Startup Finance and Strategy Quiz

Business · Answer Key · 10 Questions

1. According to the text, what is considered 'vanity' in a business context?

A) Revenue
B) Profit
C) Cash
D) Assets

2. What is the best judge of a startup's viability, according to the document?

A) Market research
B) A paying customer
C) Investor feedback
D) Product roadmap

3. Which of these is NOT typically a source of startup funding?

A) Owner's Equity
B) Loan Financing
C) CrowdFunding
D) Competitor's Revenue

4. What is 'bootstrapping' in the context of startups?

A) Seeking large investments
B) A minimalistic approach with limited resources
C) Hiring many employees quickly
D) Aggressive marketing campaigns

5. Which of the following is a startup exit strategy?

A) Increasing expenses
B) Sale of Business
C) Ignoring cash flow
D) Avoiding investors

6. Why is cash flow considered 'king'?

A) It's easily ignored
B) Running out of it is a major danger
C) It's not important for startups
D) It's the same as profit

7. What financial statement do investors often request, along with the P&L and Cashflow?

- **A) Balance Sheet**
- B) Income Statement
- C) Expense Report
- D) Tax Return

8. What does CAC stand for in startup finance?

- **A) Customer Acquisition Cost**
- B) Capital Allocation Committee
- C) Cash Accumulation Cycle
- D) Company Asset Calculation

9. What is a key consideration when determining an exit strategy?

- A) Ignoring the future
- **B) Starting with the end in mind**
- C) Avoiding partnerships
- D) Maximizing debt

10. Which of these is a bootstrapping strategy?

- A) Hiring expensive consultants
- **B) Minimizing operating costs**
- C) Ignoring your network
- D) Taking on large amounts of debt