

Final Assessment Quiz – IISER, Kolkata

Directions:

- i. Time limit – 120 mins
- ii. Each question carries 2.5 marks

1. Alia runs a small catering service from home. Her business is doing reasonably well and every month she makes a profit between \$250 - \$300. She now wants to expand her business and starts looking for a bigger space in an office neighborhood so that she can increase her customer base. A reasonably large commercial space in any office neighborhood requires her to pay a rent upwards of \$400 per month. The initial refundable deposit towards the space is more than her current savings. Therefore, she goes looking out for external funding options to help her with this transition. Which principle of Effectuation do you think Alia is neglecting here?

- a) Affordable Loss principle
- b) Bird-in-Hand principle
- c) Lemonade principle
- d) Pilot-in-the-Plane principle

2. Dino is a software engineer and earns \$25000 a year. However, three years into the job, he loses interest in his work and plans to start a gym in the basement of his house. After extensive research, he finds that he needs to spend anywhere between \$8000 and \$10000 to furnish his gym with state-of-the-art equipment. Based on the fact that he wouldn't need to pay any money towards rent, Dino calculates that even if his business failed to pick up, he could survive on his personal savings for almost a year if he kept his other expenses below \$1250 a month. He realizes that if his business didn't generate any revenue even after a year, he would have to get back to a regular job. Looking at Dino's calculations, which Effectuation principle do you think Dino is following here?

- a) Bird-in-Hand
- b) Lemonade
- c) Patchwork Quilt
- d) Affordable Loss

3. Joseph McVicker, head of Kutol Products Company, was a soap manufacturer in Cincinnati, Ohio. In the early 1950s, he created a doughy clay to remove soot in coal-burning homes. However, soon after this product was launched, people switched from coal to gas to warm their homes, and the company was headed toward bankruptcy. Kutol then re-strategized and started selling it as modeling clay, a variety of toy. By 1957, colored Play-Doh was sold at Macy's and hawked on kids' TV shows — turning its creators into millionaires. Which principle of Effectuation do you think Vicker put to use here?

- a) Bird-in-Hand
- b) Crazy Quilt
- c) Lemonade

d) Pilot-in-the-Plane

4. Sam is in the final year of her college. She is the president of her college's Planning Committee for Annual Day. She needs to nominate one person from her class who can make all the arrangements while also ensuring that the event stays within the budget. From the following people that she has in mind, who in your opinion is the best candidate?

- a) Robin, who is a Magician
- b) Sue, who is a Merchant
- c) John, who is a Maker
- d) Jerry, who is a Mobilizer
- e) Mia, who is a Master

5. Raymond and Tony own an advertising company. Raymond loves talking to people and bringing people together to do creative work. Tony is a writer and a businessman. He is rational, decisive, and is quite popular for his improvising skills. What styles do Raymond and Tony display respectively?

- a) Mobilizer and Merchant
- b) Mobilizer and Magician
- c) Merchant and Maker
- d) Merchant and Mobilizer

6. Ashley owns a digital marketing company. He is a people's person. He loves to work with diverse teams and is good at creating a social impact. Which entrepreneurial style does Ashley display?

- a) Merchant
- b) Mobilizer
- c) Magician
- d) Master

7. Sonia has a 9-year old son who loves painting with watercolors. However, he throws a tantrum every time he accidentally spills water on his painting and the painting gets spoiled as a result. On enquiring with mothers of kids belonging to the same age-group, Sonia finds that it is a common problem faced by most kids.

To prevent the paintings from getting spoiled in this manner, identify the jobs-to-be-done here from the customer point of view.

- a) Making sure that water does not get spilled onto paintings.
- b) Making the paints water-proof.
- c) Making the drawing sheets water-proof.
- d) Ensuring that the child doesn't throw a tantrum even if the paint gets spoiled.

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8. Alia starts her own pre-school cum day-care center. Her center operates from 9 am to 6 pm, Monday to Friday. She provides breakfast and lunch to the kids. After talking to parents, she realizes that by the time the parents pick up the kids and reach home, the kids get really tired and most often fall asleep without having dinner. Alia then introduces a heavy evening snack for the kids at 5:30 pm so that the kids don't go to bed hungry. Which Design Thinking principle is Alia using here?

- a) Imagination
- b) Curiosity
- c) Ideation
- d) Empathy

9. Identify the correct sequence of steps for conducting problem interviews. Note - all the steps have not been included.

- 1) a) Tell a Story>>Rate the Problem>>Collect Demographics>>Explore Customer's Worldview
 b) Collect Demographics >>Rate the Problem>> Explore Customer's Worldview>> Tell a Story
 c) Collect Demographics>>Tell a Story>>Rate the Problem>> Explore Customer's Worldview
 d) Explore Customer's Worldview>>Rate the Problem>>Collect Demographics>> Document Results

10. Which of the following options correctly describes the purpose related to each principle?

A	a. JTBD – Find what needs to be done
	b. Design Thinking – Identify the problem
	c. Brainstorm – Validate the problem
B	a. JTBD – Find what job needs to be done
	b. Design Thinking – Gain a better understanding of the problem
	c. Brainstorm – Validate the problem
C	a. JTBD – Identify the problem
	b. Design Thinking – Find what job the customer wants to get done
	c. Brainstorm – Generate ideas to solve the problem
D	a. JTBD – Find what job the customer wants to get done
	b. Design Thinking – Gain a better understanding of the problem
	c. Brainstorm – Generate ideas to solve the problem

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11. What should you fill up in the Cost Structure block of your first Lean Canvas?

Select the two correct answers.

- a) The cost to interview 30 to 50 customers.
- b) The cost to build and launch the MVP.
- c) The cost of hiring your first 50 employees.
- d) The price for your MVP.

12. Leena & Bobby's Big Idea

Leena and Bobby are working on the price of the MVP of their app. What techniques should they use to arrive at a price for their MVP? Select the two correct answers.

- a) Decide a price based on how much the customers may value the app.
- b) Calculate the price based on the cost of creating the app.
- c) Arrive at pricing based on an analysis of the existing alternatives.
- d) Avoid using multiple pricing plans for the MVP.

13. Imagine you are starting a vegan food company. In the first draft of your Lean Canvas, which of the following will you list in the Key Metrics block? Select the two correct answers.

- a) The number of repeat orders
- b) The number of suppliers you want to sign up
- c) The number of followers on your Facebook page
- d) The quality score on food

14. Let's continue with the example of the vegan food company. Which of the factors listed below can be examples of real unfair advantages for your business? Select the two correct answers.

- a) Your co-founder is a television award-winning chef.
- b) You are a food blogger with a large number of followers.
- c) Your vegan food company will be first one in your neighborhood.
- d) You and your co-founder can put in considerable funds to begin the company.

15. Which of the following are the top risk areas as discussed by Ash Maurya? Select the three correct answers.

- a. Hiring the right employees
- b. Ease of reach to customers
- c. Market size for your customer segment
- d. Price of your product

16. Barry's Business Idea – I

Barry is working on a new business idea of a takeaway restaurant for customers with special dietary needs. He plans to create special menus for people who may have diabetes, or are lactose, or gluten-intolerant. However, Barry realizes that the food and beverage industry is a red ocean.

the two correct answers.

- a) Look for a new market space by targeting customers who do not order takeaways due to their special dietary needs.
- b) Compete with other restaurants by signing up with multiple online food-ordering sites.
- c) Advertise in all channels that his competitors commonly use.
- d) Find benefits that offer customers a leap in value such as, creating customized meal plans.

17. Barry's Business Idea - II

Barry is working on the Four Actions Framework to fine-tune his unique value proposition.

Which of the following options are viable ways for Barry to implement the Framework? Select the two correct answers.

- a) Eliminate common benefits such as discount coupons.
- b) Reduce expected benefits such as using chemical-free food ingredients.
- c) Raise benefits such as creating a custom meal plan for people with special dietary needs.
- d) Create a technology that is not used by the food-tech companies in the market.

18. Zoya's Magic Mop – I

Zoya always hated the task of mopping the floor of her apartment. Later, she worked on a business idea of a motorized floor mop. One could dip the mop in water or a solution, switch on the machine, and clean a soiled floor. Now, Zoya wants to test her solution using a demo. What are some effective ways for Zoya to build and test her demo? Select the two correct answers.

- a) Show prospects a series of photographs of the product from different angles
- b) Show prospects a wireframe diagram of the mop and the motor inside
- c) Show prospects a basic version of the motorized mop and how it works
- d) Show prospects a video of the motorized mop in action

19. Zoya's Magic Mop – II

Zoya brainstorms on various ways to build a demo that conveys the effectiveness of her product. Which of the following options can be effective in building Zoya's solution demo? Select the two correct answers.

- a) Recording a video of the mop in action with the help of friends and family
- b) Hiring a team that can make an engaging video on all the features and benefits of the mop
- c) Using a basic model of the mop, in front of the customers, to show the effectiveness
- d) Outsourcing the work of converting the basic model of the mop into something more visually appealing before showing it to customers

20. Zoya's Magic Mop - III

Zoya decided to use a basic model of the mop to show her prospects how it works. She also wants to interview them after the demo of her solution.

Which of the following questions should Zoya ask during her Solution Demo Interviews? Select the two correct answers.

- a) How do you think this motorized mop will solve your problem?
- b) What part of the demo resonated with you the most? Why?
- c) Will you pay INR 500 for this mop?
- d) What do you think should be the price for this mop?

21. Which of the following criteria are essential for your product or solution to achieve problem-solution fit? Select the two correct answers.

- a) You have figured out the right channels for reaching your customers.
- b) You have figured out all the features your customers will want.
- c) You have validated the demographics of an early adopter.
- d) You have identified the minimum features needed to solve a problem.

22. Which of the following questions are best suited for an MVP Interview? Select the two correct answers.

- a) Do you think this product will help you? How?
- b) Would you like to pay for it?
- c) What do you think should be the price for this product?
- d) What kind of product do you need to solve your problem?

23. Your solution demo helps identify your early adopters. Whereas, your MVP focuses on getting your early adopters to pay for your product. True or false?

- a) TRUE
- b) FALSE

24. Karen has bought mannequins of different sizes, designing tables, sewing machines and hangers for her upcoming boutique. What type of costs can these be labelled as?

- a) License costs
- b) Fixed costs
- c) Startup costs
- d) Variable costs

25. Kirk has started a Chinese food joint. He has hired a head chef and a junior chef along with other staff members for his restaurant. Under which category should he add their monthly salaries?

- a) License costs
- b) Fixed costs
- c) Startup costs
- d) Variable costs



26. Karen buys fabric and threads for her boutique every month. Likewise, Kirk also buys noodles, eggs, vegetables, and meat for his restaurant every alternate day after taking stock of how much has been consumed from the previous purchase and how much remains. Based on a splurge in demand, both of them need to buy higher quantities of their supplies during celebration times such as Thanksgiving and Christmas. What kind of costs can these be labelled as?

- a) License costs
- b) Fixed costs
- c) Startup costs
- d) Variable costs

27. Samuel is a freelance Photographer. He starts his online stock photo business to sell his photographs. What types of revenue streams can he target?

- a) Advertising fee
- b) Renting fee
- c) Usage fee
- d) Subscription fee

28. Arnold has started a pizza business near an IT park. His pizzas are very popular among his customers. Most of his customers are rich and regular customers. What type of pricing strategy should he adopt for pricing his pizzas?

- a) Market Minimization
- b) Maximization
- c) Market Penetration
- d) Market Skimming

29. Ray's city had plenty of cafes which sold coffee from vending machines with very little room for customization. He saw an opportunity here and started an exclusive café, My Café My Way, where he brewed the coffee and customized it as per the customer's taste. However, he soon realized that though he was offering his customers something unique, it was not easy to justify the high price of his coffee compared to the easily available vending machine ones. He started promoting his brand of coffee by convincing customers that they had a right to be unique in their tastes and had a right to the kind of coffee they liked best.

What kind of strategy did Ray adopt in his My Café My Way café to lure customers?

- a) Market Minimization
- b) Maximization
- c) Market Penetration
- d) Market Skimming

A handwritten signature or set of initials, possibly 'BN', in dark ink.

30. Sally liked baking. Her friends praised her baking skills and urged her to take up her skills seriously and start a business. Sally got carried away by their praises and opened a glamorous outlet near her house. To cover the start-up costs, she priced her bakery products very high. She met with heavy losses.

What all attributed to this situation?

- a) Customers felt it was artificial pricing
- b) The product did not justify the pricing
- c) Sally used low quality raw material
- d) Sally's products weren't good enough

31. Marvin decides to use bootstrapping to finance his lending library business. What are his options?

- a) Ask an angel investor to invest in his company
- b) Liquidate his personal investments
- c) Ask his supplier to give him books on credit
- d) Ask his father to lend him some money
- e) Approach a venture capital company for funding

32. Mr. X is the founder of XYZ Ltd. Mr. X has hired a team for his business but likes to run the business as per what he thinks is the best way to do so. He does not take the opinions of his team members when he needs to take a business decision. Which leadership style does he portray?

- a) Democratic
- b) Autocratic
- c) Laissez Faire

33. Delphi loves her company and her team. She allows them to take all the decisions and is confident that they will manage on their own; she does not believe she needs to guide them or be part of any of the decision-making processes for the company. What is this style of leadership called?

- a) Shared
- b) Autocratic
- c) Laissez Faire

34. Percy is setting up his own business. Which style of leadership do you think he should adopt so that he can be successful in his business?

- a) Democratic
- b) Autocratic
- c) Laissez Faire

35. Brenda, founder of ABC Ltd., has called for a meeting with her entire team. This meeting is regarding a crucial business decision that Brenda needs to take and she is interested in knowing what her team has to say about it before she decides anything. What style of leadership is Brenda displaying?

- a) Shared

- b) Autocratic
- c) Laissez Faire

36. Dave and his co-founder, Mark, have decided to hire a freelancer for writing the marketing content for their business. Till now, they handled all the marketing content on their own, but recently, Dave and Mark realized that doing so was eating into their time which could be utilized for other more important work within their company. They also realized that their company could now afford to hire a freelancer for the work. Do you think Dave and Mark's decision is correct?

- a) Yes, because they were not being able to cope with the workload
- b) No, because entrepreneurs need to delay hiring
- c) Yes, because they can afford to hire a freelancer for the work
- d) No, because hiring a freelancer would put a strain on the resources of the business

37. Piper plans to launch her own cake shop in an upmarket area of her city. Her value proposition was to supply freshly baked wheat based cakes within 2 hours covering a radius of 4 kms. She is an excellent baker herself but in anticipation of the volume of baking that she would need to keep pace with, she hires two more bakers. She hires a shop assistant and a shop manager to take care of the customers and a cashier to take care of customer transactions. In addition, she hires a delivery boy to take care of the deliveries. Which of the following roles would you have cut down on or combined had you been in Piper's shoes?

- a) Cut down on the bakers – since she is an excellent baker, she could do the baking herself. In case the order volume turned out to be greater than expected, she could always explain the bandwidth issue to her customers, and start looking for more bakers.
- b) Cut down on the second baker and watched the customer response in the initial days before planning for a second baker.
- c) Cut down on the shop manager and the cashier – Piper can herself take over those roles during the initial days.
- d) Cut down on the delivery boy – she could always tell her customers that her home delivery would start after a month or so.

38. Hazel starts an online jewelry portal where buyers can directly order and transact for their purchases. Her best friend, Abby, helps her set up the portal while her brother links the portal to all major payment gateways. However, soon Hazel realizes that she cannot depend on such ad-hoc help if she wants her venture to be successful. After aggressive head-hunting, she shortlists two prospective candidates, Harsh and Jacob. While Harsh is an expert at managing portals, he has little regard for anything other than software and web-designing. Jacob has a fair knowledge of portals though he isn't at expert at it. However, he shows great enthusiasm for Hazel's innovative designs and even shares some ideas with her on how to take the venture to the next level. Given that Hazel can hire only one candidate, who should she go with and why?

- a) Jacob
- b) Harsh



39. Lily is looking to expand her content solutions firm that specializes in writing white papers, editing articles, and proof-reading books. Which of the following options reflects the correct sequence in which she needs to carry out these tasks as far as resource expansion in her business is concerned.

- a) Create a job description for the roles >> Identify the roles for which she needs to hire >> Interview shortlisted candidates >> Onboard selected candidates
- b) Identify the roles for which she needs to hire >> Create a job description for the roles >> Interview shortlisted candidates >> Onboard selected candidates
- c) Identify the roles for which she needs to hire >> Create a job description for the roles >> Interview shortlisted candidates >> Explore if one candidate can carry out the responsibilities of two or more roles >> Onboard selected candidates
- d) Identify the roles for which she needs to hire >> Verify that hiring is essential for these roles >> Create a job description for the roles >> Explore if one candidate can carry out the responsibilities of two or more roles >> Interview and onboard selected candidates

40. For her content solutions firm, Lily follows the hiring strategy as recommended by industry experts for entrepreneurs like her. After a diligent interview process, she hires three resources, two for writing and one for editing. Two months down the line, she finds that all the three new hires are dissatisfied with their roles and are looking for career options outside her firm. On deep diving into the issue, Lily finds out that these resources were not happy with the amount of research that they needed to do on a daily basis for their work. What do you think is the reason behind this disconnect?

- a) The new hires were lazy and didn't want to work hard.
- b) The new hires lost interest in their job.
- c) The Job Description never mentioned that the role included extensive research.
- d) The work pressure was too much for the new hires to handle.

-----The End-----

