

TECHNISCHE UNIVERSITÄT MÜNCHEN
TUM School of Management
Entrepreneurship Research Institute
Professorship of Entrepreneurial Behavior
Prof. Dr. Nicola Breugst

Winter Semester 2022/2023
Exam: "Entrepreneurship"
WI000984 or WI900005; Part I of module WI001185

Your Name:

Your Immatriculation Number:

General remarks concerning the exam:

- For the exam "Entrepreneurial, Strategic, and International Management (WI001185)" there is a total of 120 minutes to answer the questions, i. e. two exam parts.
- If you write the exam "Entrepreneurship (WI000984 or WI900005)" only, there is a total of 60 minutes to answer these questions.

This part includes only the questions for the exam "Entrepreneurship". For questions on Strategic and International Management please check the other part and their instructions.

Instructions for the exam "Entrepreneurship":

- Your exam should consist of 8 pages (including cover sheet). Please check for completeness!
- There are 35 multiple choice questions, all of which should be answered.
- In each question, exactly one answer can be seen as the best answer and is correct.
- Please answer all questions on the **SEPARATE ANSWER SHEET**.
- Please write your name and immatriculation number on this cover sheet AND the **SEPARATE ANSWER SHEET on top of the exam**. Please **SIGN** the answer sheet!
- The exam is a closed book exam. No additional materials (such as books, course slides, personal notes) are allowed. Please note that you cannot keep mobile phones, smart watches, and any other electronic devices at your place.
- Leaving the auditorium during the exam requires the permission of the supervisor.
- Do **NOT** unstaple the exam sheets.
- Anyone caught cheating will fail the exam (grade „nicht ausreichend“ – 5,0).

Good luck!

1 Which of the following conclusions can NOT be deducted from the example of the 3-D printing technology as presented in class?

- A Knowledge and experience are important for opportunity identification.
- B Products based on one technology developed by different teams are similar.
- C Technologies developed without a clear target market can still be successfully commercialized.
- D Several companies can be founded using the same basic technology.

2 During a discussion with a potential supplier, a well-prepared entrepreneur introduces himself as an alumnus from one of Italy's most prestigious universities. He then goes on to provide a series of logical and strongly built arguments that clarify why forming an alliance with his venture would bring feasible and extensive benefits for the supplier. This is an example of:

- A The peripheral route of persuasion.
- B The central route of persuasion.
- C The emotional route of persuasion.
- D The commercial route of persuasion.

3 What is true about firm categories and their prevalence?

- A The number of unicorns world-wide has decreased in the last years.
- B Decacorns are firms valued at over USD 100 billion.
- C Starbucks and CISCO were examples of Gazelle firms in their firm development.
- D All of the above.

4 Our guest speaker Dr. Gesa Biermann (co-founder of pina.earth) talked about how they handle stock option plans for employees. In accordance with our lecture, she mentioned the "financial cliff" in a vesting scheme, which has the following advantage:

- A It motivates employees to improve their performance.
- B It protects young ventures from early exits of team members and employees.
- C It functions as a salary cap for early employees.
- D None of the above.

5 Our guest speaker Bennet Barth (Managing Director at RESPOND) talked about the distinction between zebra and unicorn companies. According to him, how do they differ?

- A While unicorns aim to scale their business as quickly as possible, zebras are looking for a more sustainable way to grow as a company.
- B Unicorns are always more successful than zebras.
- C Zebra companies can only be successful in the field of social entrepreneurship.
- D None of the above.

6 "Foot-in-the-door" is an important negotiation technique for entrepreneurs and corresponds to:

- A Escalating pattern of requests.
- B Inducements that are withdrawn after a commitment is made.
- C Making an extreme request and following it up with a more reasonable one.
- D Increasing the offer or reducing the costs.

7 According to the lecture, which mood can help entrepreneurs to analyze their opportunity holistically?

- A A positive mood because it facilitates a global perception of the opportunity.
- B A negative mood because it facilitates a global perception of the opportunity.
- C A neutral mood because it facilitates a global perception of the opportunity.
- D A neutral mood because it facilitates a more detailed perception of the opportunity.



8 Knowing one's BATNA is relevant for entrepreneurs in the context of

- A opportunity identification.
- B negotiations.
- C personality traits.
- D creativity techniques.

9 What is true about the effectuation in action cycle (Sarasvathy, 2001)?

- A It starts with setting a specific goal.
- B The goal entrepreneurs choose to pursue should be ambitious and beyond their comfort zone.
- C Committed stakeholders can bring new means to the venture.
- D If stakeholders do not show any commitment, entrepreneurs will develop new goals.

10 Lufthansa implemented the systems to give access to all its passengers to a self check-in service before boarding every flight. According to our lecture, these considerations should be included in the following section of Lufthansa's business model canvas:

- A Customer relationships.
- B Key partners.
- C Value proposition.
- D Key differentiators.

11 Looking at the Business Model Canvas of Flixbus, the bus companies are probably Flixbus's most important...

- A Key Partners.
- B Competitors.
- C Revenue Stream.
- D Customers.

12 When do we speak about a multi-sided business model?

- A When there is more than one customer segment.
- B When a company generates revenues from customers who are not the primary user-base.
- C When a company leverages several distribution channels.
- D When the users of a product/service are also involved in the creation of the product/service.

13 Which actions are typical of an entrepreneur who starts a new restaurant and follows the effectuation process?

- A Identifying a suitable location by analyzing the competitor landscape in the neighborhood.
- B Thorough analysis and evaluation of market segments.
- C Watching out for opportunities that fit own resources.
- D Design of appropriate marketing strategies to tackle the target customer group.

14 According to Klotz et al.'s (2014) Input-Mediator-Outcome framework of entrepreneurial teams, the team members' attitudes (for example, how do they think about the team) is considered to be part of:

- A Team processes.
- B Action processes.
- C Emergent states.
- D Inputs.



- 15 Three entrepreneurs have just formed an entrepreneurial team although they barely know each other. Which decision should they make regarding the equity split of the new venture in order to secure a harmonious business development protected against any eventualities?
- A They should split their equity to equal parts.
 - B They should decide on a dynamic equity split.
 - C They should decide on their equity shares as soon as possible.
 - D They should not mention the equity distribution because it will lead to conflicts.
- 16 According to the lecture, which effect does the display of entrepreneurial passion have on the entrepreneur's stakeholders?
- A It may limit how much feedback they provide.
 - B Especially investors value it over signals of competence.
 - C It is not important for employees.
 - D All of the above.
- 17 Social networks play an important role in entrepreneurship. According to Davidsson and Honig (2003), which of the following circumstances has the highest impact on an entrepreneur's success?
- A Being member of a business network.
 - B Being encouraged by friends.
 - C Having parents in business.
 - D Having friends in business.
- 18 According to the lecture, what is true about the Business Model Canvas?
- A The value generated from customers is captured in a derivative currency and users pay for this derivative currency.
 - B The nine building blocks of the Business Model Canvas are independent of each other.
 - C The block Cost Structures in the Business Model Canvas can either be cost-driven or value-driven.
 - D The Business Model Canvas describes the functioning of young startups, but does not apply to established organizations.
- 19 Which statement is true about the "total entrepreneurial activity rate" of a country?
- A It is only high in countries with a high GDP/capita.
 - B In most countries, it is above 50%.
 - C It represents the success of entrepreneurs operating in a given country.
 - D None of the above.
- 20 Entrepreneurs are often characterized by a strong need for autonomy. What is true about the need for autonomy?
- A It corresponds to generalized attitudes and beliefs.
 - B It is an internal force that pushes people wanting to be in control of decisions independently of others.
 - C It describes the belief that one can organize and effectively execute actions to produce certain outcomes.
 - D It is a personality factor that has strong impact on task-oriented behavior.
- 21 What is true about the creativity technique "conceptual combination"?
- A It describes the process of generating novel ideas by mentally combining different, previously unrelated concepts.
 - B Results may address different needs of different customer groups, as opposed to an already existing idea.
 - C Examples include "glamping" or "healthy fast food"
 - D All of the above.
- 22 What is true about meta-analyses?
- A They facilitate the analysis of relationships across studies.
 - B They facilitate the analysis of meta-cognition.
 - C They facilitate the analysis of medium effect sizes only.
 - D They facilitate the analysis of effects above a certain value.



- 23** Greiner (1972) has defined five specific phases of growth as well as crisis that come with growth. According to the lecture, which crisis is characterized by too strict structures and the call for more creativity?
- A** Crisis of autonomy
 - B** Crisis of control
 - C** Crisis of red tape
 - D** Crisis of leadership
- 24** The two founders of "Re-deko" (a startup dedicated to redesign and change the decoration of apartments and houses to create nicer living spaces) disagree if they should invest more time in acquiring some more clients for the current offering or if they should first expand their offerings before reaching out to more potential clients. This is an example of:
- A** Relationship conflict.
 - B** Task conflict.
 - C** Design conflict.
 - D** None of the above.
- 25** In order to grow, firms may apply a market development strategy. It is a strategy to grow by...
- A** ... developing and selling new products to people who are already purchasing the firm's existing products.
 - B** ... selling the firm's existing products to new groups of customers.
 - C** ... encouraging existing customers to buy more of the firm's current products.
 - D** ... selling a new product to a new market.
- 26** Entrepreneurs often must make decisions under conditions of risk. What is true about risk?
- A** The probability of an outcome is possible to calculate or is knowable.
 - B** It is a synonym for uncertainty.
 - C** Under risk, it is not possible to determine the probability of an outcome.
 - D** Need for risk-taking is an important entrepreneurial motive.
- 27** What is true about scale-ups according to Piaskowska et al. (2021)?
- A** They need to find a balance between exploration and exploitation.
 - B** They need to synchronize their internal organization with high growth.
 - C** They need to deal with decelerated product life cycles.
 - D** They need to build up a highly flexible and agile structure.
- 28** Our Guest Speaker Jörg-Michael Weber (co-founder of ATLAS) shared that he and his co-founder always try to buy used lab equipment (e.g. from eBay Kleinanzeigen) instead of brand new equipment. Which principle could best describe this behavior?
- A** The start with your resources principle.
 - B** The form partnerships principle.
 - C** The affordable loss principle.
 - D** The problem minimization principle.
- 29** What is a fundamental trait of capitalism according to Joseph Schumpeter?
- A** Maximization of profits.
 - B** Reallocation of wealth from working class to top management.
 - C** Process of creative destruction.
 - D** Selling products even if there is no customer need.



- 30 According to the "Big Five" personality factors presented in the lecture, one can expect an individual who is instable and struggles to adapt to new situations to have:
- A A high score on introversion.
 - B A low score on conscientiousness.
 - C A high score on neuroticism.
 - D A low score on agreeableness.
- 31 In entrepreneurial teams, conflicts may arise due to "naive realism". This bias refers to individuals' tendency to...
- A ... attribute other's failures and mistakes to external circumstances.
 - B ... believe that their own perception of a situation is an accurate depiction of reality.
 - C ... believe that the majority of people would share their own opinion about another person.
 - D ... attribute their own failures and mistakes to external circumstances.
- 32 What is a key assumption of Barney's resource-based view of the firm?
- A Some resources are inelastic in supply or costly to copy.
 - B A firm's resources must be imperfectly imitable.
 - C Resources provide a firm with a sustained competitive advantage.
 - D All of the above.
- 33 In one of our guest lectures we had the pleasure to welcome Celonis, an outstanding example of a German decacorn. What exactly is a decacorn?
- A A company that had 10 successful unicorn spin-offs.
 - B A company valued at more than US \$1 Billion.
 - C A company whose sales revenue grew by US \$ 1 Billion over the last decade.
 - D A company valued at more than US \$10 Billion.
- 34 What is the core motivation for sustainable entrepreneurs according to Schaltegger and Wagner (2011)?
- A They want to earn money by solving grand societal challenges.
 - B They aim at securing funding to tackle environmental problems.
 - C They aim at solving societal and environmental problems by realizing a successful business.
 - D They want to create a business that helps to realize their visions.
- 35 What is true about creativity?
- A Creativity refers to convergent thinking, i.e., intuition, gut feeling, and irrationality.
 - B Creativity refers to divergent thinking, i.e., logic, previous knowledge, and rationality.
 - C Creativity refers to both, convergent and divergent thinking.
 - D None of the above.



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