

Roll Number

C



# 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 \_\_\_\_\_ an activity in which an individual works regularly for others and get remuneration in return, undertaking personal services as per the agreement of employment. 1
- 2 \_\_\_\_\_ was established as supervising and regulatory body to curb certain malpractices and to promote the securities markets in India. 1
- 3 ----- is the stage of creativity in which entrepreneur recognizes the business opportunity. 1
- 4 \_\_\_\_\_ refers to the capital required by an entrepreneur for conducting research at pre-commercialization stage. 1
- 5 \_\_\_\_\_ is any organized effort to gather information about target markets or customers. 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 1

identified product

**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 , BEP is a good indicator   | 1 |
| 9  | Proforma of income statement that summarizes the projected assets, liabilities and net worth of the enterprise.   | 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 | Direct mail is a powerful type of advertising in which advertising is done outdoors, including static advertising such as billboards, backs of street benches and bus shelters or mobile advertising displayed on buses, trains | 1 |
| 12 | Financial synergy refers to the cost savings that come through economies of scale and profits.  | 1 |

**Multiple Choice Questions**

- |    |   |   |
|----|---|---|
| 13 | Something that can be offered to market that might satisfy a want or need.<br>a) Product (b) capital (c) price (d) Promotion.   | 1 |
| 14 | It is the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its public.<br>a. Negotiation<br>b. Customer Relation<br>c. Business Promotion<br>d. Public relation  | 1 |
| 15 | It means identification of new trends<br>a. Read Trend<br>b. Talk Trend<br>c. Watch trend<br>d. Trend spotting  | 1 |
| 16 | Which is the first step in the creative process?<br>a. Innovation<br>b. Idea Germination<br>c. Verification<br>d. Incubation  | 1 |
| 17 | It is a specialized all India development financial institution to cater the needs of the tourism industry.<br>a. Industrial Investment Bank of India Ltd( IIBI)<br>b. Tourism Promotion Corporation of India ( TPCI)<br>c. State Industrial Development Corporation ( SIDCs)<br>d. Tourism Finance Corporation of India( TFCI) | 1 |

**Section : B**

- |    |  |   |
|----|--|---|
| 18 | Mention any two features of Angel Investors.               | 2 |
| 19 | List any four reasons for which entrepreneur need finance. | 2 |

- 20 Madhav, a toy manufacturer from Rajasthan opted to use a common name for the several types of toys produced by him. What is the type of branding used by Madhav? 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 Mention any two benefits of Negotiation. 2
- 22 Mohan and Radha want to start a shop to sell Rajasthani Sweets. They did not know how to enter into the agreement. Therefore, they approached a Chartered Accountant who advised them to prepare a document which may stipulate the terms and consolidation of the agreement. Name the document about which the chartered accountant advised Mohan and Radha. Also state any two important items they should include in the agreement besides the name, nature and place of business. 2
- 23 Vedanta a young entrepreneur from Pune thought to have a detailed plan describing planning details that are needed by management. What is the format of business plan Vedanta used? How does business plan help Vedanta? 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 What is meant by 'skimming pricing method'? State any two advantages 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 any six functions of SEBI 3
- 28 A, B and C are partners in a firm 'PK associates'. They have been carrying on stationary business successfully for last many years. This year D, a vendor, supplied sub – standard paper which was not as per specifications. Because of this, the entire consignment to Taiwan got rejected and the firm had to bear a big loss. All the partners approached a lawyer to file a case against D. Lawyer told them that they could not file a case against D  
(a) Why were the partners not able to file a case against D?  
(b) Describe the procedure the firm should follow to file a case in such a situation in future. 3
- 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 Best Electronics Ltd., are the manufacturers of 'Air Conditioners' and 'Air Purifiers'. Their fixed costs are Rs.32,00,000 per year. The sales price and variable cost per unit of 'Air conditioners' and 'Air purifiers' are given below: 4

Air Conditioners	Air Purifiers Sales Price
Sales Price: 20,000	5,000
Variable cost :15,000	3,000

During the year the company could sell 1000 Air conditioners and 1500 Air purifiers and could not break even. The Air conditioners and Air purifiers were sold in the proportion of 3:2 throughout the year. Calculate break even in units.

- 31 Explain any four seasons for the failure of merger and acquisitions. 4
- OR**
- 32 Explain various activities in Vendor management 4
- 32 Varun decided to start his own venture and was looking into various ideas. Explain to him any four sources from where he can get some good business ideas. 4

### Section -E

- 33 'Handiwala' is a biryani delivery chain having franchisee outlets all over the country. They started their operations in the country in the year 2012. Since Biryani is not a new item for Indian Kitchens, they knew that they had to face a lot of challenge from the competitors. Therefore, they decided to maintain highest quality standard to add new customers and retain the old. Their idea was to collect, manage and link customer information with the goal of marketing the products effectively. For this purpose they started offering lot of discounts when customers ordered online. They offered free home delivery in case the order exceeded Rs 500. They also offered to supply free-of-cost, the ordered items of biryani in case of a complaint. The company also spent a substantial amount in maintaining the database of all the customers. They were sure that through these initiatives they will be able to gain more market share. 6
- (a) Identify and explain this concept.  
(b) How is this concept used in the present day?  
(c) What is the impact of technology on this concept?  
(d) Enlist two benefits of this concept.
- 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**