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SET A



**INDIAN SCHOOL MUSCAT
FINAL EXAMINATION
ENTREPRENEURSHIP**

CLASS: XII

Sub.Code: 066

Time Allotted: 3 Hrs.

19.11.2019

Max. Marks: 70

General Instructions:

- (i) This question paper contains 24 questions in 5 parts and all questions are compulsory.
- (ii) Internal choice is given in selected questions.
- (iii) There is no word limit for numerical questions.
- (iv) The instructions for each part are given separately. Read them carefully and follow.
- (v) Please write down the serial number of the question before attempting it.

PART A

This part contains 5 questions carrying 1 mark each. Answer to these questions should be from one word to one sentence.

- 1 North west Airlines started their operations from India to various parts of the country in the year 2015. The company had been successful in its operations as more people preferred to travel by air due to change in the lifestyle and attitude towards work and leisure. It is -----factor as per PESTEL model. (Fill in the blank) 1
- 2 Name the two things that are taken care in a reorder point. 1

OR

 Name the different forms of budgeting.
- 3 A company buying most, if not all, of the target company's ownership stakes in order to assume control of the target firm. Identify the concept. (choose the corrective alternative) 1
 - (a) Amalgamation
 - (b) vertical merger
 - (c) Acquisition
 - (d) value addition
- 4 Give the meaning of Ecological Environment. 1

OR

 What are the two levels of business environment?
- 5 Deepak Ltd. has been manufacturing cycle since 2010. Their market share in this field is 35%. They decided to introduce new cycles with advanced gear systems in 2015. For the same, they estimated their financial requirements to be Rs.20 crore. They decided to raise the same through a limited number of sophisticated investors. Identify this kind of issue. 1

PART B

This part contains 5 questions carrying 2 marks each. Answer to these questions should be in 50 to 75 words.

- 6 Mr. Raghav retired as CEO of well reputed IT Company after having worked for 40 years in USA. He returned to India with a desire to encourage entrepreneurial returns in IT sector. He was approached by Nitin, a budding entrepreneur in IT sector whose venture was in a startup stage and falling short of funds. Apart from investing funds, Mr. Raghav also provided proactive advice, guidance and industry connection and thus, simultaneously helps them in raising high return on investments. Identify and explain the source of raising finance used by Nitin. 2

- 7 With its help, the consumers are able to identify the products of a firm and are also able to differentiate them from those of the competitors, identify the concept and state its components. 2

OR

What are the rules for advertising?

- 8 Enlist any two advantages of Franchising to Franchisee. 2

- 9 Identify the channels of distribution to be used when: 2
- (a) Unit value of the product is high.
 - (b) Number of buyers is large.
 - (c) If goods are bought in smaller quantity.
 - (d) It is customized product.

- 10 Briefly explain any two points of importance of Stock-Exchange from the view point of entrepreneurs. 2

OR

How stock options lead to enable employees to become shareholders and share the profits of the company?

PART C

This part contains 7 questions carrying 3 marks each. Answer to these questions should be in about 100 words.

- 11 Naveen after completing his M. Tech in Nano Technology wanted to start his own business. He thought to manufacture sophisticated instruments used in surgery. He knew that his knowledge of Nano Technology will help the surgeons to operate upon the patients with accuracy, with minimum blood loss and quick post operation recovery. Such types of instruments are used in advanced countries only and there was a risk in marketing the same. The cost price of machinery required was high in this field of Nano Technology. For seed funding, Naveen approach Himani Capital Ltd., who finance such types of projects. Himani Capital Ltd., after analyzing the proposal agreed to provide seed capital to Naveen. 3

Explain the different stages of 'Early Stage Financing' to seek venture capital finance after the one discussed above.

OR

“For the smooth and orderly functioning of corporate sector in a free market economy, stock

exchanges are indispensable because of different roles played by them for different groups”.

Explain the importance of stock exchange to investors in the light of this statement.

- 12 ‘The Fancy Store’ a readymade garments retail shop sold 8000 shirts at Rs.400 per shirts during the year ended 31st March 2014. Cost of placing an order and receiving goods is Rs.2000 per order. Inventory holding cost is Rs.500 per year. Calculate the ‘Economic Order Quantity’ for The Fancy Store. 3
- 13 Eureka Forbes is the manufacturer of water purifiers. The company has developed a new water purifier that not only converts the hard water into soft water but also kills the bacteria and other harmful micro-organism presents in it. The company has named this water purifier as ‘Aqua Guard’ and for its marketing, appointed salesmen throughout the country. The company also trained the salesmen to provide information about the usefulness of the ‘Aqua Guard’ water purifiers to the customers and motivate them to buy the same. 3
- (a) Name and explain the type of promotion used by the company.
(b) Also identify the channel of distribution used by the company.
- 14 In the following cases, identify the types of merger. 3
- (i) It is between two companies producing different goods or services for one specific finished product.
(ii) It takes place between two business organisations that deal in products that are related to each other and operate in the same market.
(iii) A merger between firms that are involved in totally unrelated business activities.
- 15 Apart from synergy, explain any three reasons, why companies opt for mergers and acquisitions? 3

OR

Explain any three support activities as suggested by Michael Porter.

- 16 What do you understand by capital market? How can the capital market in India be broadly classified into different categories? 3
- 17 Rekha was travelling to her mother’s native house in a small village near Madhya Pradesh famous for traditional textile block printing work. During her visit she noticed a number of printers and understood the whole process in preparing and printing of cloth. To give it a little modern touch, she started thinking on redesigning of block, patterns, natural colours and threads quality of cloth but also its market value and demand. She was assimilating all the information with the intention of working out feasibility of a new venture, if established over there. 3
- (i) Identify the stage of creative process, Rekha presently is in.
(ii) Also explain the next two stages in the process of creativity.

OR

Give the meaning of ‘Innovation’. State the elements in the innovation process.

PART D

This part contains 4 questions carrying 4 marks each. Answer to these questions should be in about 150 words.

- 18 'If we set right goals, goals will keep our business on track rather than derail'. In light of the given statement: 4
- (a) State the meaning of goal setting
 - (b) Explain the rules for goal setting.
- 19 Siddharth is a student of class XII, living in a small village in Rajasthan where electricity supply is very irregular. During his board exams, he found it difficult to prepare because of frequent long power cuts. So, he thought of making solar lamps and supplying them especially in suburbs and villages where there is no electricity. After completing his XII, he joined an ITI and gave practical shape to his idea. 4
- (a) Identify and explain the source which has triggered the process of sensing an opportunity in this case.
 - (b) Also explain any other two such sources.

OR

What are the factors an entrepreneur has to keep in mind while assessing the market?

- 20 Briefly explain the various functions performed by stock exchange. 4
- 21 It is the process of carefully managing detailed information about individual customers in order to manage loyalty. Identify the concept and explain its benefits. 4

OR

What are the various types of brand names from the entrepreneur's perspective? Explain with examples.

PART E

This part contains 3 questions carrying 6 marks each. Answers to these questions should be in about 200 words

- 22 Toto-T mobiles" is a famous brand of mobile phones. Its target customers are students and professionals who required specialized features in mobiles. This time, the company developed a small sized wireless mobile charger which is more convenient to use than regular charger is made of recycled material and consumes very less electricity. 6
- (a) Quoting the lines from the above para, identify and explain the two types of 'added value' in the business growth strategy.
 - (b) Also explain the concept of value chain.

OR

Describe the reasons for failure of merger and acquisition.

- 23 Calculate Return on Investment and Return on Equity. Total investment Rs.10, 00,000 out of it Rs.4, 00,000 is owner's own money and he borrowed a loan for Rs.6, 00,000. Interest rate per 6

annum is 10%. Monthly sales revenue is Rs.6, 00,000 and Cost of goods sold is Rs.3, 00,000. Fixed expenses per month Rs.2, 00,000 (salary Rs.1, 50,000, rent and utility Rs.50, 000), Depreciation Rs.10, 000 and Tax @20%.

- 24 Briefly explain the process of investigation of ideas for its opportunity assessment.

6

OR

‘Sensitivity to environmental factors is essential for an entrepreneur’. In the light of this statement explain the importance of environment scanning.

End of the Question Paper