

Roll Number

B



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

- _____ is the tax levied on the manufacture of a commodity, which is produced or imported and sold for the first time. 1
- _____ was established as a supervising and regulatory body to curb certain malpractices and to promote the securities market in India. 1
- An element of Innovation process that involves obtaining the required resources, materials, technology, human or capital resources is called as _____. 1
- These people are the sources of fund to new entrepreneurs when they can't raise fund from other sources. They were once given the acronym FFF. It stands for _____. 1
- Ramesh a budding entrepreneur runs "Relax", a restaurant specialized for Indian cuisines in Bhutan. He reads the news report on rising shrimp prices, recalls the customer's feedback shared the last week, attends various food fests in various parts of India. He absorbs and mulls about what he read, heard and observed and then starts making connections and observations that will lead to business boosting insights. So Ramesh is doing _____. 1
- _____ is a quantitative expression of a plan for a period of time which includes planned sales volumes and revenues, resource quantities, costs and expenses etc. 1

OR

The word _____ is used in common parlance to mean "allocation of resources".

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

- 7 Clay, a natural resource which can be used for producing ceramics is an example for natural resource related idea field. 1

OR

New products or services leads to new business opportunities.

- 8 For a true measuring of EOQ normally entrepreneurs use 1

$$\text{EOQ} = \frac{\text{Net Profit}}{\text{Total Capital Invested}} \times 100$$

- 9 The interesting feature of Partnership is that the mode of incorporation and termination is both as per the Companies Act only. 1

- 10 If one business is started with all equity and second one with some loan, the second business will have an interest element in its cost structure. 1

- 11 Promotion is the only revenue generating element among the four Ps, the rest being cost centers. 1

- 12 When a two or more concerns combine and expand their business activities is called as External Expansion. 1

Multiple Choice Questions

- 13 A franchisor requires all its franchisees to spend time at its school where everyone takes classes in accounting, personnel management, marketing and production. Which one of the benefits of franchising referred here? 1

- a. Capital Requirements
- b. Knowledge of the market
- c. Product acceptance
- d. Management Expertise.

- 14 Business goals need to be based on the current conditions and realities of the business climate. As an entrepreneur, you may desire to have your best in business or increase revenue by 50 % but if recession is looming and there are new competitors opened in your market, then your goals are missing one of the rules of goal setting. Which one of the following rules of goal setting is referred here? 1

- a. Specific
- b. Measurable
- c. Attainable
- d. Relevant

- 15 By doing environment scanning an entrepreneur can utilize technology and finance from the market at economical prices at the right time. Name the benefit of environment scanning referred here. 1

- a. Overcome adversity
- b. Exercise control over the business
- c. Formulation of policy
- d. Tap useful resources

- 16 It stands for engine efficiency, new air craft being planned, better and cheaper video conferencing, new discoveries, research and development. Which one of the factors affecting macro environment which is referred here under PESTEL analysis? 1

- a. Political b. Economic c. Social d. Technological

- 17 Which one of the following satisfies the tastes of savers and the needs of investors through its various financial instruments and institutions? 1
- Capital Market
 - Financial Institutions
 - IPO
 - Private Placement

SECTION : B

- 18 Mention any two disadvantages of public issue to the entrepreneur. 2
- 19 List out any two objectives of NABARD. 2
- 20 What are the three components of a brand? 2

OR

What are the qualities of good brand?

- 21 State any four items of physical infrastructure that should be mentioned in the description of business plan. 2
- 22 Mention any two benefits of BEP analysis to an entrepreneur. 2
- 23 Why a company is called an 'Artificial Person'? 2
- 24 Professionals charge big money for reports and industry updates. But there are some entrepreneurs who spot these updates and changes themselves. Mention any such two ways of spotting these updates. 2

OR

Mention the elements of Innovation process

SECTION : C

- 25 Francis is thinking on the way to differentiate his product from those of competitors. He wants that differentiating item should be short, simple, easy to pronounce, pleasing, and impressive when uttered. Identify the term Francis thinking and define the two components of the term 3
- 26 Following are the balances of current assets and current liabilities of X ltd., Cash – Rs.20,000; outstanding expenses- Rs.5000; Creditors- Rs.15,000; Debtors-Rs.50,000; Short term loans- Rs.4000; Short term investments-Rs.30,000; Long term loansRs.1,00,000; Stock-Rs.70,000. Calculate the gross and net working capital of X Ltd. 3
- 27 State the regulatory functions of NABARD. 3
- 28 "In spite of certain restrictions imposed on a private company, it enjoys certain privileges under the Companies Act and a substantial number of entrepreneurs prefer to form a private company." Comment. 3
- 29 An entrepreneur identifies problems as roadblocks. They understand that they need to bring creative solutions to it. For this he needs to completely understand the problem, identify the target group and find an acceptable solution. Justify as to how identifying a problem will help an entrepreneur. 3

SECTION: D

- 30 Parvesh has started a restaurant in a small town by the name of 'Spices of India' by spending Rs. 50, 00,000. He invested Rs. 10, 00,000 of his own and took a loan of 40, 00,000 from 4

State Bank of India @ 6% per annum. His monthly sales revenue is Rs. 20, 00,000 and monthly cost of goods sold is Rs 10, 00,000. He pays a monthly salary of Rs 200,000 to his employees. The GST rate is 18% .Calculate Return on Investment.

- 31 Slurppy is a new mixed fruit juice introduced by Amit Beverages Ltd. The mixed fruit juice has been fortified using various vitamins and minerals. The company designed a unique package for the product which made it very attractive. Their sales figures were an indication of their success. In order to capture huge market share, they decided to give exclusive rights to retailers to manufacture and sell the product to the public. Identify and explain this concept. State any one factor that help start – ups and also state any one advantages to Amit Beverages Ltd. in doing so. 4

OR

Explain any four factors which lead to effective employee relationship.

- 32 Explain how the following factors affect idea and opportunity assessment. 4
a. Application and use b. Level of operation c. Competition d. Annual turnover and profit margin

SECTION -E

- 33 Quick Rasoi is a fast food chain selling Indian items like Kathi Roll, Samosa, Idli, Dhoklas Etc., Now, they want to sell Kulfi in their outlets. Kulfi has been an item in their menu earlier also but was withdrawn because of higher price as compared to the price of established brands. Therefore, this time they decided to initially price the Kulfi at cost. It was done with the objective of increasing market share. Management of Quick Rasoi is of view that once their Kulfi is established in the market they will increase the price to a level that will help them in earning reasonable profit on their product. 6
a. Identify and explain the pricing strategies adopted by Quick Rasoi earlier and at present
b. Differentiate between price skimming and price penetration technique of pricing.
- 34 Picturising ahead every step in a long series of separate operations, each step to be taken in the right place, of the right degree and at the right time. Each operation is to be done by maximum efficiency. This is the objective of one of the components of a business plan. 6
(a) Identify the component
(b) There are three situations before the venture under this component. Explain briefly those three situations

OR

Deepak and Gaurav joined the prestigious law university in Ahmedabad in the year 2010. During the course of study they became good friends and they both realized that their common interest lies in the field of corporate law. After completion of their degree they decided to start a firm of their own, namely 'Corpo Law Firm' wherein both of them will be co-owners dividing the profit and loss. After successfully running the firm for a year, they realized that there are certain rights which are denied to their firm as it is not registered.

- a. Identify and mention any two features of the form of organization formed by these two friends
b. Explain the consequences of non-registration of their firm.

END OF THE QUESTION PAPER