

### MT2.4\_9 Multiple-choice Questions

Which type of funding typically requires the least amount of paperwork and collateral? (a) Bank loan (b) Angel investor (c) Grant (d) Crowdfunding

Answer: (c) Grants often have less stringent requirements compared to traditional loans or investor agreements.

If your business has a high cash flow, it means: (a) You have significant debt. (b) You have more money coming in than going out. (c) You rely heavily on credit. (d) Your revenue is stagnant.

Answer: (b) Strong cash flow indicates healthy revenue generation and efficient management of expenses.

Scenario planning helps your business prepare for: (a) Unexpected opportunities. (b) Future financial uncertainties. (c) Both A and B. (d) Neither A nor B.

Answer: (c) Scenario planning considers both positive and negative possibilities, allowing you to adapt to various situations.

When calculating your profit margin, you divide: (a) Total revenue by net income. (b) Net income by total revenue. (c) Gross profit by operating expenses. (d) Total assets by liabilities.

Answer: (b) The profit margin expresses the percentage of revenue remaining as profit after accounting for all expenses.

Which financial statement shows your business's current assets and liabilities? (a) Income statement (b) Balance sheet (c) Cash flow statement (d) Budget

Answer: (b) The balance sheet provides a snapshot of your financial position at a specific point in time, including current assets and liabilities.

6. Which of the following is NOT a typical funding source for early-stage ventures?

Grants (b) Venture capital (c) Bank loans (d) IPOs (Initial Public Offerings)

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Answer: (d) IPOs are typically for established companies going public, not early-stage ventures.

7. The debt-to-equity ratio measures:

A company's profitability (b) Its liquidity (c) Its dependence on borrowed capital (d) All of the above

Answer: (c) The debt-to-equity ratio compares a company's debt with its equity, indicating its reliance on borrowed money.

8. Scenario planning involves:

Predicting the future with certainty (b) Identifying potential risks and formulating responses (c) Focusing solely on the most likely outcome (d) Ignoring unexpected events

Answer: (b) Scenario planning helps prepare for various future possibilities and develop strategies to adapt.

9. Crowdfunding is:

Raising small amounts of money from a large pool of individual investors online (b) Taking out a loan from a bank (c) Securing investment from a single venture capitalist (d) Going public on a stock exchange

Answer: (a) Crowdfunding allows ventures to raise money from individual contributors through online platforms.

10. A high profit margin indicates:

A company is struggling financially (b) It is generating a large portion of revenue as profit (c) It has high operating costs (d) It has significant debt

Answer: (b) A high profit margin signifies that a company is efficiently converting its revenue into profit.

11. You are an entrepreneur pitching your innovative tech startup to investors. What is the MOST important element of your pitch?



Joint development, piloting and validation of entrepreneurial mindset and key skills curricula and training materials for third countries

The size of the potential market (b) Your personal passion for the project (c) A clear understanding of your target audience (d) A solid financial plan demonstrating profitability

Answer: (d) While all elements are important, a well-defined financial plan with realistic projections of revenue and profitability is crucial for convincing investors.

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Task 2.2



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