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SET NO. 1



INDIAN SCHOOL MUSCAT
FIRST TERM EXAMINATION
ENTREPRENEURSHIP
SUB. CODE: 066

CLASS: XII
30.04.2018

Time Allotted: 3 Hrs
Max. Marks: 70

General Instructions:

1. **All** questions are compulsory.
2. There are total **24** questions in all.
3. Marks for each question are indicated against it.
4. Questions **1 to 5** are very short answer type carrying 1 mark each.
5. Question **6 to 10** are short answer type questions carrying 2 marks.
6. Questions **11 to 17** are Long answer –I type questions carrying 3 marks each.
7. Questions **18 to 21** are Long answer-II type questions carrying 4 marks each.
8. Questions **22 to 24** are Essay answer type questions carrying 6 marks each.
9. Answer should be brief and to the point

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| 1 | Its main objective is the promotion of economic interest of its members in accordance with the principle of each for all and all for each.
Identify the form of business organization referred in the above statement. | 1 |
| 2 | Geeta Ram, an orange grower from Nagpur, wants to start a small juice producing factory using the orange grown by him as well as by his fellow villagers.
Identify the idea field referred here. | 1 |
| 3 | “It is a process which involves the translation of a useful idea into an application which has commercial value .It takes persistent effort to work out analytically the details of the enterprise or service, to develop marketing strategies ,to organize finance and strategize operation” Identify the process. | 1 |
| 4 | A type of economic activity that is intangible, is not stored and does not result in ownership.
Identify the activity mentioned here. | 1 |
| 5 | Mr. John, a BBA graduate engaged in transporting jaggery from a local industry in Mandya, Karnataka to nearby retail shops. Identify the form of utility created by Mr. John. | 1 |
| 6 | State the various factors on which en entrepreneur has to prepare details while assessing the market. | 2 |
| 7 | Nidhi Kansara from Indore wants to start a boutique. As a part of her business plan she prepared an entertaining slide show and oral narrative that was meant to trigger discussion and create | 2 |

interest in potential investors for reading the written presentation.

Identify and explain the format of the business plan referred in the above case

- 8 Differentiate between Sales Tax and Excise duty. 2
- 9 Swafwan was engaged in toy manufacturing business and was earning good profits. Out of his profit he purchased two houses in a good residential locality. David, Swafwan's friend asked him to sell one of his houses to him as David was in need of the same. Swafwan agreed and sold one of his houses to David at a good profit. Swafwan motivated by this, continued the interest in purchasing houses and selling to the needy. 2
- Giving reason in support of your answer, state whether the sale of house by Swafwan will be treated as business.**
- 10 What is meant by TAN? Name the persons who must apply for and obtain TAN 2
- 11 Athira, a mechanical engineer is planning the business of manufacturing low cost diesel cars in India. She scanned the environment for finding out the opportunities and threats that may influence her current and future plans. She zeros down on India as a potential place for her business as The Indian Government as announced favorable trade regulations. Increasing income among educated people provides potential market for the product. 3
- On selling the first lot of cars, The Indian Government noticed that the emission from these cars were above the permissible level. The Government asked Athira to make necessary modifications in her cars if she wanted to continue business in India. She agreed to meet the norms set by the Indian Government.
- (a) **Quoting the lines from the above para identify any two environmental factors.**
- (b) **Also state any two values which Athira tried to communicate to the Indian society.**
- 12 Shamit Shetty started a leather shoe business. He was very excited about the new venture. With meticulous planning and a lot of hard work he was able to sell 900 pairs of shoes in the first year. But he did not earn profit. He was happy because there was no loss and revenue generated was equal to the cost. 3
- (a) **Identify the form of Organization suitable to Shetty.**
- (b) **Mention the reasons for the suitability of that organization type.**
- 13 "It is an entrepreneur who identifies a roadblock and in turn finds a solution". **Identify the concept and mention any four uses of the concept to the entrepreneur.** 3
- 14 It is a business unit whose ownership and management are vested in one person. The individual assumes all risks of loss or failure of the enterprise and receives all profits from its successful operations. **Identify the form of organization and mention any two features.** 3
- 15 It is a continuous human activity with an objective to earn profit by producing, buying and selling of goods and services. **Identify the concept and state any two features of the concept.** 3
- 16 No form of business organization is without merits and limitations. Entrepreneur needs to understand it better that no form is the best form. Thus the selection of an appropriate form of business organization is a very difficult decision. With regards to special requirements of the enterprise if any, mostly the selection of a form is to a great extent affected by various factors. **State those factors.** 3

- 17 Mention the consequences of non- registration of a partnership firm. 3
- 18 It is always desirable to have a written agreement between persons to carry on a business and so that avoid misunderstandings and unnecessary litigations in future. Any alteration in this can be made with the mutual consent of all the members. 4
- (i) **Identify the concept referred.**
(ii) **State the elements that are to be included in the identified concept.**
- 19 State the various sources of information for environment scanning. 4
- 20 Kiran wants to start a business. But he didn't have any idea of business. Through the process of environment scanning he found that 'Pizzas' and 'burgers' and 'popcorn' do have most favour from Indians across India and across all age and income group. But he finds that in almost all regions of India still have their own local fast food options. From fast food service providers like McDonald's and Pizza Hut he gets the idea of efficiency of service, hygiene, quality. So he decides to start a fast food outlet that provides Indian Menu rather than Indianised version of American food. 4
- (a) **Identify the idea field referred in the above case.**
(b) **Explain any other three idea fields that can help Kiran to get business ideas.**
- 21 "Writing a good document describing formally all the relevant external and internal elements involved in starting a new venture can't guarantee success but it can go a long way toward reducing the odds of failure". 4
Explain the importance of the concept referred to an entrepreneur.
- 22 "Sensitivity to environmental factors is essential for an entrepreneur ". In light of above statement explain the importance of environmental scanning. 6
- 23 It is important to entrepreneurs because it is the first stage in the process of innovation, providing stimulus for opportunity discovery and new venture creation. It is this ability that helps entrepreneur to conceive new product –market opportunities and unique value propositions. It is with this ability, an entrepreneur builds effective organizations that can repeatedly bring ideas to commercially valuable forms in order to survive and grow. This ability of an entrepreneur helps to develop a new product or service, improve an existing product or service, find a new markets for existing product or services, find a new process or resource for manufacturing a product. 6
- (i) **Identify the concept identified in the above para.**
(ii) **Explain the process involved in the identified concept.**
- 24 Jerrin, Sarthak, Aamir and Shreya were childhood friends. They studied together till class XII in Kendriya Vidhyalaya, Mangalore. Jerrin and Sarthak became doctors and Aamir and Shreya became Engineers. All of them had good earnings. They were creative and innovative and wanted to start a business. 6
Jerrin and Sarthak gave an idea to manufacture a machine which would help the surgeons in doing surgery without much blood loss. Aamir and Shreya agreed to it but they were short of capital. They estimated that approximately ₹ 3 crores would be required to finance the project which would be collected by them from their friends and relatives. They also wanted that their private

properties should not be used to pay off the liabilities of the business. They all agreed to restrict the right to transfer shares.

- (i) Consider the above facts and suggest the suitable type of business organization to be formed.**
- (ii) State any three features of the suggested type of business organization.**
- (iii) List any four privileges of this type of business organization**

End of the Question Paper