

# Midterm Preparation

PRACTICAL CLASS #4  
**SPRING 2025**





# Agenda

1. Midterm from last semester



# *Midterm preparation*

# Exercise 1

- 1- According to Yuval Noah Harari in “Sapiens”: (1 point)
- A) Corporations are fictional entities in a legal sense and have a fictional impact on society and the economy.
  - B) Corporations are real entities in a legal sense and have a very real impact on society and the economy.
  - C) Corporations are fictional entities in a legal sense and have a very real impact on society and the economy.
  - D) Corporations are real entities in a legal sense and have a fictional impact on society and the economy.

# Exercise 1

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- A) Corporations are fictional entities in a legal sense and have a fictional impact on society and the economy.
- B) Corporations are real entities in a legal sense and have a very real impact on society and the economy.
- C) Corporations are fictional entities in a legal sense and have a very real impact on society and the economy. (Correct)**
- D) Corporations are real entities in a legal sense and have a fictional impact on society and the economy.

# Exercise 2

- 2- Since resources are scarce, the boundaries, or limits, of a firm define the range of activities it devotes itself to. When we talk about horizontal boundaries, we are talking about: (1 point)
- A) Boundaries which depend on the efficiency level of a company, how many customers does it cater to
  - B) Boundaries which refer to the set of activities it performs and those it outsources
  - C) Boundaries which depend on the value of a firm's resources in other markets, are the set of distinct business in which the firms compete
  - D) Boundaries which depend on the power, capabilities, and reliability of suppliers, efficient companies make more of what they are good at.



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# Exercise 3

- 3- Which of the following best describes the INE Framework? (1 point)
- A) It focuses on identifying market trends, financial performance and customer satisfaction
  - B) It analysis issues faced by a business, the needs that arise from those issues, and the effects these have on business performance
  - C) It is used to evaluate a company's strengths, weaknesses, and opportunities for growth
  - D) It helps determine the competitive landscape, pricing strategies, and product positioning.



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# Exercise 4

4- What is the primary purpose of a “Problem Tree” in the Problem Approach? (1 point)

- A) To represent the company's organizational structure
- B) To identify and map out the causes and effects of a core problem
- C) To visually represent a business's revenue streams
- D) To outline customer segments and their respective pain points



# Exercise 4

4- What is the primary purpose of a “Problem Tree” in the Problem Approach?

- A) To represent the company's organizational structure
- B) To identify and map out the causes and effects of a core problem (Correct)**
- C) To visually represent a business's revenue streams

# Exercise 5

- 5- Which of the following factors is not part of a PEST Analysis? (1 point)
- A) Political factors like government intervention
  - B) Social factors such as demographics and culture
  - C) Technological factors including R&D and automation
  - D) Environmental factors such as natural resources



# Exercise 5

- 5- Which of the following factors is not part of a PEST Analysis?
- A) Political factors like government intervention
  - B) Social factors such as demographics and culture
  - C) Technological factors including R&D and automation
  - D) Environmental factors such as natural resources (Correct)**

# Exercise 6

6- Which of the following best describes explicit costs? (1 point)

- A) The opportunity cost of using resources that a company already owns
- B) The actual monetary expenses a company incurs during operations, such as wages and rent
- C) The hidden costs associated with lost potential revenue
- D) Non-monetary costs related to the time and effort spent by the company's management



# Exercise 6

6- Which of the following best describes explicit costs?

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- B) The actual monetary expenses a company incurs during operations, such as wages and rent (Correct)**
- C) The hidden costs associated with lost potential revenue
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# Exercise 7

- 7- Which pricing strategy is often used by companies such as Apple when they release a new product, setting the highest price initially and gradually lowering it over time? (1 point)
- A) Value-based pricing
  - B) Cost-plus pricing
  - C) Price skimming
  - D) Penetration pricing



# Exercise 7

- 7- Which pricing strategy is often used by companies such as Apple when they release a new product, setting the highest price initially and gradually lowering it over time?
- A) Value-based pricing
  - B) Cost-plus pricing
  - C) Price skimming (Correct)**
  - D) Penetration pricing

# Exercise 8

8- When using the Business Model Canvas, which section refers to the method by which the company communicates and delivers its value proposition to customers? (1 point)

- A) Customer Relationships
- B) Key Activities
- C) Channels
- D) Revenue Streams

# Exercise 8

8- When using the Business Model Canvas, which section refers to the method by which the company communicates and delivers its value proposition to customers?

- A) Customer Relationships
- B) Key Activities
- C) Channels (Correct)**
- D) Revenue Streams



# Exercise 9

- 9- Which of the following statements best describes the Value Proposition Canvas (VPC) in relation to the Business Model Canvas (BMC)? (1 point)
- A) The VPC focuses solely on a company's financial viability.
  - B) The VPC helps understand customers and how to create value for them, consisting of a Customer Segment and a Value Map.
  - C) The VPC is used to identify competitors and assess market share.
  - D) The VPC focuses on describing key activities and resources in a business.

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  - C) The VPC is used to identify competitors and assess market share.
  - D) The VPC focuses on describing key activities and resources in a business.

# Exercise 10

- 10- In the Value Proposition Canvas (VPC), which of the following best describes the types of jobs customers want to get resolved? (1 point)
- A) Functional, social, and economic jobs
  - B) Functional, emotional, and social jobs
  - C) Emotional, financial, and functional jobs
  - D) Social, economic, and emotional jobs



# Exercise 10

10- In the Value Proposition Canvas (VPC), which of the following best describes the types of jobs customers want to get resolved?

A) Functional, social, and economic jobs

**B) Functional, emotional, and social jobs (Correct)**

C) Emotional, financial, and functional jobs

D) Social, economic, and emotional jobs

# Exercise 11

*Netflix, a pioneer in the online streaming industry, has revolutionized how people consume media by adopting a content-centric strategy. Since its early days as a DVD rental service, Netflix has evolved into a global leader in streaming by investing heavily in both original content and licensing. The company's extensive library includes a wide range of TV shows, movies, and documentaries produced in-house and sourced from other studios, catering to a diverse, international audience.*

*Netflix's commitment to producing high-quality original content has not only attracted millions of subscribers worldwide but has also set a high bar for the industry. The company's ability to generate and maintain subscriber engagement through unique and compelling content has been a key factor in its growth. As a result, Netflix has significantly impacted traditional cable TV, contributing to a broader shift towards digital streaming.*

12- Considering the example above, carry out a revenue & cost analysis on Netflix. Please consider:

- The types of Costs and Revenues Netflix has (3 points)
- The Pricing Strategy it follows (2 points)