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SET C



**INDIAN SCHOOL MUSCAT
FINAL EXAMINATION
SUBJECT : ENTREPRENEURSHIP**

CLASS: XII
13.11.2018

Sub. Code: 066

Time Allotted: 3 Hrs.
Max. Marks: 70

General Instructions:

All questions are compulsory.

Internal choice is given in selected questions

There is no word limit for numerical questions.

Questions **1 to 5** carrying **1** mark each. Answers to these questions should be from one word to one sentence.

Questions **6 to 10** carrying **2** marks each. Answers to these questions should be in 50 to 75 words.

Questions **11 to 17** carrying **3** marks each. Answers to these questions should be in about 100 words.

Questions **18 to 21** carrying **4** marks each. Answers to these questions should be in about 150 words.

Questions **22 to 24** carrying **6** marks each. Answers to these questions should be in about 200 words.

- 1 Gaurav started a factory for manufacturing bags for students of nursery and primary classes. He made the instruction plan describing the details that were needed for the operation of machines by the workers. 1
Identify the format of business plan described in the above statement.
- 2 Unicon Ltd. and Nahata Communications provide cable TV network in adjacent areas of Delhi. After sometime the market was slowly taken over by big cable companies. Both Unicon Ltd and Nahata communications understood the competition and decided to come together so as to increase their market shares. This strategy helped them in cost saving through economies of scale as they could cover more areas now. It led to the overall growth of both the companies. 1
Identify the enterprise growth strategy adopted by the two.
- 3 What do you mean by cash conversion cycle? 1
OR
What are the key aspects of financial decision making?
- 4 What do you mean by logo? 1
- 5 Rohan 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. 1
Identify the component of financial plan discussed above.

OR

‘Anjali Exports’ a leading export house wants to diversify its business from cotton ladies dress, suit bed sheets, handicraft items etc., because of demand in foreign countries. For this she required capital of Rs.1 crore. She decided to take this amount as loan from Bank of Baroda for a period of 10 years. In order to avoid any kind of risk, it conducted a market survey to have an edge over the competitors and to maximize its profits, capturing foreign markets. Identify the type of plan Anjali Export has to make to analyze her business situation.

- 6 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. Quoting the lines from the above para, identify and explain the two types of ‘added value’ in the business growth strategy 2

- 7 Explain the main ingredients of a franchise agreement. 2

OR

Name the different types of franchising opportunities available for entrepreneurs.

- 8 Ankur, an entrepreneur introduced a new shampoo which will help in reducing hair fall. In spite of heavy advertisement and publicity he is not able to boost the sales. Suggest any four techniques to Ankur that will help him in boosting the sales. 2

- 9 An entrepreneur introduces a new product with very low price. What type of pricing is it? State any two advantages of it. 2

OR

An entrepreneur launches a new product in the market with high prices. Identify the type of pricing and give any one advantage.

- 10 Saksham and Pratham were partners in taxi business. Their business was doing very well. They thought of expanding but they also wanted to reduce personal risk. They wanted to protect their own possessions from business creditors in event of failure, so they thought of changing the form of business where their liability will be limited. For this, they wanted to sell shares to friends, family and some employee. 2

(a) Identify the new form of business to be adopted.

(b) State two demerits of partnership form.

- 11 A factory is engaged in manufacturing coolers. The following information is available to you: 3

Sales	=Rs.2,50,000
Direct Labour Cost(for 100 units)	= Rs.25,000
Direct Material cost(for 100 units)	=Rs.62,500
Direct Expenses(for 100units)	=Rs.12,500
Fixed cost	=Rs.75,000

Calculate: (a) Variable cost per unit

(b) Total Cost

(c) Quantity to be sold at Break-even Point

- 12 Employee Relationship Management is a process that a company uses to effectively manage interactions with employees to achieve the goals of the organization’. In the light of the statement explain any three factors that lead to effective employee relationship 3

OR

What is CRM? Explain the benefits of customer relationship management.

- 13 A stationery shop sells 30,000 pens per year. Purchase cost is Rs.2 per pen, holding cost is 20% of the purchase cost, ordering cost is Rs.15. Calculate EOQ from the details for the stationery shop. 3
- 14 Explain any three factors that influence the decisions with regard to order of inventory. 3
- 15 Explain any three requirements of value chain management. 3
- 16 “The birth of this legal person is by Law and can be liquidated only by law”. Identify the form of Business Organization being talked about in this statement. Also explain any two characteristics of this organization. 3
- 17 Explain any three types of Intellectual property rights. 3
- 18 What do you mean by financial management? What are the main objectives of financial management? 4
- 19 Describe any four elements of an Operational Plan. 4
- 20 What are the different types of value added? Explain. 4

OR

Give any two advantages and two disadvantages of franchising to the franchisee.

- 21 Vipul did his agriculture diploma and started organic farming. Looking at the great scope for healthy options in fruits and vegetables because of people becoming diet and health conscious, he decided to open salad bars and organic fruit juice corner in malls. Now he needed a road map for him to start the venture. 4
- (i) Identify the term used for ‘road-map’ by Vipul
- (ii) Why is this road map required?
- 22 ABC Company, manufacturing shoes, has taken over XYZ company which also manufactures shoes at a small scale .What do you think will be the reason for this kind of takeover? Also explain the types of mergers. 6

OR

Mergers and acquisitions are inspired by a desire to diversify or achieve higher growth rate. What are the other reasons for merger and acquisitions?

- 23 From the following information calculate return on investment and return on equity. 6
- You have newly started a beauty parlour business, you spend 1,50,000 to open the parlour of which you invested 70,000 of your own money and borrowed a loan for 80,000. Interest rate per annum is 7%. Sales revenue per month is 80,000. Cost of goods sold is 30,000 per month. Fixed expenses is 30,000 (salary 20,000, rent and utility 10,000), depreciation 3,000 and tax @14%.
- 24 What do you mean by channels of distribution? What consideration related to market should be taken into account while selecting the channel of distribution 6

End of the Question Paper