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INDIAN SCHOOL MUSCAT FIRST PRE – BOARD EXAMINATION

ENTREPRENEURSHIP

CLASS: XII

Sub. Code: 066

Time Allotted: 03 hours

20-01-2020

Max. Marks: 70

General Instructions:

The Question Paper is divided into 5 parts. There is no overall choice, though internal choice is given.

- Section A has 17 objective questions carrying 1 mark each.
- Section B has 7 questions carrying 2 marks each. Answer may be within 50 to 75 words.
- Section C has 5 questions carrying 3 marks each. Answers may be about 100 words.
- Section D has 3 questions carrying 4 marks each. Answers may be about 150 words.
- Section E has 2 questions carrying 6 marks each. Answers may be about 200 words.

SECTION A

This part contains 17 objective questions carrying 1 mark each.

Fill in the Blank

- 1 The activities related to the production and distribution of goods and services with a motive of earning profit is called as _____ 1
- 2 _____ is the specialized all – India development financial institution to cater to the needs of the tourism industry. 1
- 3 _____ stands for all those conditions and forces external to a business unit under which it operates. 1
- 4 _____ refers to the capital required by an entrepreneur developing prototype and for further testing of the prototype. 1
- 5 _____ the key factor to maintain competitiveness over competitors. 1
- 6 The acronym _____ stands for earnings before interest, taxes, depreciation and amortization. 1

OR

_____ is the Financial Institution established by the Central Government in 1951 to empower state governments to support the financial needs of small and medium enterprises in various states.

State whether the following statements are 'true' or 'false'

- 7 When an entrepreneur identifies a conflict or a road block, he or she is said to have identified the problem 1

OR

Idea generation is the organized effort to gather information about target markets or customers.

- 8 For a true measure of how 'own money' is being used , ROE is good indicator 1
- 9 The Proforma of cash flow a component of Financial Plan mentions the socio-economic benefits expected to acquire from the proposed business. 1
- 10 If procurement or manufacturing lead time is 2 months and the demand during this period is expected to be 300 units per month and then an order is to be placed when the stock or inventory level reaches 600 pieces 1
- 11 Radio is considered by many advertisers as an ideal medium of advertising due to its ability to reach specific target groups. Like teenagers, racing followers or grocery buyers. 1
- 12 Reverse acquisition is one in which a purchasing company becomes a subsidiary of the purchased company 1

Multiple Choice Questions

- 13 Something that can be offered to market that might satisfy a want or need. 1
A) Product
B) Capital
C) Price
D) Promotion.
- 14 A process where two or more parties with different needs and goals discuss an issue to find a mutually acceptable solution 1
A) Vendor management
B) Trade channel
C) Negotiation
D) Distributor
- 15 Rahul wants to know the market trend. His friend Gopal suggested him to regularly go and monitor where his target customers hang out like local mall or restaurant center. Gopal suggested him to visit trade shows to know what the new trend is. Identify the method of trend spotting suggested by Gopal to Rahul. 1
A) Talk Trend
B) Read Trend
C) Watch Trend
D) Think Trend
- 16 Which is the Second step in the creative process? 1
A) Innovation
B) Idea Germination
C) Verification
D) Preparation
- 17 Which one of the following satisfies the tastes of savers and the needs of investors through its various financial instruments and institutions? 1
A) Capital Market
B) Financial Institutions
C) IPO
D) Private Placement

SECTION: B

- 18 Mention any three features of Venture Capital finance. 2
- 19 List any two advantages of stock exchanges to the society. 2
- 20 What is family branding? Give an example 2

OR

It's a plan that positions a company's brand or product to gain a competitive advantage. Identify the term and name the types of term.

- 21 What is the term used when a company ceases to operate following its inability to make a profit or to bring in enough revenue to cover its expenses? .Identify any two reasons for a company ceasing operations. 2
- 22 What is Partnership Deed? Mention the items that should be included in the deed. 2
- 23 Rahul a young entrepreneur from Pune thought to have a detailed plan describing planning details that are needed by management and not for external stakeholders. What is the format of business plan Rahul used? How does business plan help Rahul? 2
- 24 Mention the process of converting an idea into an enterprise. 2

OR

It is the subconscious assimilation of information in the process of creativity. Identify the stage of creativity referred here. Define the next stage of creativity that follows.

SECTION: C

- 25 When is it advisable for an entrepreneur to opt for a direct channel of distribution? 3
- 26 'Good Wash Ltd.' are the manufacturers of different sizes of fully automatic washing machines marked as 'small', 'medium', and 'large' and 'industrial'. From the information given below, calculate the 'Break-Even Quantity' of the machines manufactured per month. 3

Information:

Machine	Unit Selling	Unit Variable	Fixed Expenditure
Small	10,000	3,000	35,000
Medium	15,000	8,000	35,000
Large	20,000	13,000	70,000

- 27 In 2015 Jaya Ltd, started a toy manufacturing unit using robot technology. The toys manufactured by the company became popular amongst children. But since the cost of the toys was high, the company could not earn good profit. The business is of high risk along with higher expected returns. The company wants to increase production so that they can reduce cost per unit. For this the company wants additional investment of Rs. 50 lakhs. The company approached Ashok who has just retired from Indian Space Research Organisation and who is an influential person. Ashok agreed to give the loan to the company provided that his loan is converted into equity shares after two years. The company agreed to Ashok's proposal. 3
- (a) What type of investor is Ashok?
- (b) State any two features of the same.
- 28 Devika did her post-graduation from Manipur University, Mangalore. She had offers to join reputed firms in metropolitan cities like Delhi and Mumbai. Instead of joining any of these 3

firms she decided to do some creative work in Mangalore. She observed that a special type of chilli is grown by the farmers of most of the villages around Mangalore. This chilli has a distinct flavour and the pickle made from it has a taste that may be liked by many people in other parts of the country. But the farmers were neither trained in the farming of this kind of chilli on a large scale nor was there a secured market for their produce. Devika met eighteen like-minded women of the area and formed an organization for doing the business of pickle manufacturing. Each of them contributed ` 50,000 towards its capital and were equally responsible for its management. On one hand they assured the farmers to purchase the chilli produced by them and on the other hand, the organization with the help of the local agriculture department arranged for the training of the farmers. They also employed 10 local unemployed graduate girls for doing the various operations of pickle manufacturing.

(b) Identify the kind of organization that Devika had decided to set up.

(b) Mention any two features of the organization referred in the case

(c) State any one value which Devika wants to communicate to the society.

- 29 “Information for environmental scanning can be collected from several sources”. Mention any three such sources. 3

OR

This is a section of Financial Plan that summarizes all the projected sources of funds available to the venture to raise finance from .Identify and explain the component of financial plan referred here.

SECTION: D

- 30 Green Smiles Ltd. sells eco-friendly distemper paint pigment in many colour options. They sell 20000 units at the rate of Rs.100 per unit per month. It spends Rs.500 for placing one order and the cost of holding the stock is Rs.50. Calculate Economic Ordering Quantity for Green Smiles Ltd. 4

- 31 Explain any four seasons for the failure of merger and acquisitions. 4

OR

Explain various activities in Vendor Management

- 32 Explain the Idea Field “Creative Efforts”. 4

SECTION : E

- 33 Aryan started a Super Specialty Store, ‘Sampada’. Its products are sourced from hand-picked suppliers. These products are sold under Sampada’s own brand. Its promotion strategy is very specific and focuses on targeted groups of customers. The purpose of this promotion strategy is to develop the brand ‘Sampada’ by creating awareness among the customers. To do this, Sampada’s Facebook and Twitter pages encourage two-way communication with customers. These social media channels provide a platform through which Sampada can interact with customers. It can then assess their opinions about the brand. 6
- a) Identify the promotion strategy adopted by Sampada.
- b) List the activities that are included in the strategy identified in (a) above for creating brand awareness.
- c) Explain the promotion strategies other than the one identified in (a) above

- 34 “Writing a good business plan can’t guarantee success, but it can go a long way towards reducing the odds of failure”. Elucidate the importance of a business plan in this context. 6

OR

Explain the characteristics of Joint Stock Company.

END OF THE QUESTION PAPER