



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, December 2021**

**Course: Family Business Management**  
**Program: BBA Family Business**  
**Course Code: STGM2003**

**Semester : III**  
**Duration : 03 hrs.**  
**Max. Marks: 100**

**Instructions: Attempt all questions**

Q.No	Select correct option with reasoning and explanation	10Qx2M=20Marks
Q1	<p>A. Family businesses have a unique set of problems because:</p> <ul style="list-style-type: none"><li>i. the success of a family and the success of a business are based on different criteria.</li><li>ii. family members have different goals.</li><li>iii. family members usually prefer to work for a large corporation.</li><li>iv. all of the above.</li></ul> <p>B. in order for entrepreneurial couples to avoid problems with power and decision making, it is best to:</p> <ul style="list-style-type: none"><li>I. designate one person as the legal owner of the company.</li><li>II. work different hours in the business.</li><li>III. assign specific areas of responsibility.</li><li>IV. work in different locations.</li></ul> <p>C. The clothing company Esprit de Corp. experienced financial problems because the owners:</p> <ul style="list-style-type: none"><li>I. spent too much money on personal expenses.</li><li>II. had different management styles.</li><li>III. did not have the same goals and vision for the company.</li><li>IV. had different personalities.</li></ul> <p>D. The percentage of family-owned businesses that are successfully transferred to the second generation is approximately:</p> <ul style="list-style-type: none"><li>i. ten percent.</li><li>ii. one-third.</li><li>iii. One quarter.</li><li>iv. ninety percent.</li></ul> <p>E. The process of transferring leadership to the next generation is known as:</p>	

	<p>I. power sharing.</p> <p>II. succession.</p> <p>III. natural division of responsibility.</p> <p>IV. community property.</p> <p>F. When transferring the ownership of the business, an entrepreneur can do which of the following?</p> <p>I. Give ownership to family members as a gift</p> <p>II. Sell ownership to family members</p> <p>III. Transfer ownership while still alive</p> <p>IV. All of the above</p> <p>G. A group that gives advice to a family-owned company, and is made up of family members as well as non-family members is called:</p> <p>I. a family council.</p> <p>II. equitable distribution.</p> <p>III. an advisory board.</p> <p>IV. all of the above.</p> <p>H. In a business plan, the succession plan becomes more of a concern for bankers and investors:</p> <p>I. when there are more than three children involved.</p> <p>J. as the entrepreneur ages.</p> <p>K. when the entrepreneur has no children.</p> <p>L. if a family council exists.</p> <p>I. Nearly 35 percent of the Fortune 500 companies are family firms.</p> <p>a. True b. False</p> <p>L. An Employee Stock Ownership Plan is often used when company ownership is transferred to a close relative.</p> <p>a. True b. False</p>	
	<b>Section B</b>	<b>4Qx5M= 20 Marks</b>
Q2	<p><b>Short Notes</b></p> <p>1. Emperor Model</p> <p>2. Scent and sound mark</p> <p>3. Inheritance tax</p> <p>4. Family business conflict resolution techniques</p>	
	<b>Section C</b>	<b>3Qx10M=30 Marks</b>

