

INDIAN SCHOOL MUSCAT
FIRST PRE – BOARD EXAMINATION

ENTREPRENEURSHIP

VALUE POINTS

SET C

	SECTION A	
	This part contains 17 objective questions carrying 1 mark each.	
	Fill in the Blank	
1	Ans: Employment	1
2	Ans: SEBI	1
3	Ans: Idea Germination	1
4	Ans: Seed Capital	1
5	Ans: Market Research	1
6	Ans: EBITDA Or Ans: State Financial Corporations	1
	State whether the following statements are ‘true’ or ‘false’	
7	Ans: False Or Ans: Market Research -False	1
8	Ans: false--ROE	1
9	Ans: Proforma Balance sheet— False	1
10	Ans: True	1
11	Ans: False	1
12	Ans: False	1
	Multiple Choice Questions	
13	Ans: Product	1
14	Ans: Public Relation	1
15	Ans: Trend Spotting	1
16	Ans: Idea Germination	1

17	Ans: Tourism Finance Corporation of India(TFCI)	1
	Section : B	
18	Ans: 1. Retired executives, high net worth individuals who have knowledge, expertise and funds to help startups. 2. They expect high return on investment	2
19	Ans: 1. Establish business 2. Acquire fixed asset 3. Develop product 4. Expand ,diversify, improve and grow	2
20	Ans: Family Branding Example: Amul uses same name for all its products. Or Ans: Sales Strategy Types: Direct Sales and Indirect Sales.	2
21	1. Help in building better relationships 2. Help in avoiding future problems and conflicts	2
22	Ans: 1. Partnership deed (1 mark) 2. Other items: amount of capital , profit sharing, salary and commission, duties and power	2
23	Ans: 1. An Internal Operational Plan 2. Importance: 1. Helps to know the feasibility of the venture 2.Helps to assess the bottlenecks in the growth of the business	2
24	Ans: 1. Opportunity spotting ----evaluating ideas-----identifying a product ----setting up a project. Or Ans: 1. Incubation Illumination: idea resurfaces in realistic way and entrepreneur comes out with viable plan to give practical shape.	2
	Section :C	
25	Ans: 1. It stands for selling goods at high prices to gain high profit. 2. Advantages: a. Helps to recover research and development cost b. Works well with consumers who are quality conscious. (1+2=3)	3
26	Ans: Gross Working capital = Sum total of all Current Assets = Cash + Debtors + Short term investment + Stock = 20,000+50,000+30,000+70,000= Rs.1,70,000 Net working capital = Current Assets-Current Liabilities Current Liabilities = Outstanding expenses + Creditors + Short term loans = 5000 + 15,000 + 4000= Rs. 24,000 Net working capital = 1,70,000-24,000= Rs. 1,46,000	3
27	Ans: 1. Power to impose monetary penalties	3

	2. Inspect the books of accounts of financial intermediaries 3. Compel certain companies to list their shares in one or more stock exchanges.																									
28	Ans: a. Non registration of partnership firm b. In future they can avoid this by registering the firm through following steps 1. Application for partnership registration 2. Every partner needs to verify and sign the application 3. Once satisfied , Registrar of Firms issue a Certificate of Registration	3																								
29	Ans: 1. Verbal information from customers, retailers, distributors etc. 2. Record of companies 3. Government publications. <div style="text-align: center;">Or</div> Ans: 1. Proforma of Financing decision 2. It analyses sources of fund: Owners Outsiders – borrowed fund The entrepreneurs’ job is to ensure the selection of the best overall mix of financing for the enterprise and thus the cost of capital and financial risk stands minimized and return on investment and profitability stands maximized.	3																								
	Section : D																									
30	Ans: <table><tr><td>Sales price per unit</td><td>20000</td><td>5000</td></tr><tr><td>Less: Variable cost per unit</td><td>15000</td><td>3000</td></tr><tr><td>Contribution margin per unit</td><td>5000</td><td>2000</td></tr><tr><td>× sales mix percentage</td><td>3/5</td><td>2/5</td></tr><tr><td></td><td>Rs.3000</td><td>Rs.800</td></tr></table> Weighted average CM per unit---Rs.3800 (3000+800) Break-even point in units of sales mix = Total fixed cost/ weighted average CM per unit =Rs. 32,00,000/ Rs.3200 = 1000 units Break-even point in units: <table><tr><td></td><td>Air Conditioners</td><td>Air Purifiers</td></tr><tr><td>Sales mix ratio × total break even units</td><td>(3/5×1000)</td><td>(2/5×1000)</td></tr><tr><td>Product units at break-even</td><td>600 units</td><td>400 units</td></tr></table>	Sales price per unit	20000	5000	Less: Variable cost per unit	15000	3000	Contribution margin per unit	5000	2000	× sales mix percentage	3/5	2/5		Rs.3000	Rs.800		Air Conditioners	Air Purifiers	Sales mix ratio × total break even units	(3/5×1000)	(2/5×1000)	Product units at break-even	600 units	400 units	4
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31	Ans: 1. Unrealistic price paid for the target 2. Difficulties in cultural integration 3. Overstated synergy 4. Poor business fit. (explain each) <div style="text-align: center;">Or</div> Explain various activities in Vendor management Ans: Searching Vendors---negotiating contracts----obtaining quotes----evaluating performance--- updating vendor files --- make payments. (Explain)	4																								
32	Ans: 1. Natural resources 2. Market research 3. Trading related 4. Service sector. (explain each briefly)	4																								
	Section -E																									

33	<p>Ans:</p> <p>a) Customer relationship management- It is the process of carefully managing detailed information about individual customers in order to manage loyalty.</p> <p>b) CRM solutions enable companies to provide excellent real-time customer service through the effective use of individual account information.</p> <p>c) With each new advancement in technology customer relationship is being managed electronically. Good CRM system will collect, manage and link information about the customer with the goal of letting market and sell services effectively.</p> <p>d) 1) Storing all the data from all departments in a central location gives management and employees immediate access to the most recent data when they need it.</p> <p>2) Departments can collaborate with ease</p> <p>3) View of all customer information, knowledge of what customers and the general market wants</p>	6
34	<p>Ans. The business plan is valuable to the entrepreneur, potential investors, venture capitalists, banks, financial institutions, new personnel's suppliers, customers, advisors and others who are trying to familiarize themselves with the venture, its goals, and objectives</p> <p>The business plan –</p> <ol style="list-style-type: none"> helps in determining the viability of the venture in a designated market helps in providing guidance to the entrepreneur in organizing his/her planning activities as such: i) identifying the resources required ii) enabling obtaining of licenses if required etc. iii) working out with legal requirements as desired by the government. helps in satisfying the concerns, queries, and issues of each group of people interested in the venture. provides room for self-assessment and self-evaluation, requiring entrepreneur to think through various scenarios and plan ways to avoid obstacles. though not desirable, at times, business plan helps to realize the obstacles which cannot be avoided or overcome, suggesting to terminate the venture while still on paper without investing further time and money. as the investors/lenders focus on the four Cs of credit : character, cash flow, collateral and equity contribution, it is the business plan which reflects the entrepreneur's credit history, the ability to meet debt and interest payments, and the amount of personal equity invested thus serving as an important tool in funds procurement. <p style="text-align: center;">Or</p> <ol style="list-style-type: none"> voluntary association artificial person common seal winding up separate legal entity transferability of shares (explain any six relevant points) 	6