

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA-SEMESTER-I-EXAMINATION-WINTER-2024

Subject Code: 2519404**Date: 16/01/2025****Subject Name: Business Models & Unit Economics****Time: 10:30 AM TO 01:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

Q. No.	Question Text and Description	Marks
Q.1	Explain the following terms (Any 6) 1. Life Time Value (LTV) 2. Customer Acquisition Cost (CAC) 3. Customer Churn rate 4. Value Proportion 5. Business Model Canvas 6. Unit Economics 7. Innovation	18
Q.2	(a) Why do 'Unit Economics' matter for a startup? Under what circumstances the concept of 'Unit Economics' should be applied?	07
	(b) For your proposed startup, draw the Business Model Canvas and explain all its components.	07
OR		
	(b) Identify the 'value proportion' for your startup. How will it help you to distinguish your business from that of your competition?	07
Q.3	(a) What is revenue stream? Identify with examples, various types of revenue stream used by startups?	07
	(b) Explain different types of business models. How will you select the right model for your proposed startup?	07
OR		
Q.3	(a) What is customer relationship? Identify with examples the different types of relationships that a startup can have with customers?	07
	(b) Identify with examples the reasons for failure of business models.	07
Q.4	(a) Explain with examples the different types of costs associated with startups. Identify typical Startup Costs (with unit) for Small Businesses.	07
	(b) Differentiate between predictive LTV and flexible LTV. Under what different circumstances both the LTVs are used?	07
OR		
Q.4	(a) Explain different methods of validation of Business Model Canvas.	07
	(b) Define 'Contribution Margin'. Identify various elements of Contribution Margin and explain its relationship with break even point.	07

Q.5

Let us assume that for your startup there were 600 transactions from 1st July, 2024 to 31st December, 2024. Also there were 500 customers with your startup on 1st of July 2024 and your startup had 400 customers on 31st December, 2024. During this period your startup generated total revenue of Rs. 1, 20,000/- (One lac twenty thousand only). The cost of sales was Rs. 20,000/- (Twenty thousand only).

(a) Calculate Predictive LTV per customer for the above data. **10**

OR

(a) For the data given above calculate following: **10**

- (i) average no. of transactions
- (ii) average value of an order
- (iii) gross margin
- (iv) churn rate
- (v) average life time value of customer
