

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:

- ☐



- ☐ (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
- ☐ (B) 1-D, 2-B, 3-A, 4-C
- ☐ (C) 1-A, 2-D, 3-C, 4-B
- ☐ (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. Q46. (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.

Previous
Submit