



INDIAN SCHOOL MUSCAT  
SAMPLE QUESTION PAPER (2018)  
ENTREPRENEURSHIP  
CLASS: XII SUBJECT CODE: 066

Time allowed: 3 hours

Maximum Marks: 70

**General Instructions:**

- a. All the questions are compulsory.
- b. Please check that this Question Paper contains 24 Questions.
- c. Marks for each question are indicated against it.
- d. Questions 1 to 5 are Very Short Answer type carrying 1 mark each.
- e. Questions 6 to 10 are Short Answer-I Type questions carrying 2 marks each.
- f. Questions 11 to 17 are Long Answer-I Type question carrying 3 marks each.
- g. Questions 18 to 21 are Long Answer-II Type questions carrying 4 marks each.
- h. Questions 22 to 24 are Essay Answer Type questions carrying 6 marks each.
- i. Answer should be brief and to the point.
- j. Please write down the serial number of the Question before attempting it.

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| 1 | List any two categories of persons that are required to obtain registration from 'Central Excise Department'.   | 1 |
| 2 | Distinguish between a 'Joint Stock Company' and a 'Joint Hindu Family Business' on the basis of 'liability of its members.  | 1 |
| 3 | Balwant Singh 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 conceived the idea in 2010 but the final product could take shape in 2014. | 1 |

Name the stage in 'The Creative Process' described in the above lines.

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| 4 | Give the meaning of 'Ecological Environment'. | 1 |
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- 5 Geeta Ram, an orange grower from Nagpur, wants to start a small juice producing factory using the oranges grown by him as well as by his fellow villagers. 1  
  
Name the financial institutions he should contact for obtaining loan for starting his factory.
- 6 State any two rules for goal setting. 2
- 7 Give the meaning of 'Business situation analysis' and 'Identification of the 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 an 'entertaining slide show and oral narrative' that was meant to trigger discussion and create interest in potential investors for reading the written presentation. 2  
  
Identify and explain the format of the business plan referred in the above paragraph.
- 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 'base lines'. Identify the concept and name its forms. 2
- 10 Ashok is engaged in the production of readymade garments using cotton cloth. 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 its any two objectives and also give an example of 'Problem Identification'. 3
- 12 Kareem after completing his XII class from his village school joined the 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 ₹ 10,000 and hired a shop at a monthly rent of ₹. 2,000. He himself managed the shop. 3  
(a) Identify the kind of business organization set up by Kareem.  
(b) State any four characteristics of the identified form of business organisation.
- 13 State the advantages of 'cost plus' method of pricing. 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 of each. 3
- 15 'The Shop', a readymade garments retail shop, sold 5,000 shirts at ₹200 per shirt during the year ended 31st March, 2014. Cost of placing an order and receiving goods is ₹1,000 per order. Inventory holding cost is ₹ 250 per year. Calculate the 'Economic Order Quantity' for 'The Shop'. 3

- 16 Ganga Dhar was working as the production manager in a German company. The company was producing remote operated high-end kitchen equipments. He resigned from his 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. Ganga Dhar encouraged Aditya for the production of high-end kitchen equipments. He also promised to help Aditya by providing funds and his expertise so that the production unit runs by Aditya can develop into a big production house and its investors may get high return on investments. 3

Identify the kind of 'source of capital' provided by Ganga Dhar to Aditya and explain the same.

- 17 'Healthy Juice India Ltd.' and 'Asli Juice Ltd.' are engaged in the production of fruit juice. Both the companies sell the juice in 1,000 ml tetra packs and are in direct competition. To avoid competition, the management of both the companies decided to merge and formed a new company 'Asli Healthy Juice India Ltd.'. The new company decided to sell the fruit juice through the company owned outlets throughout the country. 3

(a) Name and explain the 'Enterprise Growth Strategy'.

(b) Also identify the channel of distribution decided by 'Asli Healthy Juice India Ltd.'.

- 18 The first step in the creative process is 'Idea Germination'. State the other steps of this process. 4

- 19 Lalita Devi did her post-graduation from Manipur University, Imphal. She had offers to join reputed firms in metropolitan cities like Delhi and Mumbai. Instead of joining any of these firms she decided to do some 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 flavour and the pickle made from it has a taste that may be liked by many people in other parts of the country. But the farmers were neither trained in the farming of this kind of chilli on a large scale nor was there a secured market for their produce. Lalita Devi met eighteen like-minded women of the area and formed an organization for doing the business of pickle manufacturing. Each of them contributed ₹ 2, 00,000 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 agriculture department arranged for the training of the farmers. They also employed 10 local unemployed graduate girls for doing the various operations of pickle manufacturing. 4

(a) Name the process that helped Lalita Devi in 'converting an idea into an opportunity'.

(b) Identify the kind of organization that Lalita Devi had decided to set up.

(c) State any two values which Lalita Devi wants to communicate to the society

- 20 'Good Wash Ltd.' are the manufacturers 'of different sizes of fully automatic washing machines marked as 'small', 'medium', 'large' and 'industrial'. From the information given below, calculate the 'Break-Even Quantity' of the machines manufactured per month 4

Information:

Machine	Unit selling price	unit variable cost	Fixed expense per month
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Small	10,000	3000	35000
Medium	15000	8000	35000
Large	20000	13000	70000
Industrial	35000	20000	150000

- 21 'Sultan Trucks Ltd.' are the 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 to the parties who had booked their trucks. The customers cancelled their bookings and there were very few new bookings. The sales of the company started declining that resulted into losses. The management of the company analyzed 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 youth, with 50% reservation for females to take up the cleaning operations, using the imported machines, inside the factories as well as the surrounding areas. 4
- (a) Identify and state the concepts of 'Enterprise Marketing and Growth Strategies' discussed in the above paragraph.
- (b) Identify any one value which 'Sultan Trucks Ltd.' wants to communicate to the society
- 22 'One of the keys to business success is to anticipate what the market will want or need.' Since it is not possible for an entrepreneur to see into the future, there is one best way. This 'best way' will help the entrepreneur to understand the market and produce goods or provide services accordingly. 6
- (a) Identify the concept discussed in the above lines.
- (b) Explain any three ways in which an entrepreneur can perform the activities related to the concept identified.
- 23 Karan has started a restaurant on National Highway No.1 in the name of 'Apana Dhaba' by spending ₹20, 00,000. He invested ₹8, 00,000 of his own and took a loan of ₹12, 00,000 from SBI at the rate of 6% per annum. His monthly sales revenue is ₹ 12, 00,000 and the cost of goods sold is ₹ 7, 00,000. He pays monthly salaries of ₹ 2, 00,000 to his employees. The rate of tax is 25%. You are required to calculate the following for Karan : 6
- (a) Return on Investment
- (b) Return on Equity
- 24 Satnam, an IIT-IIM graduate, started three chemists shops at 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 hospitals. He operated on very thin margins. But he was not able to maintain sufficient funds to meet the day-to-day expenses of the business. The staff at the shops did not give much attention to the customers and there was very poor system of control. Because of this 6

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

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