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**INDIAN SCHOOL MUSCAT
FINAL EXAMINATION 2022
ENTREPRENEURSHIP (066)**

CLASS: XII

Max. Marks: 70

MARKING SCHEME			
SET	QN.NO	VALUE POINTS	MARKS SPLIT UP
A	1	Environment scanning	1
A	2	(a) (i)-(iv)-(iii)-(ii)-(v)	1
A	3	Natural resources	1
A	4	Idea Fields	1
A	5	Creativity	1
A	6	Commercial application	1
A	7	Market assessment	1
A	8	Inspection	1
A	9	Advertising	1
A	10	Penetration pricing	1
A	11	Corporate name	1
A	12	Horizontal merger	1
A	13	Contract explanation	1
A	14	The length of time between a firm's purchase of inventory and the receipt of cash from accounts receivable.	1
A	15	Net working Capital	1
A	16	Demand and lead time.	1
A	17	Private placement	1
A	18	Angel investors.	1
A	19	Think trend (Explain) OR Opportunity spotting- By analyzing the needs and wants in the environment Creativity and Ideas-Evaluating the ideas to get creative solution Innovation and product- Developing a product through innovation Project- Setting up project and nurturing it	2
A	20	Economic environment It includes interest rates, inflation, business cycles, disposable income, unemployment etc.	2
A	21	Business situation analysis- It is a review of past performance and achievements of the enterprise. Identification of the target market- It defines the specific group of potential customers who are needed by the organization to fulfil its aims.	2
A	22	Three level Direct channel Indirect channel	2
A	23	Advantages of franchising to the franchisor	2

		<p>Quick expansion Cost advantages (explain)</p> <p style="text-align: center;">OR</p> <p>Conglomerate mergers The firms which are involved in totally unrelated business come together. There are two types of conglomerate mergers: Pure and mixed. Pure conglomerate mergers involves firms with nothing in common while mixed conglomerate merger involves firms that are looking for product extensions or market extensions. Eg: Merger of Walt Disney and American Broadcasting company</p>	
A	24	<p>a) Helps in mobilizing the financial resources on a nation-wide scale. b) Securing the required foreign capital and know-how to promote economic growth at a faster rate. c) Ensure the most effective allocation of the mobilized financial resources to highest yield projects or to underdeveloped priority areas to promote balanced and diversified industrialization</p> <p style="text-align: center;">OR</p> <p>Initial issue- When companies' issues share for the first time to the public Further issue-When already issued companies further issues shares</p>	2
A	25	<p>Organizational plan No manufacturing, Partial and Complete manufacturing (explain)</p> <p style="text-align: center;">OR</p> <p>Breakeven point To know the minimum level of output to be produced The effect of change in quantity of output on profit The selling price of product The profitable line of business</p>	3
A	26	<p>Sales strategy A sales strategy consists of a plan that position a company's brand or product to gain a competitive advantage. It helps the sales force to focus on target customers and communicate with them in relevant ways. Types of sales strategy 1. Direct sales strategy / negative selling Under this strategy the sales people attack the competition head on when talking to the customers. They talk about each feature of the competitor's product and compare it to theirs. 2. Indirect sales strategy/ positive sales Under this approach the sales people apply more subtle techniques by demonstrating features and benefits not available with the competitor's products without mentioning them by name.</p>	3
A	27	<p>a) Public relations It is a deliberate or planned effort to establish and maintain good relation with the public through publicity. It includes b) News creation c) Speeches and presentations Educational programmes Community activities</p>	3
A	28	<p>It is internal expansion. Expansion of production capacity by adding more machines or by modernizing the technology or production through more units.</p>	3

		OR	
		Franchising Merger Acquisition (Explain)	
A	29	Ans EOQ=1,200 units	3
A	30	<ol style="list-style-type: none"> 1. It enables the firm to identify opportunities and get the first-mover advantage: A business environment provides numerous opportunities for the success of the business. Here, opportunities refer to the positive external changes or trends that will help in improving the performance of the business enterprise, and early identification of environmental opportunities will help the enterprise to capitalize or exploit the opportunities by being the first to exploit instead of losing the opportunities to the competitors. 2. Helps the firm to identify threats and early warning signals: Besides opportunities, a business environment is also a source of varied threats of crisis. Threats refer to that trend or changes in the external environment, which hinders the performance of the business enterprise. A proper environmental understanding and awareness can help business managers to recognize various threats on time, which also serves as a warning signal. 3. Helps in tapping useful resources: Business enterprises depend upon the environment as a source of input or resources (such as raw materials, water, labour, machines, finance, etc.) and as outlets for their output (goods and services). The business managers must design the policies that allow the enterprise to get the resources so that they can convert them into outputs that the consumers desire. 4. Helps in coping with rapid changes: The business environment should be monitored regularly by the organizations in order to remain updated. The business Environment enables the business to cope with the changes in the external environment and make relevant changes in their external environment. 5. Helps in better reputation or building corporate image: An understanding of the business environment helps business managers to make realistic plans and policies, and also ensure their effective implementation. Consequently, the business environment will surely achieve its goals smoothly and consistently, and this fact also generates a feeling amongst the people that the business environment is sensitive to its environment, and as a result, the reputation gets enhanced. 6. Help in continuous learning and improving performance: Rapid changes in technology, instant global competitors, more demanding customers, low brand loyalty, division and subdivision of markets are just a few of the images that describe the present business environment, and the future of the business environment is closely associated with what is happening in the environment, so the business environment that continuously monitors the environment, and adopts suitable ways of action based on their environment 	5
A	31	<p>Manufacturing franchise opportunity</p> <ol style="list-style-type: none"> 1. The startups get a ready market of a well-established product. 2. Startups gets training from the franchisor to market the product. 3. Less labour and operating cost. 4. Franchisors take sincere efforts to boost their franchises. This ensures 	5

		success for startups	
A	32	<p>Return on Investment = $\frac{\text{Net profit after tax}}{\text{Investment}} \times 100$</p> <p>Equity 10,00,000 Debt 15,00,000 Capital invested 25,00,000 Sales revenue (17,00,000 x 12) 2,04,00,000 Less: cost of goods sold (9,00,000 x 12) 1,08,00,000 Gross Profit 96,00,000 Less: fixed expenses (3,00,000 x 12) 36,00,000 Loan (15,00,000 x 6/100) 90,000 Net Profit before tax 59,10,000 Less: Tax 25% 14,77,500 Net profit after tax 44,32,500 ROI = $\frac{\text{Net Profit after tax}}{\text{Total Capital Invested}} \times 100$ = $\frac{44,32,500}{25,00,000} \times 100$ = 177.3%</p>	5
A	33	<p>Public issue/ going public This involves raising funds directly from the public through the issue of shares by preparing a prospectus. Benefits a. Access to capital The primary advantage is that the firm gets capital which need not have to be repaid. b. other advantages Easy growth through mergers and acquisitions Public companies are valued more than private company Trading price serves as a benchmark of the offer price of other securities Easy form of raising capital due to its liquidity in investment Stock options can be used to motivate employees Less dilution of ownership compared to IPO</p>	5
A	34	<p>Importance of Business Plan</p> <ol style="list-style-type: none"> 1. It provides a road map for starting a new venture. 2. It helps in determining the viability of the venture in the market. 3. It guides the entrepreneur in <ol style="list-style-type: none"> a. Identifying the resources required b. Enabling obtaining of licenses if required c. Working out with legal requirements 4. It helps in satisfying the queries of people who are interested in the venture. 5. It provides a room for self-assessment and self-evaluation, requiring entrepreneurs to plan the ways to avoid obstacles. 6. It helps to identify the obstacles which cannot be avoided. 7. It serves as an important tool for procuring funds. <p style="text-align: center;">OR</p> <p>The business plan is a written document prepared by the entrepreneur which describes all the relevant external and internal elements involved in starting a new venture. It is a blue print of actions to be taken in future to achieve the goals. 1. Elevator pitch It is a three-minute summary of the business plan's executive summary. It is</p>	5

		<p>often used as a teaser to awaken the interest of potential funders, customers etc.</p> <p>2. A pitch deck with oral narrative</p> <p>It presents the business plan in the form of slide show complemented with an oral narrative.</p> <p>. A presentation for external stakeholders</p> <p>A detailed formatted plan is made targeting the external stakeholders.</p> <p>An internal operational plan</p> <p>A detailed plan describing planning details that are needed by management.</p>	
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