

# CMAT Innovation and Entrepreneurship Practice

## Questions 2026

Question 21:

Which of the following best describes innovation in entrepreneurship?

- a) Starting a business with high capital
- b) Introducing a completely new product only
- c) Applying new ideas to improve products, services, or processes
- d) Expanding an existing business to new locations

Answer: (c)

Question 22:

An entrepreneur who starts a business primarily to solve social problems is known as a:

- a) Serial entrepreneur
- b) Corporate entrepreneur
- c) Social entrepreneur
- d) Lifestyle entrepreneur

Answer: (c)

Question 23:

Which stage of the entrepreneurial process involves testing the feasibility of a business idea?

- a) Idea generation
- b) Business planning
- c) Resource mobilisation
- d) Opportunity recognition

Answer: (b)

Question 24:

Which of the following is an example of process innovation?

- a) Launching a new mobile app
- b) Introducing a new pricing strategy
- c) Using automation to reduce production time
- d) Entering a new market

Answer: (c)

#### Question 25:

The ability of an entrepreneur to recover quickly from setbacks is known as:

- a) Creativity
- b) Resilience
- c) Risk appetite
- d) Vision

Answer: (b)

#### Question 26:

Which of the following funding sources involves raising small amounts of money from a large number of people, usually online?

- a) Angel investment
- b) Venture capital
- c) Crowdfunding
- d) Bank loan

Answer: (c)

#### Question 27:

What is the primary objective of a business incubator?

- a) To provide loans to new businesses
- b) To monitor government policies
- c) To support startups with infrastructure and mentoring
- d) To acquire startups

Answer: (c)

### Question 28:

Which factor mainly differentiates an entrepreneur from a manager?

- a) Educational qualification
- b) Willingness to take calculated risks
- c) Salary structure
- d) Length of work experience

Answer: (b)

### Question 29:

A business model that focuses on offering value through subscription-based services is commonly used by:

- a) Manufacturing units
- b) SaaS companies
- c) Wholesalers
- d) Traditional retailers

Answer: (b)

### Question 30:

Which of the following is considered an internal source of innovation for an organisation?

- a) Customer feedback
- b) Competitor analysis
- c) Employee ideas and suggestions
- d) Market research reports

Answer: (c)

