklas Etc., Now, they want to sell Kulfi in their outlets. Kulfi has been an item in their menu earlier also but was withdrawn because of higher price as compared to the price of established brands. Therefore, this time they decided to initially price the Kulfi at cost. It was done with the objective of increasing market share. Management of Instant Rasoi is of view that once their Kulfi is established in the market they will increase the price to a level that will help them in earning reasonable profit on their product. **07**
- Identify and explain the pricing strategies adopted by Instant Rasoi earlier and at present
- (b)**      Explain the important factors that are involved in the process of sensing entrepreneurial opportunity for any kind of business. **07**
- OR**
- Q.3**      **(a)**      What is Break-even analysis and why it is regarded as a useful element of financial plan? **07**
- (b)**      Kute Mobile Solutions (KMS) has been a leader in the mobile handset industry for years. After technological advancement, many players entered the market and started to take up the sales share. KMS failed to understand the changing trends in the mobile phone and lost its market share majorly whereas Kintech Mobitech could understand the sensitivity to the environment factors which is crucial for an entrepreneur. **07**
- How has the understanding of environment helped Kintech Mobitech? Explain.
- Q.4**      **(a)**      Creativity and Innovativeness is a foundation of any new venture. Justify **07**
- (b)**      There are number of business failures in India. List down 5 major business failures of India and explain the major reasons behind their failures. **07**
- OR**
- Q.4**      **(a)**      Every business growth stage requires a different strategy. Explain. **07**
- (b)**      Which are the major business traits that a start-up owner must have to be successful? **07**

**Q.5**

**CASE STUDY:**

Rahul has completed his senior secondary examination from Central Board of Secondary Education. After the report had been declared his father asked him what he would like to do in the future. Rahul was undecided and did not answer. His father advised him to start his own business and to pursue his studies through distance learning mode. Rahul reluctantly agreed. He entered into a partnership agreement with one of his school friends, Mehul. They decide to start a business of cold drinks with traditional Gujarati aroma in a fashionable crowded food street of Ahmedabad. Rahul and Mehul each invested Rs.10,00,000 as their respective capitals. They wanted to earn good profits.

As they were new to the business they did not finalise deadlines for different activities as well as the quantity of different types of drinks aroma wise. Because of the novelty of their product their sales increased on daily basis. Ultimately a stage arose when they required to expand their business. For this they did not take any timely action. Mehul advised to open another branch in a remote area without looking at the relevance of the place regarding the approach to the branch. Rahul was undecided. They approached Rahul's father for advice. He advised them that their activities ought to be Specific, Measurable, Attainable, Relevant and Time based (SMART).

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|-----|-------------------------------------------------------------------------|-----------|
| (a) | Explain the SMART concept about which Rahul's father advised them       | <b>07</b> |
| (b) | Discuss the various stages of identification of business opportunities. | <b>07</b> |

**OR**

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|------------|-----|-----------------------------------------------------------------------------|-----------|
| <b>Q.5</b> | (a) | State the importance of the SMART concept conceptualized by Rahul's father. | <b>07</b> |
|            | (b) | Describe the factors that have to considered before selecting a product.    | <b>07</b> |

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