

### Unit 9.3. MCQs Set 1

## Results



#### #1. Q1. An entrepreneur is typically someone who identifies a market opportunity and:

- (A) Avoids financial risk and continues in secure employment
- (B) Manages existing processes with no innovation
- (C) Invests resources and bears personal risk to create a new venture
- (D) Follows a strictly assigned corporate framework

Entrepreneurs assume personal and financial risks to launch and grow new ventures.

#### #2. Q2. Which of these challenges is more specific to Ayurveda entrepreneurship compared to generic startups?

- (A) Constant quality of raw herbal inputs, cultural acceptance, and specialized regulatory compliance
- (B) Low consumer interest in health-related products
- (C) Disregard for supply chain issues
- (D) Unlimited government grants with no oversight

Ayurveda ventures face unique challenges in ensuring herb quality, meeting cultural expectations, and navigating specialized regulations.

#### #3. Q3. Entrepreneurial decision-making usually involves:

- (A) Random guessing without any feasibility study
- (B) Systematic market analysis, financial projections, risk assessment, and resource planning
- (C) Delegating all crucial decisions to subordinates
- (D) Relying on inherited wealth without innovation

Successful entrepreneurs base their decisions on detailed analysis and careful planning.

**#4. Q4. (Fill in the blank) Entrepreneurial \_\_\_\_\_ often entails anticipating market shifts, budgeting, and planning resource allocation before product launches.**

- (A) sabotage
- (B) synergy
- (C) illusions
- (D) decision processes

Effective decision processes are key to strategically navigating market uncertainties.

**#5. Q5. Which one is not a common trait of successful entrepreneurs?**

- (A) High achievement motivation
- (B) Fear of any risk, preferring absolute security
- (C) A proactive problem-solving mindset
- (D) An internal locus of control

Entrepreneurs are typically willing to take calculated risks rather than seeking absolute security.

**#6. Q6. Match the following financing terms:**

- 1. Angel investor;**
- 2. Venture capitalist;**
- 3. Bootstrapping;**
- 4. Crowdfunding**

- A. Institutional investor**
- B. Uses personal funds**
- C. Public micro-investments**
- D. Wealthy individual**

- (A) 1-C, 2-A, 3-B, 4-D
- (B) 1-D, 2-A, 3-B, 4-C
- (C) 1-A, 2-D, 3-C, 4-B
- (D) 1-B, 2-C, 3-D, 4-A

An angel investor is a wealthy individual (option D), a venture capitalist is an institutional investor (option A), bootstrapping uses personal funds (option B), and crowdfunding involves public micro-investments (option C).

**#7. Q7. Ethical, legal, and socio-cultural responsibilities for an Ayurvedic startup best include:**

- (A) Overpromising miracle cures with no data

- (B) Respecting cultural practices, ensuring transparent labeling, and sourcing herbs sustainably
- (C) Exploiting endangered species for quick profit
- (D) Breaking consumer protection laws

Upholding ethical responsibilities builds long-term trust and sustainability in the marketplace.

**#8. Q8. Reasoning Type - Assertion (A): Innovation in Ayurveda can enhance product acceptance globally. Reason (R): All Ayurvedic knowledge is locked to traditional forms, preventing adaptation.**

- (A) Both A and R true, R explains A
- (B) Both A and R true, but R does not explain A
- (C) A true, R false
- (D) A false, R true

While Ayurveda can innovate and evolve, the claim that traditional knowledge is entirely locked is false.

**#9. Q9. (Fill in the blank) A well-crafted “\_\_\_\_\_ statement” defines the core purpose and guiding vision of an Ayurvedic venture.**

- (A) doping
- (B) synergy
- (C) sabotage
- (D) mission

A mission statement clearly articulates a venture's core purpose, vision, and values.

**#10. Q10. A manager in a large Ayurvedic company often focuses on:**

- (A) Launching brand-new startups with personal capital
- (B) Sustaining and improving existing processes within a given structure
- (C) Ownership of the entire financial risk
- (D) None

Managers focus on operational efficiency and incremental improvements rather than assuming substantial entrepreneurial risk.

**#11. Q11. Which step is generally not part of feasibility analysis for an Ayurvedic business idea?**

- (A) Market demand study
- (B) Compliance with health regulations

(C) Overlooking consumer preferences completely  
  
(D) Preliminary financial viability check

Ignoring consumer preferences is a critical oversight in any feasibility analysis.

**#12. Q12. Match the following stages with their descriptions:**

- 1. Idea generation;**
- 2. Market testing;**
- 3. Prototype;**
- 4. Commercial launch**

- A. Basic concept development**
- B. Preliminary feedback from target users**
- C. Deciding features, formulation, and packaging**
- D. Full production and distribution**

(A) 1-C, 2-B, 3-A, 4-D  
  
(B) 1-A, 2-D, 3-C, 4-B  
  
(C) 1-D, 2-A, 3-C, 4-B  
  
(D) 1-C, 2-A, 3-D, 4-B

The sequence is: Idea generation (deciding features/formulation, option C), Market testing (preliminary user feedback, option B), Prototype (basic concept development, option A), Commercial launch (full production/distribution, option D).

**#13. Q13. Suppose an Ayurveda entrepreneur invests heavily in marketing but uses substandard herbs. The probable consequence is:**

(A) Guaranteed indefinite success  
  
(B) Consumers eventually lose trust upon discovering poor quality, harming brand reputation  
  
(C) A short-term sales boost followed by long-term losses  
  
(D) Immediate legal actions due to false advertising

Poor product quality will eventually erode consumer trust and damage long-term brand equity.

**#14. Q14. (Fill in the blank) Return on Investment (ROI) is a measure of \_\_\_\_\_ relative to investment cost.**

(A) Revenue growth  
  
(B) Operational efficiency  
  
(C) Profitability  
  
(D) Cost management

ROI measures profitability relative to the investment made.



**#15. Q15. A growth opportunity in Ayurvedic food/drug wellness might be driven by:**

- (A) Zero consumer interest in traditional health solutions
- (B) Global lifestyle trends favoring natural, holistic products
- (C) A complete ban on herbal commerce
- (D) None

Global consumer trends toward natural and holistic wellness create opportunities for Ayurveda.

**#16. Q16. Which scenario is not aligned with “ethical responsibility” in Ayurvedic entrepreneurship?**

- (A) Transparent labeling and honest claims
- (B) Overharvesting rare plants for quick profits
- (C) Respect for local traditions and fair labor practices
- (D) Minimal environmental harm

Exploiting natural resources through overharvesting is unethical.

**#17. Q17. Reasoning Type - Assertion (A): IP protection is significant in Ayurveda. Reason (R): Public domain knowledge can be patented with ease.**

- (A) Both A and R true, R explains A
- (B) Both A and R true, but R does not explain A
- (C) A true, R false
- (D) A false, R true

Although IP protection is important, it is false that public domain knowledge (already known remedies) can be patented easily.

**#18. Q18. (Fill in the blank) Successful “lab-to-market” transitions in Ayurveda hinge on \_\_\_\_\_, ensuring that the product meets safety and regulatory standards prior to large-scale production.**

- (A) Regulatory lobbying
- (B) Market hype
- (C) Evidence-based validation
- (D) Process automation

Evidence-based validation is critical to proving safety and efficacy before commercialization.

**#19. Q19. A manager’s role in an established Ayurvedic firm is typically to:**

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- (A) Provide personal capital for uncertain expansions
- (B) Administer day-to-day tasks, resource scheduling, and team supervision
- (C) Directly assume entrepreneurial risk
- (D) Focus solely on strategic innovation

Managers focus on operating existing processes efficiently rather than assuming high entrepreneurial risk.

**#20. Q20. “Startup India” or “Stand Up India” might benefit Ayurveda SMEs by:**

- 
- (A) Offering simplified compliance, loans, skill development, and fostering entrepreneurship
- 
- (B) Establishing government-controlled monopolies
- 
- (C) Reducing government oversight entirely
- 
- (D) None

These initiatives provide support such as easier access to finance and regulatory assistance, benefiting SMEs.

**#21. Q21. If an entrepreneur “bootstraps” a venture, it means:**

- 
- (A) Relying solely on large venture capital funding
- 
- (B) Using personal savings or internal profits for growth
- 
- (C) Seeking early-stage angel investments
- 
- (D) Relying on franchising

Bootstrapping involves funding a venture with personal or internally generated resources, without external capital.

**#22. Q22. Match the following financial metrics with their definitions:**

1. ROI;
2. Cash flow;
3. USP;
4. Break-even point

- A. Unique reason for consumers to choose your product
- B. Net inflow/outflow of funds
- C. When revenues match total costs
- D. Gains from investment expressed as a percentage

- 
- (A) 1-C, 2-D, 3-B, 4-A
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- (B) 1-D, 2-B, 3-A, 4-C
- 
- (C) 1-A, 2-D, 3-C, 4-B
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- (D) 1-B, 2-C, 3-D, 4-A

ROI is the gains expressed as a percentage (D), cash flow is the net funds (B), USP is the unique selling proposition (A), and break-even is when revenue equals total costs (C).

**#23. Q23. Differentiation in Ayurveda R&D might involve:**

- (A) Unique extraction or standardization processes with robust data
- (B) Adopting conventional manufacturing techniques
- (C) Focusing solely on marketing without innovation
- (D) None

Innovative R&D processes backed by data can create a competitive edge.

**#24. Q24. (Fill in the blank) Conducting a \_\_\_\_\_ ensures an Ayurvedic product is economically viable by analyzing cost, revenue projections, and resource availability.**

- (A) Market analysis
- (B) Cost-benefit analysis
- (C) Feasibility study
- (D) Operational audit

"A feasibility study assesses the overall viability of a business idea before major investments are made."

**#25. Q25. Collaborations with farmers in medicinal plant cultivation aid an Ayurvedic entrepreneur by:**

- (A) Outsourcing all production tasks
- (B) Securing a steady, sustainable raw herb supply and stabilizing prices
- (C) Eliminating intermediaries completely
- (D) Relying solely on imported herbs

Direct collaboration with farmers ensures a steady supply of quality raw materials and stabilizes pricing.

**#26. Q26. Which statement you think is correct**

- (A) Inconsistent quality of Ayurvedic products can harm brand credibility and may even cause health issues.
- (B) The quality does not matter in Ayurveda products
- (C) Ayurveda is science of food technology
- (D) Ayurvedic medicines contains chemically produced ingredients

Consistent quality is crucial for safety and long-term customer loyalty in a health-sensitive market.

**#27. Q27. "Social entrepreneurship" in Ayurveda might emphasize:**

- (A) Not just profit but also social impact—improving community well-being, local employment, and the environment
- (B) Maximizing profit regardless of community impact

(C) Prioritizing rapid expansion over social welfare  
  
(D) None

“Social entrepreneurship balances financial goals with positive social outcomes.”

**#28. Q28. A major marketing challenge for an Ayurvedic startup can be:**

(A) Educating consumers on product authenticity and bridging tradition with modern evidence  
  
(B) Overpricing products to create a premium image  
  
(C) Relying solely on traditional word-of-mouth  
  
(D) None

Consumer education is critical to clarify authenticity and scientific support behind Ayurvedic products.

**#29. Q29. Reasoning Type - Assertion (A): Government licensing ensures consumer safety in Ayurvedic products. Reason (R): Unlicensed products are often guaranteed to be safer.**

(A) Both A and R true, R explains A  
  
(B) Both A and R true, but R does not explain A  
  
(C) A true, R false  
  
(D) A false, R true

While licensing aims to enhance safety, it is false that unlicensed products are inherently safer.

**#30. Q30. If an entrepreneur uses franchising for an Ayurvedic spa chain, then:**

(A) They expand under a brand system with fees from franchisees while maintaining consistent quality  
  
(B) They rely solely on regional word-of-mouth marketing  
  
(C) They merge with existing local businesses  
  
(D) None

Franchising permits rapid expansion under a common brand with controlled operational standards.

**#31. Q31. A mission statement for a new Ayurvedic nutraceutical brand might detail:**

(A) Increased profit margins  
  
(B) The company's purpose, core values, product philosophy, and how it addresses customer wellness  
  
(C) An emphasis on aggressive market takeover  
  
(D) Strict regulatory compliance only

A clear mission statement communicates the brand's vision, values, and strategic focus on customer health and well-being.



**#32. Q32. Match the following marketing and planning elements with their descriptions:**

- 1. Product planning;**
- 2. Market segmentation;**
- 3. Pricing strategy;**
- 4. Supply chain**

- A. Deciding features, formulation, and packaging**
- B. Dividing the broad consumer market into sub-groups**
- C. Balancing cost, margin, and perceived value to set product cost**
- D. Strategy ensuring efficient movement from raw materials to the final consumer**

- (A) 1-C, 2-B, 3-D, 4-A
- (B) 1-A, 2-D, 3-B, 4-C
- (C) 1-D, 2-A, 3-C, 4-B
- (D) 1-B, 2-C, 3-A, 4-D

Product planning involves deciding features and packaging (C), market segmentation divides the consumer base (B), pricing strategy balances cost and perceived value (D), and supply chain ensures efficient distribution (A).

**#33. Q33. If an Ayurvedic R&D lab obtains a patent for a novel herbal extraction method, it can:**

- (A) Never license it to others
- (B) License or use it exclusively, thereby gaining a competitive edge
- (C) Abandon it to reduce regulatory burdens
- (D) Rely on government grants for commercialization

Patent protection allows the owner to license the technology and secure a market advantage.

**#34. Q34. Cost management for an Ayurvedic SME involves:**

- (A) Tracking raw herb costs, production overhead, labor, and marketing expenses to maintain viable final pricing
- (B) Setting prices solely based on competitor pricing
- (C) Ignoring fluctuations in raw material costs
- (D) None

Effective cost management requires monitoring all production expenses to ensure sustainable pricing.

**#35. Q35. A manager differs from an entrepreneur in that a manager:**

- (A) Implements decisions within an existing framework rather than taking personal financial risk
- (B) Identifies and exploits new market opportunities
- (C) Assumes full entrepreneurial risk

(D) None

Managers operate within an established framework and focus on efficiency rather than assuming entrepreneurial risk.

**#36. Q36. (Short Answer) Mention one major advantage for an Ayurvedic entrepreneur using digital marketing channels.**

- (A) They can easily sell anything digitally without any legal license
- (B) Digital marketing can be done without any fees.
- (C) Digital marketing is a guarantee of product success
- (D) They can reach broader audiences cost-effectively, educate consumers, and build brand recognition quickly.

Digital marketing allows targeted outreach and rapid scaling with minimal costs.

**#37. Q37. “Collaboration with scientific institutes” can help an Ayurvedic entrepreneur by:**

- (A) Strengthening R&D, obtaining validation, and developing advanced formulations
- (B) Reducing production costs through bulk purchasing
- (C) Relying solely on historical formulations
- (D) None

Partnerships with research institutions provide scientific validation and help enhance product formulations.

**#38. Q38. Reasoning Type - Assertion (A): A strong brand image in Ayurveda fosters customer loyalty. Reason (R): Consumers of health products value trust and authenticity more than price alone.**

- (A) Both A and R true, R explains A
- (B) Both A and R true, but R does not explain A
- (C) A true, R false
- (D) A false, R true

Consumers in health markets prioritize trust and authenticity, which helps build brand loyalty.

**#39. Q39. A “competitive advantage” for an Ayurvedic drug might come from:**

- (A) Clinical proof of efficacy, unique herbal compositions, or distinctive brand endorsements
- (B) Cost leadership without quality differentiation
- (C) Focusing solely on mass production with generic ingredients
- (D) None

Differentiation via robust clinical data and unique formulations creates a competitive advantage.

**#40. Q40. (Fill in the blank) A sound \_\_\_\_\_ ensures an Ayurvedic startup can scale without losing product quality or brand identity.**

- (A) Operational system
- (B) Digital marketing strategy
- (C) Financial restructuring
- (D) Global branding initiative

A robust operational system—scalable processes and effective quality control—is essential for sustainable growth.

**#41. Q41. Government organizations like SIDBI or NSIC can help Ayurveda enterprises by:**

- (A) Providing credit facilities, marketing support, and training programs tailored to small-scale industries
- (B) Offering unlimited tax breaks without any conditions
- (C) Assuming operational risks for new ventures
- (D) Relying on large-scale corporate investments

These organizations offer financial and developmental support specifically for MSMEs.

**#42. Q42. One main advantage of adopting a “lean startup” methodology is:**

- (A) Rapid testing of product assumptions with minimal cost and quick adjustment to feedback
- (B) Dependence on extensive market research before any launch
- (C) Strict adherence to traditional business models
- (D) None

Lean startup practices enable rapid iteration and cost-effective scaling by testing assumptions early.

**#43. Q43. “Entrepreneurial spirit” in an Ayurvedic manager might be displayed by:**

- (A) Proposing new product lines, forging alliances, and proactively driving improvements beyond routine expectations
- (B) Maintaining existing processes without change
- (C) Delegating all decisions to higher management
- (D) None

Intrapreneurship involves managers initiating innovative ideas to improve and expand business operations.

**#44. Q44. A crucial distribution channel for a herbal cosmetics line might be:**

- (A) E-commerce platforms, specialized Ayurvedic stores, pharmacies, and supermarkets
- (B) Exclusive dependence on traditional local markets
- (C) Relying solely on social media influencers

(D) Direct door-to-door sales

A multi-channel distribution strategy increases market reach and brand visibility.

**#45. Q45. Match the following elements with their definitions:**

- 1. Pricing strategy;**
- 2. Feasibility study;**
- 3. Pilot testing;**
- 4. Break-even analysis**

- A. Volume of sales where revenue equals cost**
- B. Checking viability before major investment**
- C. Setting the cost for the product**
- D. A small-scale market trial**

(A) 1-C, 2-B, 3-D, 4-A  
 (B) 1-B, 2-C, 3-A, 4-D  
 (C) 1-D, 2-A, 3-C, 4-B  
 (D) 1-A, 2-D, 3-B, 4-C

Pricing strategy (c), feasibility study (b), pilot testing (d), and break-even analysis (a) are correctly matched.

**#46. (Fill in the blank) Extending \_\_\_\_\_ to retailers can help Ayurveda entrepreneurs gain shelf space for new products.**

(A) Credit  
 (B) Extended warranty  
 (C) Bulk purchasing incentives  
 (D) Price subsidies

Offering credit facilities can encourage retailers to stock new products.

**#47. Q47. One reason for entrepreneurial failure in Ayurveda might be:**

(A) Neglecting to validate consumer acceptance, leading to poor sales despite product availability  
 (B) Excessive focus on consumer feedback resulting in indecision  
 (C) Relying on outdated business models  
 (D) None

Failing to validate market demand and consumer preferences can result in product flops.

**#48. Q48. Reasoning Type - Assertion (A): GMP certification in Ayurvedic manufacturing**



**builds consumer trust. Reason (R): Consumers do not consider official certifications when purchasing health products.**

- (A) Both A and R true, R explains A
- (B) Both A and R true, but R doesn't explain A
- (C) A true, R false
- (D) A false, R true

Although GMP certification is important, the assertion that unlicensed products are safer is false; thus, the reason is incorrect.

**#49. Q49. Private labeling in Ayurveda means:**

- (A) A third-party manufacturer produces the products, which are sold under one's own brand label
- (B) Outsourcing all production processes to foreign companies
- (C) Developing proprietary production facilities in-house
- (D) Licensing the brand to other entrepreneurs

Private labeling means marketing products manufactured by a third party under your own brand.

**#50. Q50. (Fill in the blank) For an Ayurvedic business, building a robust \_\_\_\_\_ is key to delivering products efficiently and maintaining consistent quality from raw materials to the consumer.**

- (A) Supply chain
- (B) Digital marketing strategy
- (C) Investor relations network
- (D) Global branding initiative

A strong supply chain is essential for ensuring efficient production, distribution, and quality control throughout the business.

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