

ENTREPRENEURSHIP - SAMPLE PAPER-7- UNSOLVED

1	List any two categories of persons that required to obtain registration from 'Central Excise Department'.	1
2	Distinguish between 'Joint Stock Company' and 'Hind Joint Family Business' on the basis of liability of its members.	1
3	Balwant Sing of Bikaner thought of air-conditioned houses which do not require electricity. He wanted to explore the idea of construction of such eco-friendly houses which will remain cool in summers and warm in winters. He received the idea in 2010 but final product could take shape in 2014. Name the stage in "creative process" described in the above lines.	1
4	Give the meaning of 'Ecological Environment'	1
5	Geeta Ram and orange grower from Nagpur, wants to start a small juice producing factory using the orange grown by him as well as by his fellow villagers. Name the financial institution he could contact for obtaining loan for starting his factory.	1
6	State any two rules for goal setting.	2
7	Give the meaning of 'Business Situation Analysis' and 'identification of target market' as steps in preparing the marketing plan.	2
8	Rahul wants to start a small shoe manufacturing factory. As a part of his business plan he prepared and 'entertaining slide show and oral narrative' that was meant to trigger discussion and create interest in potential investors for reading the written presentation. Identify and explain the format of the business plan referred in the above paragraph.	2
9	In U.K. they are called 'end lines', 'endlines', or 'straplines'. Germans call them as 'claims', French refer them as 'signatures', while Belgians call them as 'baselines'. Identify the concept and name its forms.	2
10	Ashok is engaged in the production of readymade garments using cotton cloths. Identify the business activity in which Ashok is involved. Also name and define the utility created by Ashok.	2
11	What is meant by 'Problem Identification'? State any two objectives and also give examples of 'Problem Identification'	3
12	Kareem after completing his XII class from village school joined course of electrician in an ITI in a town near his village. On completion of this course he tried for a government job but could not get the same. He, therefore, decided to work as a helper to a renowned electrician of the area. After working with him for two years he decided to start his own electrician shop in the village. For this he purchased equipments of Rs.10000/- and hired a shop at a monthly rent of Rs.2000/-. He himself managed the shop. a. Identify the type of business organization set up by Kareem. b. State any four characteristics of the identified form of business organisation.	3
13	State the advantages of 'Cost Plus' pricing method.	3
14	Angel Investors and Venture Capital are the two sources of raising finance for an entrepreneur. Explain the concept of both the sources stating one distinguishing feature each.	3
15	"The Shop", a readymade garment retail shop, sold 500 shirts at Rs200 per unit during the year ended 31 <sup>st</sup> March, 2014. Cost of placing an order and receiving goods is Rs1000/- per order. Inventory holding cost is Rs.250 per year. Calculate 'Economic Order Quantity' for the shop.	3
16	Gangadhar was working as a production manager in a German company. The company was producing remote operated high-end-kitchen equipments. He resigned from the job and returned to Patna, his hometown. In Patna he met Aditya, his old friend who had been managing his factory producing steel utensils with old technology. Gangadhar encouraged Aditya for production of high end kitchen equipments. He also promised to help Aditya by	3

	providing funds and his expertise so that production unit run by Aditya can develop into a big production house and its investors may get high returns on investments. Identify the kind of 'source of capital' provided by Gangadhar to Aditya and explain the same.																					
17	<p>'Healthy Juice India Ltd'. and Asli Juice Ltd. are engaged in the production of fruit juice. Both the companies sell the juice in 1000ml tetra packs and are in direct competition. To avoid competition management of both the companies decided to merge and formed a new company 'Asli Healthy Juice Ltd'. The new company decided to sell the fruit juice through the company owned outlets throughout the country.</p> <p>a. Name and explain the enterprise growth strategy.</p> <p>b. Also identify the channels of distribution decided by the Asli Health Juice India Ltd.</p>	3																				
18	The first step in creative process is 'Idea Generation'. State the other steps of this process.	4																				
19	<p>Lalita Devi did her post-graduation from Manipur University, Imphal. She had offered to join reputed firm in metropolitan city Delhi and Mumbai. Instead of joining any of these firms she decided to do creative work in Imphal. She observed that a special type of chilli is grown by the farmers of most of the villages around Imphal. This chilli has a distinct flavor and the pickle made from it has a taste that may be liked by many people in other parts of the country. But farmers were neither trained in farming of this kind of chilli on a large scale nor was there a secured market for their product. Lalita Devi met eighteen likeminded women of the area and formed an organization for doing the business of pickle manufacturing. Each of them contributed Rs. 200000/- 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 agricultural department arranged for training of the farmers. They also employed 10 local unemployed graduate girls for doing the various operations of pickle manufacturing.</p> <p>a. Name the process that helped Lalita Devi in converting an idea into an opportunity.</p> <p>b. Identify the kind of organization that Lalita Devi has decided to set up.</p> <p>c. State any two values which Lalita Devi wants to communicate to the society.</p>	4																				
20	<p>'Good Wash Ltd.' Are the manufacturers of the different sizes of fully automatic washing machines marked as 'small', 'medium', 'large' and 'industrial'. From the information given below, calculate 'Break Even Quantity'.</p> <table><tr><td>Machine</td><td>Unit selling Price Rs.</td><td>Unit Variable Cost Rs.</td><td>Fixed Expenditure Per Month Rs.</td></tr><tr><td>Small</td><td>10000</td><td>3000</td><td>35000</td></tr><tr><td>Medium</td><td>15000</td><td>8000</td><td>35000</td></tr><tr><td>Large</td><td>20000</td><td>13000</td><td>70000</td></tr><tr><td>Industrial</td><td>35000</td><td>20000</td><td>1,50,000</td></tr></table>	Machine	Unit selling Price Rs.	Unit Variable Cost Rs.	Fixed Expenditure Per Month Rs.	Small	10000	3000	35000	Medium	15000	8000	35000	Large	20000	13000	70000	Industrial	35000	20000	1,50,000	4
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21	<p>'Sultan Trucks Ltd.' Are manufacturers of commercial trucks for the last 20 years. The company had been doing good business but recently due to irregular supply of parts by its suppliers, the company could not make timely delivery of trucks for the parties who had booked their trucks. The customers cancelled their booking and there were very few new bookings. The sales of the company started declining that resulted into losses. The management of the company analysed the problem and decided to take over those two firms because of whom the problem arose. One of them was supplying tyres for its trucks and other axles to the company. The company also extended credit facilities to the customers and started booking the trucks without charging any booking amount. It also decided to employ 100 unemployed youths, with 50% reservation for females to take up the cleaning operations, using imported machines, inside the factories as well as the surrounding areas.</p>	4																				

	<p>a. Identify and state the concept of enterprise marketing and growth strategies discussed in the above paragraph.</p> <p>b. Identify any one value which 'Sultan Trucks Ltd'. Wants to communicate to the society.</p>	
22	<p>'One of the keys to the business success is to anticipate what market will want or need.' Since it is not possible for an entrepreneur to see into the future, this is one best way. This 'best way' will help the entrepreneur to understand the market and produce goods or provide services accordingly.</p> <p>a. Identify the concept discussed in the above lines</p> <p>b. Explain any three ways in which an entrepreneur can perform the activities related to the concept identified.</p>	6
23	<p>Karan has started an restaurant on National Highway No.1 in the name of 'Apna Dhaba' by spending Rs. 20,00,000/-. He invested Rs.8, 00,000/- of his own and took a loan of Rs.12, 00,000/- from SBI at the Rate of 6% per annum. His monthly sales revenue is Rs.12, 00,000/- and the cost of goods sold is Rs.7,00,000/-.He pays monthly salaries of Rs.2, 00,000/- to his employees. The rate of tax is 25%/ You are required to calculate the following for Karen.</p> <p>a. Return on investment</p> <p>b. Return on equity.</p>	6
24	<p>Satnam an IIT-IIM graduate, started three chemist shops in Amritsar, Patiala and Chandigarh in the name of 'Quality Medicines'. Encouraged with the success of these shops Satnam opened 50 more shops in different parts of Punjab. His strategy was to cut price, focus on lower and upper middle class and open shops near hospital. He operated on very thin margins. But he was not able to maintain sufficient funds to meet the day today expenses of the business. The staff at the shop did not give much attention to the customers and there was very poor system of control. Because of this mismanagement he started incurring huge losses and his business failed. Based on the above paragraph, identify and explain any four causes of business failure of Satnam.</p>	6