

TESTS for module #1

1. Why complete a Business Plan?
 - A. To get finance
 - B. To impress your mum
 - C. To set out clear goals for your start-up
 - D. To make sure you know what you are doing

2. Which section is completed last?
 - A. Finance detail
 - B. Marketing budget
 - C. About your business
 - D. Executive summary

3. According to research, without a business plan firms are more likely to close down.
 - A. True
 - B. False

4. The business' goals and competitive advantages can be described by...
 - A. Mission statement
 - B. Objectives
 - C. Core values

5. You should describe your products and services and discuss the market that you are
 - A. Goaling
 - B. Aiming
 - C. Targeting
 - D. Goading

6. If you wish to interest investors, you need to emphasize the company's profit
 - A. Potential
 - B. Chance
 - C. Taking
 - D. Deal

7. The preparation of a business plan is optional for some small businesses.
 - A. True
 - B. False

8. the strong and weak points of any firms in competition with yours and look for marketplace opportunities.
 - A. Evaluate
 - B. Investigate

C. Eliminate

9. SMART means:

- A. Sertain, Measurable, Achieveable, Realistic, Timed
- B. Specific, Measurable, Achieveable, Realistic, Timed
- C. Smart, made-up, actual, real, true

10. You should examine customer and the benefits of your products and services.

- A. Needs
- B. Pockets
- C. Returns

11. What is the component of business plan?

- A. Marketing Strategy
- B. Sales Strategy
- C. Executive Summary
- D. All of the above

12. What is a component(s) of business plan? (You can answer more than one choice)

- A. Executive Summary
- B. Financial Plan
- C. Safety Plan
- D. Operation Plan

13. The stockholder may read only the executive summary of business plan to decide about the investment on that business.

- A. True
- B. False

14. _____ in a business plan shows the estimated profit and expenses of venture.

15. Which part of the business plan explains the process of attraction of customers to your business and how you determined the appropriate customers?

- A. Market Research/anaylsis
- B. Market Research/anaylsis
- C. Financial Plan
- D. all of the above

16. The second stage in the life of a project are:

- a. Identification
- b. Evaluation (selection or rejection)
- c. Initial formulation

d. Final formulation (or selection)

17. Which of the forms of feasibility studies give us an idea of technology, scale, location, know-how, labor and other aspects of the project:

- a. Commercial viability
- b. Economic expediency
- c. Financial feasibility
- d. Technical feasibility
- e. Management

18. Project formulation divides the process of project development into sequential stages:

- a. project description, general information, capital costs and sources of finance, assessment of working capital requirement, other financial aspect, market potential, economic and social variables
- b. general information, project description, economic and social variables, , financial aspect of project market potential, capital costs and sources of finance, assessment of working capital requirement
- c. general information, project description, market potential, capital costs and sources of finance, assessment of working capital requirement, other financial aspect, economic and social variables
- d. project description, general information, economic and social variables, market potential, capital costs and sources of finance, other financial aspect, assessment of working capital requirement

19. The following table is an activity list that includes the duration and predecessor for a series of project activities.

What is the duration of the critical path?

Activity	Duration	Predecessor
A	2	Start
B	4	A, E
C	6	A
D	3	B, C
E	7	Start
F	2	E
End	-	D, F

- a. 11
- b. 14

- c. 9
- d. 13

20. The project is in execution, but your project team is unable to stop arguing about the project milestones and the specific risks associated with them. This on-going conflict puts the project at risk of running behind schedule.

What would likely have helped avoid this conflict had it been properly created first?

- a. A project charter
- b. Physical resource assignments
- c. Quality metrics
- d. A work breakdown structure

21. The following Gantt chart displays the schedule for a software upgrade project. The system analysis was completed on August 12th, but the system design and development activities are still in process as of October 3rd. Once the product is developed, the project team will need to test and deploy it, which must be completed by October 17th. The method used to determine the earned value is based on percent complete.

What is the cost variance as of October 3rd?

Task Name	Duration (days)	Start	Finish	Planned Value	Actual Cost	August 1			Sept
						7/24	8/7	8/21	
System Analysis	10	8/1/2011	8/12/2011	\$500	\$600	100%			
System Design	20	8/9/2011	9/5/2011	\$1,000	\$500				
System Development	30	8/23/2011	10/3/2011	\$5,000	\$2,000				
System Testing	5	10/4/2011	10/10/2011	\$1,000	-				
System Deployment	5	10/11/2011	10/17/2011	\$500	-				
Project Complete	-	10/17/2011	10/17/2011	-	-				

- a. -\$650
- b. \$3,750
- c. \$650
- d. \$3100

22. A project manager meets with a customer for initial discussions about an upcoming project. At the end of the meeting, the customer asks the project manager for a rough estimate of the project duration. Based on her experience with three similar projects, the project manager provides an estimate of 8-10 months.

What estimation technique does the project manager use?

- a. Expert judgment
- b. Three-point estimating
- c. Analogous estimating
- d. Bottom-up estimating

23. To define the product that will be produced by the project, the project team is using a product analysis technique that helps with breaking down the high-level requirements into the level of detail needed to design the product.

Which of the following is the product analysis technique used by the team?

- a. Work breakdown structure
- b. Product planning
- c. Progressive elaboration
- d. Product breakdown

24. You are managing a renovation project of a house which is to be completed at a budget of \$100,000. Earned value analysis shows that so far you have completed 40% of the work and spent \$60,000.

How much more will it cost to complete the project if the cost performance remains unchanged?

- a. \$160,000
- b. \$149,254
- c. \$120,000
- d. \$89,254

25. The product life cycle has been divided into the following stage :

- a. Initiation, Start, Growth, Maturity & Saturation, Decline
- b. Introduction, Growth, Maturity & Saturation, Decline
- c. Initiation, Start, Maturity, Saturation, Decline, Finish
- d. Initiation, Start, Growth, Maturity & Saturation, Finish

26. Conscious, deliberate and systematic effort by an organization to identify threats, weaknesses, strengths, opportunities that can be profitably exploited by it is:

- a. PEST analysis
- b. SWOT analysis
- c. value analysis/value engineering, VA/VE
- d. sensitivity analysis

27. Business Environment of project isn't include:

- a. Economic Sector
- b. Government Sector
- c. Staff
- d. Socio-demographic Sector

28. Written statement of what an entrepreneur proposes to take up, a course of action what the entrepreneur hopes to achieve in his business and how he is going to achieve it, project report serves like and road map to reach the destination determined by the entrepreneur - is called:

- a. financial plan

- b. marketing plan
- c. business-plan
- d. organization plan

29. Return on equity is defined as :

- a. Profitability = Net Worth / Profit after tax
- b. Profitability = Profit after tax / Net Worth
- c. Profitability = Profit after tax / Gross Worth
- d. Profitability = Gross Worth / Profit after tax

30. Net Present Value (NPV) is the:

- a. difference between present value of cash inflows and present value of cash outflows.
- b. difference between future value of cash inflows and present value of cash outflows.
- c. difference between present value of cash inflows and future value of cash outflows.
- d. difference between future value of cash inflows and future value of cash outflows.

31. Internal rate of return (IRR) is the:

- a. is that rate which equates the present value of cash inflows with the present value of cash outflows of an investment project
- b. is that rate at the which NPV of a project is under one
- c. is that rate at the which NPV of a project is upper zero

32. A set of standard terminology and guidelines (a body of knowledge) for project management, published by the Project Management Institute (PMI) and recognized as a standard by the American National Standards Institute (ANSI) and the Institute of Electrical and Electronics Engineers (IEEE), which defines 47 processes, which describe a set of tools and techniques to turn a set of required inputs into a set of expected outputs, with the goal to achieve a pre-specified result, is called:

- a. PProjects IN Controlled Environments (Prince2)
- b. The Project Management Body of Knowledge (PMBok)
- c. Agile Project Management

33. The goal of the risk management stage is:

- a. to provide managers information about resource of project
- b. to identify project risks and take the necessary precautions
- c. to make a detailed schedule of all the tasks that need to performed, with specific time frames and resource allocations

34. Work breakdown structure (WBS) - this is:

- a. a graphical portrayal of project costs

- b. an identification of all of the tasks that must be performed in order to achieve project objectives
- c. an identification of marketing channels

35. The following information is available on quantity demanded and income level: quantity demanded in the base year $Q_1 = 50$, quantity demanded in the following year $Q_2 = 55$, income level in the base year $I_1 = 1,000$, and income level in the following year $I_2 = 1,020$. The income elasticity of demand is:

- a. 1,75
- b. 2,49
- c. 4,81
- d. 5,25

36. The following information is available about a certain product: price per unit in the base year $P_1 = \$600$, quantity demanded in the base year $Q_1 = 10,000$, price per unit in the following year $P_2 = \$800$, quantity demanded in the following year $Q_2 = 9,000$. The price elasticity of demand is:

- a. -0.37
- b. -1.3
- c. 0.57
- d. 0.32

37. A two-dimensional representation of the project schedule with activities shown in the rows and time shown across the horizontal axis is called:

- a. BFG-matrix
- b. Gantt chart
- c. Milestone Trend Charts
- d. Project network schedule

38. Schedule performance index (SPI):

- a. $SPI = \text{earned value} / \text{planned value}$
- b. $SPI = \text{actual cost} / \text{planned value}$
- c. $SPI = \text{actual cost} / \text{earned value}$
- d. $SPI = \text{earned value} / \text{actual cost}$

39. The cost performance index (CPI) is:

- a. a measure of how far the project is to Income which was planned
- b. a measure of how far the project is to performing work as it was actually scheduled
- c. a measure of how close the project is to spending on the work performed to what was planned to have been spent
- d. a measure of how close the project is to performing work as it was actually scheduled

40. The financial risk considers the difference between:

- a. EBIT (Earnings before interest and taxes) and EBT (Earnings Before Tax)
- b. revenue and EBIT (Earnings before interest and taxes)
- c. economic internal rate of return (EIRR) and EBIT (Earnings before interest and taxes)
- d. revenue and economic internal rate of return (EIRR)