

COMMON PRE-BOARD EXAMINATION 2017-2018**ENTREPRENEURSHIP****CLASS XII**

Time Allowed : 3 hours

Maximum Marks: 70

General Instructions:

- (i) All questions are compulsory.
- (ii) There are **24** questions in all.
- (iii) Marks for each question are indicated against it.
- (iv) Questions No. **1 to 5** are Very Short Answer type questions, carrying **1** mark each.
- (v) Questions No. **6 to 10** are Short Answer type questions, carrying **2** marks each.
- (vi) Questions No. **11 to 17** are Long Answer – **I** type questions, carrying **3** marks each.
- (vii) Questions No. **18 to 21** are Long Answer – **II** type questions carrying **4** marks each.
- (viii) Questions No. **22 to 24** are Essay type questions, carrying **6** marks each.
- (ix) Answers should be brief and to the point.

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| 1. | What do you mean by reorder point? | 1 |
| 2. | Here a private company takes over a public company. Identify the type of acquisition. | 1 |
| 3. | Define the term environmental scanning. | 1 |
| 4. | A salesman approaches you to promote the sales of a water purifier. Which promotional tool is the marketer using by sending a salesman at your doorstep. | 1 |
| 5. | Hari is an entrepreneur who wants to start an amusement park in Indore. He knows that he needs a huge amount of initial capital. According to you, which of the specialized financial institution will be more suitable to him? | 1 |
| 6. | Give the meaning of 'routing' and 'scheduling' as elements of operational plan. | 2 |
| 7. | Mr. Parthiv is a readymade garments manufacturer. His annual usage rate is 225 Pcs. The cost of placing each order is ₹ 8/- and the carrying cost is ₹ 4/- per unit. Calculate the Economic Order Quantity (EOQ). | 2 |

8. State any two utilities created by business activities. 2
9. Mohan was a famous fashion designer. He was in the habit of observing the dresses worn by the people. For this he would regularly visit malls, restaurants, parks, trade fairs etc. This helped him in understanding the market and designing the garments in accordance with the market demands. Identify and explain the way in which Mohan spotted this trend. Explain one more way through which Mohan can spot the trends. 2
10. ABC Company, manufacturing shoes, has taken over XYZ Company which also manufactures shoes at small scale. What do you think will be the reason for this kind of takeover? 2
11. Mahesh started a school bag business with his brother. Both were very excited about the new venture. With meticulous planning and a lot of hard work they were able to sell 1000 bags in the first year. But they did not earn any profit. Both were happy because they were not at loss and revenue generated was equal to the cost. Now they were moving towards earning profit in the second year. 3
- a. Identify the component of the financial plan discussed above.
- b. By giving any four points state how this component is useful for the entrepreneur.
12. Lately many companies have planned for significant investment in organised retailing in India. Several factors have prompted their decisions in this regard . Customer income is rising. People have developed a taste for better quality products even though they may have to pay more. The government permitted cent percent foreign direct investment in some sectors of retailing. 3
- Identify and explain the various factors according to PESTEL model from the above para.
13. What is merger? Explain any three types of merger with example. 3
14. Mr. Siraj retired as CEO of a well reputed IT company after having worked for 40 years in USA. He returned to India with a desire to encourage entrepreneurial ventures in IT sector. He was approached by Nitin, a budding entrepreneur in IT sector whose venture was in a start up stage and was falling short of funds. Apart from investing funds, Mr Siraj also provided proactive advice, guidance and industry connection, mentoring and thus simultaneously helping them in raising returns in investment. 3
- a. Identify and explain the source of raising finance used by Nitin.
- b. State and explain the features of this type of financing.
15. Suhana is running a Beauty parlor and had varying number of customers during 6 weeks. This information and the average billing amount are in the following table. From the given information: 3

Weeks	No. of customers	Average amount billed (₹)
Week 1	20	115
Week 2	20	110
Week 3	6	165
Week 4	21	210
Week 5	23	100
Week 6	20	160

Calculate :

- a. Unit Price
- b. Unit Cost (if the cost of goods sold or variable cost is 60% of Sale Price)
- c. Gross Margin per unit of sale.

16. Pearlview Ltd., a multinational restaurant chain company, gives an exclusive right to four Indian companies to set up the restaurants in metropolitan cities in India in return for their payments and royalties and conformance to standard operating procedures. Indian companies decided to employ local workers and to distribute left over food amongst the needy as a provision in the agreement with Pearlview Ltd. 3
- (a) Identify and give the meaning of the concept discussed in the above para.
 - (b) List the main ingredients of the agreement that Pearlview Ltd. will enter into with the Indian companies.
 - (c) Also, identify any one value which the Indian companies want to communicate to the society.

17. “Sensitivity to environment factors is essential for an entrepreneur”. In the light of above statement explain the importance of environmental scanning. 3

18. Before operationalization of a Hindu Undivided Family Business, its Karta has to fulfill certain legal formalities. Explain any three such legal formalities. 4

19. Saras Soya Company manufactures three products – Soya Paneer, Soya Chunks and Soya Milk. The variable expenses and sales prices of all the products are given below: 4

Products	Soya Paneer	Soya Chunks	Soya Milk
Sales Price per unit	200	100	50
Variable Price per unit	100	75	25

The total fixed expenses of the company are ₹ 50000 per month. For the coming month company expects the sale of three products in the following ratio:

Soya Paneer: 20% Soya Chunks: 30% Soya Milk:50%

From the following information calculate:

- a. Contribution margin per unit
- b. Weighted average contribution margin per unit
- c. Overall BEP
- d. Product wise break even point of each product in units.
- e. Product wise break even point of each product in rupees.

20. The first step in the creative process is ‘Idea Germination’. State the other steps of this process. 4

21. An entrepreneur uses a name of famous brand of product for marketing his product. He uses a similar logo for this purpose. Is he correct? Suggest him the correct way. 4

22. Nythik after doing his B.Pharm degree from a reputed government college started two chemist shops in two different localities of his home town. Encouraged with the success of these shops, he started six more shops in different cities of the State. His strategy was to cut 6

price, focus on lower and middle class patients and open shops near hospitals. He operated on very thin margins. But he was not able to maintain sufficient funds to meet the day to day expenses of the business. The staff of the shops did not give much attention to the customers and there was very poor system of control. Because of this mismanagement he started incurring huge losses and his business failed.

Based on the above para identify and explain any four causes of business failure of Nythik.

- 23.** Stock exchange performs a number of functions in respect of marketability of different type of securities for investors and borrowing companies. Explain the important functions of stock exchanges. 6
- 24.** Rekha wanted to pitch in to reduce the financial crisis prevailing in her house and thought of working as a cook. She started working in three different households, one Punjabi, one Gujarati, and one South Indian family. She soon realized that all the three households had different cuisine. It was indeed a challenge for her to learn the techniques of the cuisine. All the families really appreciated the time frame within which she had mastered the local cuisine, After working for them for a year, she decided to open a small eating joint of her own along with two of her friends by the name “ApnaBhoj”. They decided to share profits equally and each of them will be liable for acts performed by the other two. Soon the eatery became a hot spot because of the fusion platter which was being offered. She also employed 8 local unemployed girls for doing various works. 6
- a. Identify the kind of business organization which was set up by Rekha and her friends.
 - b. Quoting the line from the paragraph, state and explain the features of this form of business organization.
 - c. State any two values which Rekha and her friends wanted to communicate to the society.
