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Code Number 66



## INDIAN SCHOOL MUSCAT HALF YEARLY EXAMINATION

### ENTREPRENEURSHIP

CLASS: XII  
25.09.2017

Sub. Code: 066

Time Allotted: 3 Hrs  
Max. Marks: 70

#### General Instructions:

All questions are compulsory.

Marks for each question are indicated against it.

Questions 1 to 5 are very short Answer type carrying 1 mark each.

Questions 6 to 10 are Short Answer-I Type questions carrying 2 marks each

Questions 11 to 17 are Long Answer-I Type questions carrying 3 marks each

Questions 18 to 21 are Long Answer-II Type questions carrying 4 marks each.

Questions 22 to 24 are Essay Answer Type questions carrying 6 marks each.

Answer should be brief and to the point.

Please write down the serial number of the question before attempting it.

- 1 'It is a process which involves the translation of a useful idea into an application which has a commercial value. It takes persistent effort to work out analytically the details of enterprise or service, to develop marketing strategies, to organize finances and strategize operations'.  
Identify the process.
- 2 Identify the form of merger in which two entities combine together and form a new entity, extinguishing both the existing entities.
- 3 What is franchising?
- 4 Define Elevator Pitch.
- 5 Enlist the main ingredients of a Franchise agreement.
- 6 Explain in brief the factors, which are responsible for 90 per cent of the business failures.

- 7 Vardaan is a young entrepreneur venturing in the business of online teaching. In order to access funds from his investors, he held a meeting where he presented his business venture in the form of slide show with oral narrative. Which format of business plan is he using? What is the purpose of such a format?
- 8 Tata manufactured a motor car 'Nano' for common man which is very low in price. Name and explain the behavioural characteristic that develops the idea of 'Tata' into available and successful project.
- 9 Gunjan has just passed her senior secondary examination from a CBSE affiliated school. She wanted to start her own business but was unable to decide about the nature of the business. One day during the morning walk her grandfather fell down in the park and was injured. She observed that her grandfather often forgets to take his medicines. She thought that the same problem may be faced by other old people. She thought to develop an instrument for old people that could be fitted with an electronic device connected to the mobile phones of the members of their family which could indicate the location of the old people when they go outside their homes. This device was to be kept in their pockets. She also thought to fit a timer in the instrument that could remind the old persons about the time of taking their medicines.

Identify and state the meaning of the concept described in the above paragraph that helped Gunjan in structuring her idea for solving the problem.

- 10 'Fresh Juice India Ltd' and 'Organic Juice Ltd' are engaged in the production of fruit juices. Both the companies sell the juice in one litre tetra packs and are in direct competition. To avoid competition the management of both the companies decided to merge and formed a new company 'Fresh Organic Juice Ltd'. The new company decided to sell the fruits through the company owner outlets throughout the country.
- (i) Name and explain 'Enterprise Growth Strategy'
  - (ii) Also identify the channel of distribution decided by the newly formed company.
- 11 What is company form of business? When should an entrepreneur choose company form of business organization? List any four points.
- 12 What is Synergy? In what forms it can take place?
- 13 Why does an entrepreneur need to scan environment? Explain.
- 14 Bigul Chaturvedi 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 1,000 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.
- (i) Identify the component of financial plan discussed above.
  - (ii) By giving any two points, state how this component is useful for the entrepreneur.

- 15 Lalit a small entrepreneur is manufacturing portable fans with the brand name 'P-FAN'. These fans are in great demand. He finds that the cost of production of per unit of fan is Rs.800 and he can sell the same at Rs.1000 per fan. The competitors in the market are selling this type of fan at the rate of Rs.1200. Lalit's objective is not to earn profit in the short-run but to capture the largest market share. His expectation is that the customers will be attracted towards the new brand because of lower price.
- (a) Identify the method of pricing adopted by Lalit to capture the substantial portion of the market.
- (b) Also state any two advantages of this method of pricing.
- 16 The first step in the creative process is 'Idea germination'. State the other steps of this process.
- 17 Sun Cars Ltd' is a manufacturer of cars. It is famous for adding new and unique features in every new model. This time the company launched a car 'Solaro' which does not require hydro-carbon fuel. It is run by solar energy and takes less time in charging. Besides saving fuel, it saves electricity also. Because of these qualities the car was a big hit in the market.
- (a) Quoting the lines from the above paragraph, identify and explain the two types of 'added value' in the business growth strategy
- 18 Rajeswari an entrepreneur wants to start an industry for groundnut oil in Kathiawar (Gujarat), where less employment opportunities are available. She wants to fix a very low and reasonable price for this as compared to her competitor. She investigated that other oil factories are either making soya oil or sunflower oil which is not in much demand by the consumers of this area as they cannot afford to buy these oils. For this she prepares a comprehensive business plan that encompasses the entire range of activities being planned in the business.
- (i) Identify the plan and explain why this is needed by an entrepreneur.
- (ii) State any two values communicated by Rajeswari to the society by setting up this oil unit.
- 19 Mergers and Acquisitions are inspired by a desire to diversify or achieve higher growth rate. What are the other reasons for merger and acquisitions?
- 20 Kavita has observed that there can be a good market for hand knitted cotton and woolen trendy garments for small kids up to the age of three years. She thought of starting a small enterprise for the same. She also ensured that the enterprise will require 10-15 trained workers and an investment of rupees two lakhs. This will give 40% annual return on investment.
- (i) Identify and give the meaning of the entrepreneurship concept being stated in the above paragraph.
- (ii) Also, state the elements of the concept identified in (i) above.

- 21 “Entrepreneur can follow different policies in choosing brand name keeping in mind the range of products offered by his enterprise”. Discuss the various types of brands by giving examples.
- 22 What is an Operational Plan? Briefly explain the elements of operational plan.
- 23 Explain the factors for effective employee relationship management. (Any Six Points)
- 24 Raghav after completing his XII class from his village school joined the course of electrician in an ITI in a town near his village. On completion of this course he tried for a government job but could not get the same. He therefore decided to work as a helper to a renowned electrician of the area. After working with him for two years he decided to start his own electrical shop in the village. For this he purchased equipments of Rs.10, 000 and hired a shop at a monthly rent of Rs.2000. He himself managed the shop.
- (a) Identify the kind of business organization set up by Raghav.
- (b) Briefly explain any five characteristics of the identified form of business organization

**End of the Question Paper**