

INDIAN SCHOOL MUSCAT
CLASS: 12
HALF YEARLY EXAMINATION
Entrepreneurship 066
SET - A

QP.N O.	VALUE POINTS	SPLIT UP MARK S
1.	<p>Ability to perceive and preserve basic ideas Vision and creativity Ability to harness different sources of information (Any two)</p> <p style="text-align: center;">OR</p> <p>Careful monitoring of an organization's internal and external environment for detecting early signs of opportunities and threats that may influence its current and future plans.</p>	$\frac{1}{2} + \frac{1}{2} = 1$
2.	<p>Brand Mark: That part of a brand in the form of symbol, design or distinctive color which can be recognized but cannot be vocalized. Trade Mark: part of brand that gives legal protection against its use by other firm. It is a legal term protecting the sellers exclusive right to use the brand name.</p>	1
3.	<p>(i) To bring out new product in the market (ii) To understand the problems and needs of the market.</p>	1
4.	<p>Skimming price method OR Variable pricing.</p>	1
5.	Environmental added value.	1
6.	<p>Tax Benefits. Mergers and acquisitions can be adopted to reduce tax liabilities by merging with a loss making entity, a company can set off accumulated losses of such a company from its profits, thereby reducing its tax liability.</p> <p style="text-align: center;">OR</p> <p>Internal expansion. It results from the gradual increase in the activities of the concern due to expansion of present production capacity by adding more machines or by modernizing the technology or by entering new fields in the production and marketing side.</p>	1+1=2
7.	<p>1) Advertisement-To increase sales by making business and product name familiar to the public. (2) Personal selling- It aims to convert needs into actual sales through oral presentation of message. (3) Sales promotion- To encourage the purchase or sale of product by giving short term incentives. (4) Public relation- To build good relation with stakeholders to create favorable publicity and good corporate image.</p>	$\frac{1}{2} \times 4 = 2$
8.	<p>1) The minimum level of output to be produced. 2) The effect of change in quantity of output upon the profits. 3) The selling price of the product. 4) The profitable options in line of production. 5) It helps in determining how many units must be sold or how much sales volume must be achieved in order to break-even. 6) It helps to indicate the volume of sales needed to cover total variable and fixed expenses by the new enterprise</p>	2

	<p style="text-align: center;">OR</p> <p>Routing is a process concerned with determining exact route or path a product or service has to follow, right from raw material till its transformation into a finished product. Scheduling means fixation of time, date, day when each operation is to be commenced and completed.</p>	
9.	<p>Synergy is the difference between the value of the combined firm and the value of the sum of participants in a merger. It occurs in the form of revenue enhancement and cost savings.</p> <p>It can take place in the following forms:</p> <p>Operating synergy: It refers to cost saving that come through economies of scale or increased sales and profit.</p> <p>Financial Synergy: It is the result of financial factors such as lower taxes, higher debt capacity or better use of idle cash.</p>	1+1=2
10.	Sole Proprietorship because it requires less capital and he is the only bearer of profit.	1+1
11.	<p>Creativity is an important and key component of the talents and abilities needed for an entrepreneur for spotting and to harness opportunities. It can also be applied to develop new products and services. There are basically five ways in which creative ideas can be generated: 1. Develop a new product or service. 2. Improve an existing product or service 3. Find a new process or resource for manufacturing a product. 4. Find new markets for existing products or services</p> <p style="text-align: center;">OR</p> <p>a) Product identification: See whether the product is already available in the market or not. If so, then identify the reason for introducing the same product or service in the market.</p> <p>b) Application and use: Ideas should be examined for their real life use and application. If already existing in the market, find out its present use, and modify it for better use.</p> <p>c) Level of operation: Depending on the use of the product/service the entrepreneur will produce it in a cottage industry or a small-scale industry or a large-scale industry.</p>	1x3=3
12.	<p>(i) Limited Managerial ability (ii) Limited capital (iii) Lack of continuity</p> <p>(a) Unregistered firm denied the following rights.</p> <p>(b) (i) a partner cannot file a suit in any court against the firm or other partners for the enforcement of any right arising from a contract. (ii) a right arising from a contract cannot be enforced in any court against the firm or the partners (iii) the firm or any of the partners cannot claim a set off. Or other proceeding in a dispute with a third party.</p>	1.5+1.5 =3
13.	<p>Value Addition</p> <p>From financial point of view: it represents the difference between the value of output and value of input</p> <p>From marketing point of view: it means adding value that turns a commodity into a branded product.</p>	1+1+1
14.	<p>1. Helps in building better relationships</p> <p>2. Delivers lasting, quality solutions- rather than poor short-term solutions that do not satisfy the needs of either party</p> <p>3. Helps in avoiding future problems and conflicts.</p> <p style="text-align: center;">OR</p> <p>"Establishing short or long term objectives, usually incorporating deadlines and quantifiable measures."</p> <p>Attainable: Small businesses can set goals beyond reach. No one has ever built a multi–</p>	1x3=3

	crore business overnight. Specific : Goals based on time period can be set.	
15.	<p>a) Acquisition</p> <p>b) Reasons for failure of Beta Ltd : I. Unrealistic Price paid : The process of M&A involves valuation of the target company and paying a price for taking over the assets of the company. Lines : “The assets of Gama Ltd.higher.”</p> <p>II. Difficulty in the cultural integration: Every merger involves combining of two or more different entities. These entities reflect different corporate cultures, styles of leadership, differing employee expectations and functional differences. Lines: The employeesco-ordination</p>	1+2=3
16.	<p>Manpower Planning.</p> <p>It helps to assess (i) what kind of people are required? (ii) How many people are required? (iii) How will they be selected?</p> <p style="text-align: center;">OR</p> <p>(i)The business plan is a comprehensively written down document prepared by the entrepreneur describing formally all the relevant external and internal elements involved in starting a new venture.</p> <p>Importance of business Plan: (a) A business plan helps in determining the viability of the venture in the designated market. (b) It guides the entrepreneur in planning his activities such as identifying the resources required, obtaining licenses, if required etc. (c) helps in satisfying concerns, queries and issues of each group of people interested in the venture.</p>	1+2=3
17.	<p>Value chain is a high level model of how business receives raw materials, and value to the raw materials through various processes and sells as finished products to customers. Inbound logistics (ii) Operations (iii) Outbound logistics (iv) marketing & Sales.</p>	1+2=3
18.	<p>(i) Identifying objectives: Relationship management centers on items like attracting and retaining employees. Common measures of the effectiveness of these relationships include time to hire, turnover and employee satisfaction.</p> <p>(ii) Balancing work and life needs: Effective employee management requires consideration of the whole employee. That means taking steps to ensure that employee’s work life needs are well balanced.</p> <p>(iii) Open and honest communication: managers must be committed to communicating regularly and honestly with employees about the issues that impact their work.</p> <p>(iv) Determining employee needs : It is a good idea to find out directly from employees what their needs are. Needs vary greatly depending on employee characteristics-age, gender etc. as well as the type of job being performed.</p> <p>(v) Measuring and monitoring results Relationships are interpersonal</p>	1x4=4
19.	<p>Production Plan</p> <p>(i) No manufacturing involved: If it is a trading or service provider, this section will stand eliminated from the plan.</p> <p>(ii) Partial Manufacturing: the production plan should describe:</p> <p>(a) Name and location of subcontractor</p> <p>(b) Reasons for their selection</p> <p>(c) Cost and time involved</p> <p>(d) Any contracts that have been completed</p> <p>(iii) Complete manufacturing: He will need to describe:</p> <p>(a) The physical plant layout</p> <p>(b) The machinery and equipment required to perform the manufacturing</p>	1+3=4

	<p>operations</p> <p>(c) Raw materials and suppliers names, address, terms and conditions</p> <p>(d) Cost of manufacturing</p>	
20.	<p>Read Trend They regularly read the leading publications and websites affecting their business. This could include industry publications, trade association sites, major newspapers etc. Talk Trends: They get involved in specific industry's trade associations and in attending events and in talking to customers both online and offline. Watch Trend Observation in the market place is the best way to get on the actual trend. Entrepreneurs can study the habits, preferences, and likes and dislikes of the consumers. Think Trends When an entrepreneur begins collecting information regularly, he becomes a trend spotter. After reading, watching, talking and observing trends, they will use their abilities of thinking, analyzing and synthesizing to make connections with their business and can come up with a great idea for a new product or a new product line or a new business</p> <p style="text-align: center;">OR</p> <p>(i) Identification of opportunities to get first mover advantage (ii) Formulation of strategies and policies (iii) Tapping useful resources (iv) Better performance.</p>	1x4=4
21.	<p>Employment: an activity in which an individual works regularly for others and get remuneration in return. Profession: it is that occupation which one professes to have acquired specialized knowledge which is used either in instructing, guiding or advising others. Business: all economic activities related to the production and distribution of goods and services undertaken for monetary gain.</p> <p style="text-align: center;">OR</p> <p>Only two members are required to form a private company. Only two directors are required to constitute the quorum to validate the proceedings of the meetings. It can commence its business immediately after incorporation Maintaining of index of members is not required by a private company Directors of the private company need not have qualification shares</p>	2+1+1 =4
22.	<p>(a) Penetration pricing method: It is a pricing strategy where the price of a product is initially set at a price lower than the market price to attract new customers. It helps in increasing market share rather than to make profit. (b) Advantages: (i) It can create goodwill among the early adopters segment., creating more trade by word of mouth (ii) It creates cost control and cost reduction from the start leading to greater efficiency. (iii) Create high stock turnover throughout the distribution channel (iv) Discourages the entry of competitors, low price acts as barrier to entry.</p> <p style="text-align: center;">OR</p> <p>Channels of distribution are the firms or individuals which help in transferring the goods from place of manufacturing to the place of consumption. Considerations related to market are: (i) Number of buyers: If the number of buyers is large then it is better to take the services of middlemen for the distribution of the goods. On the contrary, the distribution should be done by the manufacturer directly if the number of</p>	2+4=6

	<p>buyers is less.</p> <p>(ii) Type of buyers: buyers can be of two types. General buyers and industrial buyers. If more buyers of the product belong to the general category then there can be more middlemen. But in case of industrial buyers there can be fewer middlemen.</p> <p>(iii) Buying habits: a manufacturer should take the service of middlemen if his financial position does not permit him to sell goods on credit to those consumers who are in the habit of purchasing goods on credit.</p> <p>(iv) Buying quantity: it is useful for the manufacturer to rely on the services of middlemen if the goods are bought in smaller quantity.</p> <p>Size of market: if the market area of the product is scattered fairly, then the product must take the help of middlemen.</p>	
23.	<p>Idea Fields</p> <p>Natural sources, Existing products or services, market driven or demand driven ideas, trading related ideas, service related ideas. (with explanation)</p>	1+1x5=6
24.	<p>Franchising. It is an agreement whereby the manufacturer or sole distributor of a product or service gives exclusive rights of local distribution to independent retailer in return for their payment of royalties and conformance to standardized procedures.</p> <p>(i) Contract explanation, operations manual, ongoing site maintenance, proprietary statements.</p> <p>(ii) Care and concerns towards underprivileged sections of the society.</p> <p style="text-align: center;">OR</p> <p>(1) Acquiring new Technology: to remain competitive, companies need to constantly upgrade their technology and business applications. By buying another company with unique technology, the buying company can maintain or develop a competitive edge.</p> <p>(2) Improved profitability: companies explore the possibilities of a merger when they anticipate that it will improve their profitability</p> <p>(3) Acquiring a competency: Companies opt for mergers and acquisitions to acquire a competency or capability that they do not have and which the other firms have</p> <p>(4) Entry into new markets: mergers are often looked upon as a tool for hassle-free entry into new markets. Through mergers one can enter the market with greater ease and avoid too much competition</p> <p>(5) Access to funds: Often companies find it difficult to access funds from capital market. In such a case company may decide to merge with another company which is fund-rich.</p> <p>(6) Tax benefits: By merging with a loss making entity, a company with high tax liability can set off the accumulated losses of the target against its profit gaining tax benefits</p>	2+3+1