

Roll Number

Code Number

SET I



**INDIAN SCHOOL MUSCAT
SECOND PRELIMINARY EXAMINATION
ENTREPRENEURSHIP**

Sub. Code: 066

CLASS: XII

Time Allotted: 3 Hrs

13.02.2019

Max. Marks: 70

General Instructions:

- (i) *All questions are compulsory.*
- (ii) *There are 24 questions in all.*
- (iii) *Marks for each question are indicated against it.*
- (iv) *Questions No. 1 to 5 are very short answer type questions, carrying 1 mark each*
- (v) *Questions No. 6 to 10 are short answer type questions, carrying 2 marks each.*
- (vi) *Questions no. 11 to 17 are Long Answer-I type questions, carrying 3 marks each.*
- (vii) *Questions No. 18 to 21 are Long Answer-II type questions, carrying 4 marks each.*
- (viii) *Questions 22 to 24 are long answer – III type questions, carrying 6 marks each.*
- (ix) *Answers should be brief and to the point.*

PART A

- 1 'Thumps-Up' and 'Pepsi' are companies operating in beverages market in India. They decided to merge together in order to create a larger organization with more market share in the country. Identify the type of merger mentioned here. 1

- 2 Differentiate between 'Trade mark' and 'Brand mark'. 1

OR

How is 'Individual brand name' different from 'Family brand name'?

- 3 Geeta, an orange grower from Nagpur, wants to start a small juice producing factory using orange grown by her as well as by her fellow villagers. Name the financial institution she should contact for finance in order to start her factory. 1

OR

Rajeev, an entrepreneur, living in a beautiful village of Himachal Pradesh. This village is very famous for natural beauty but the village was not much known to the outside world. Due to his entrepreneurial inclination he thought of starting a 'Holiday Resort with a cultural centre, Restaurant and other facilities. All the villagers agreed and supported him. Rajeev needed a capital of R. 3 crores for the project. Name the specialized institution, which Rajeev should approach to meet his requirement.

- 4 What does cash flow projection mean? 1

- 5 What is meant by idea germination? 1

PART B

- 6 'Indigo Air' is planning to expand its flight to Afghanistan and Pakistan over the next five years. Enumerate any two political factors that it should consider as per the 'PESTEL Model' for the same. 2

OR

Ankit has a habit of watching Television News channel every evening. The Latest Head line caught his attention. The Head Line was as follows "Government is leasing land at free of cost for 90 years in the nearby Industrial Estate and providing Financial help with 15% subsidy to start new production unit for young entrepreneurs. He had also heard that the government is giving a further subsidy for manufacturing agricultural machines and equipments. He started to make connections to start a business unit of producing agricultural pump sets and tillers. Identify and explain this way of spotting trend in order to identify a business opportunity

- 7 Why do we need to scan the environment? 2

OR

Information for environmental scanning can be collected from several sources. Name any four sources.

- 8 Enlist the various elements of business opportunity. 2

- 9 Maple' the sugar free ice cream started by Keerthy became very popular in the town. It became a hit among the health conscious consumers of the modern time. Because of the popularity of the ice cream its demand has increased manifold. Keerthy has realized that brand of ice cream is becoming popular even in the nearby towns also. She decided to expand her business by starting large number of outlets in different parts of the town and in nearby towns also. For this purpose she decided to give exclusive right to individuals to distribute 'Maple' ice cream in return for regular payments. Identify and explain this type of business opportunity offered by Keerthy. 2

- 10 Gourav has realized the immense potential for house boating facilities with classic dining facilities in the back waters of Kochi. He expects an exponential growth for this particular venture. He estimated that the project will cost around Rs.50 lakhs. Arunadhar a retired business executive promised to help Gourav with his expertise in the field and fund for investment so that Gourav can develop his business in a big way. Identify the source of capital provided by Arunadhar to Gourav and state any two of its advantages. 2

PART C

- 11 Karunakar and Kamal are two friends studied their MBA together. After completing their studies they wanted to start a business unit of production and export of 'fruit pulp' to European countries. They wanted full control over the business with limited liability. They also wanted confidentiality of their business operation. Their business should not be affected by the entry or exit of members. Identify the business organization best suited for them. Give reason 3
- 12 Raghav, after finishing his degree wanted to start his own business. He was confused as to what kind of business he should start. He attended a start up session. One of the speaker stated that 'innovation is the key for the success of all entrepreneurs. Those who innovate first will reap the profits. What are the key elements in the process of innovation? 3

- 13 Selection of a product or service will be based on many factors that an entrepreneur has to assess. Explain any of the three factors that are to be assessed. 3
- 14 What does marketing mix refer to? What are the components of marketing mix? 3
- OR**
- What are SMART Goals? Explain.
- 15 Explain Porters Generic Value chain with the help of a diagram. 3
- OR**
- Explain any three supportive activities that assist primary activities in helping the organization to achieve a competitive advantage.
- 16 Pankaj an entrepreneur started a new website 'SAVO ELECTRICITY' to sell LED bulbs. In the first year he sold 2400 bulbs at the rate of Rs.100 each. His cost of placing an order and receiving an order is Rs.500 per order. If economic order quantity is 200 bulbs, find out the inventory holding cost per year. 3
- OR**
- An electrical shop sells 6000 water heaters per year. The demand is uniform throughout the year. Purchase cost of water heater is Rs.120. Holding cost per annum is 20% of the purchase cost. Ordering cost is Rs.500 per order. Calculate Economic Order Quantity.
- 17 What are the important functions of 'State Industrial Development Corporation'? 3

PART D

- 18 Explain the various steps involved in creative process. 4
- OR**
- Examine different ways in which entrepreneurs spot trends.
- 19 Gaurav and Sahil successfully finished their engineering degree course from Saurashtra Engineering College. The region is famous for the production of high quality fruits, vegetables and food grains of various types. They wanted to start a 'Food Processing Unit' with most modern technology and facilities available. They expected a startup investment of Rs.25 crores. They could raise only Rs.10 crores from family friends and relatives. Identify the best source of capital for new entrepreneurs like Gaurav and Sahil for start-ups. Justify your answer. 4
- 20 What are the information generally contained in the introductory profile of a business plan? 4
- 21 Distinguish between: 4
- a. Vertical merger and Horizontal merger
 - b. Market Amalgamation and Absorption.

PART E

- 22 Karan started a readymade garment manufacturing unit. His total investment in starting the unit is Rs.20,00,000. Of this he invested Rs.8,00,000 of his own and the remaining amount Rs. 12,00,000 is taken as loan from SBI at the rate of 6 % interest per year. His monthly sales revenue is Rs. 12,00,000 and the cost of goods sold is Rs. 7,00,000. He pays a monthly salary of Rs.2,00,000 to his employees. The rate of tax is 25% 6

You are required to calculate the following for Karan:

- a. Return on investment
- b. Return on equity

- 23 'Healthy Dairy Products' decided to diversify the product into vitamin enriched milk drinks. The marketing and finance department discussed and decided to adopt either of the two pricing techniques. 6

- a. Adding a certain percentage of profit to the cost of production or
- b. To sell at a lesser amount so as to capture the huge market.

They put forward their finding to CEO. Identify and explain the techniques. Also find the major advantages and disadvantages of these techniques

OR

Arundhati runs a marketing and advertising consultancy firm 'Advert'. 'Dassil Ayurvedic Soaps' is an important client of the 'Advert'. They are introducing a new ayurvedic soap named 'Nilpalmina'. They wanted Arundhati to design a new advertisement which should be unique.

- a. State the responses that should bring out and rules to be followed while designing an advertisement.
- b. Identify the promotion strategy to be followed by 'Dassil Ayurvedic soaps'.

- 24 Explain the important steps to be followed while preparing a marketing plan 6

End of the Question Paper

Roll Number

Code Number

SET II



**INDIAN SCHOOL MUSCAT
SECOND PRELIMINARY EXAMINATION
ENTREPRENEURSHIP**

Sub. Code: 066

CLASS: XII

Time Allotted: 3 Hrs

13.02.2019

Max. Marks:70

General Instructions:

- (i) *All questions are compulsory.*
- (ii) *There are 24 questions in all.*
- (iii) *Marks for each question are indicated against it.*
- (iv) *Questions No. 1 to 5 are very short answer type questions, carrying 1 mark each*
- (v) *Questions No. 6 to 10 are short answer type questions, carrying 2 marks each.*
- (vi) *Questions no. 11 to 17 are Long Answer-I type questions, carrying 3 marks each.*
- (vii) *Questions No. 18 to 21 are Long Answer-II type questions, carrying 4 marks each.*
- (viii) *Questions 22 to 24 are long answer – III type questions, carrying 6 marks each.*
- (ix) *Answers should be brief and to the point.*

PART A

- 1 It is an economic idea which can be implemented to create a business enterprise and earn profit. What is the concept stated here? 1
 - 2 In U.K they are called 'end lines' or 'strap lines'. Germans call them as 'claims'; French call them as 'signatures' while Belgians call them as 'base lines'. Identify the concept and state its form. 1
 - 3 How is Traditional budgeting different from zero-based budgeting? 1
 - 4 Give an example for vertical merger. 1
- OR**
- 5 Give an example for 'Umbrella branding'. 1
 - 6 Rahul wants to start an amusement park near Vishakhapatnam. This will require an investment of Rs. 50 lakhs. Name the financial institution which Rahul should approach for financing this decision. 1

OR

Lalitha wants to start a small 'Cair Mat' manufacturing unit in Alapuzha. This requires an investment of Rs. 25 Lakhs. Name the financial institution in which Lalitha should approach for financing this decision.

PART B

- 6 State the meaning of: 2
- a. Idea fields
 - b. Idea generation
- 7 State four stages of sensing business opportunity. 2

OR

Explain any two benefits of understanding the relevant environment of the business.

- 8 Karim Shah has started a production unit of 'T shirts' and 'Shorts' in Mumbai. He has given it a brand name 'Infinity'. It became very popular among the young generations. It became a hit in the market for casual wears. Because of the popularity its demand has increased manifold and enquiries started to come from various dealers throughout the country. He has realized the potential of the brand. He decided to expand his market by starting large number of outlets in all important business centers. For this purpose he decided to give exclusive right to individuals to distribute 'Infinity wears' for regular payments for using his brand name. Identify and explain this type of business opportunity offered by Karim shah. 2
- 9 Gourav has realized the immense potential for house boating facilities with classic dining facilities in the back waters of Kochi. He expects an exponential growth for this particular venture. He estimated that the project will cost around Rs.50 lakhs. What are the possible sources from which he can raise this finance? 2
- 10 Ashish has a habit of watching Television News channel every evening. The Latest Head line caught his attention. The Head Line was as follows "Government is leasing land at free of cost for 50 years in the nearby Industrial Estate and providing Financial help with 10% subsidy to start new production unit for young entrepreneurs. He had also heard that the government is giving a further subsidy for manufacturing power saving electrical bulbs. He started to make connections to start a business unit of producing power saving LED bulbs. 2

Identify and explain this way of spotting the trend for a new business opportunity.

OR

Air India is planning to expand its flight to Azerbaijan and Turkmenistan over the next five years. Enumerate any two political factors that it should consider as per the 'PESTEL Model' for the same.

PART C

- 11 "All ideas need not necessarily become sound business opportunities". In the reference of this statement explain the first three steps in idea and opportunity assessment. 3

OR

While selecting a product entrepreneur has to assess the market for the product. What are the factors that an entrepreneur must consider while assessing market for a product or service?

- 12 A good brand name should basically possess qualities of distinctiveness. What are the qualities that a good brand name should possess? 3

- 13 What are the major objectives of 'Industrial Development Bank of India'? 3
- 14 Ayush Generic Medicines', a chemist shop sells generic medicines. On 15-02-2018, sale of medicines as per the details is given below 3

No. of customers	Per customer billed amount (Rs)
30	370
40	430
90	500
50	1000
190	1200

Calculate the average amount of medicines sold per customer.

OR

An electrical shop sells 9000 water heaters per year. The demand is uniform throughout the year. Purchase cost of water heater is Rs.180. Holding cost per annum is 20% of the purchase cost. Ordering cost is Rs.750 per order. Calculate Economic Order Quantity.

- 15 Explain Porters Generic Value chain with the help of a diagram. 3

OR

Explain any three supportive activities that assist primary activities in helping the organization to achieve a competitive advantage.

- 16 Arun and Varun are two friends studied their MBA together After completing their studies they wanted to start a business unit of production and export of garments to European countries. They wanted full control over the business with limited liability. They also wanted confidentiality of their business operation. Their business should not be affected by the entry or exit of members. Identify the business organization best suited for them. Give reason. 3
- 17 Harish, after finishing his degree wanted to start his own business. He was confused as to what kind of business he should start. He attended a start up session. One of the speaker stated that 'creativity can be used to spot and harness opportunities, as well as be applied to develop new products and services. State any three ways in which creative idea can be generated. 3

PART D

- 18 Gaurav and Sahil successfully finished their engineering degree course from Saurashtra Engineering College. The region is famous for the production of high quality fruits, vegetables and food grains of various types. They wanted to start a 'Food Processing Unit' with most modern technology and facilities available. They expected a startup investment of Rs.25 crores. They could raise only Rs.10 crores from family friends and relatives. Identify the best source of capital for new entrepreneurs like Gaurav and Sahil for start-ups. Justify your answer. 4
- 19 Even though there is no fixed content or format for a business plan, it is common for start-ups to follow four formats for business plan. What are these? Explain. 4
- 20 Explain the elements of innovation process. 4

OR

Examine any four sources from where business idea emerges.

- 21 Using example distinguish between: 4
- Horizontal Merger and Market Extension Merger
 - Conglomerate merger and product extension merger

PART E

- 22 'Navomy India Ltd' are the producers of different sizes of Televisions. From the information given below calculate Break even Quantity of T.V. sets manufactured per month. 6

Size	Unit selling price (Rs.)	Unit Variable cost (Rs.)	Fixed expense per month (Rs.)
24"	5,000	2,000	4,000
32"	10,000	7,000	6,000
36"	15,000	12,000	8,000
42"	20,000	14,000	9,000

The company is expecting a sales ration of 4:3:2:1 for each size respectively.

- 23 Briefly explain the important components of financial plan 6
- 24 'Sun-cars Ltd' is a manufacturer of cars. It is famous for adding new and unique features in every new model. This time the company launched a car 'Salaro' which does not require hydro-carbon fuel. It runs by solar energy and takes less time in charging. Besides saving fuel it saves electricity also. Because of these qualities the car became a big hit in the market. 6
- Quoting the lines from the above para identify and explain the two types of 'added value' in the business growth strategy.
 - Also explain two more types of 'added value' other than discussed in part (a)

OR

Michael has a dairy product production unit. His business activity includes collection of fresh milk from dairy farmers and production of various dairy and related products. He realized that starting from raw material to the finished product to the customers he has to go through various processes. There is a chain of activities that create value to the product. All these activities must be at the optimum level if his organization has to gain any real advantage. If these activities are run and managed efficiently the value obtained will be maximum.

What are the six requirements to improve the company's process of value maximization? Explain each.

End of the Question Paper

Roll Number

Code Number

SET III



**INDIAN SCHOOL MUSCAT
SECOND PRELIMINARY EXAMINATION
ENTREPRENEURSHIP**

Sub. Code: 066

CLASS: XII

13.02.2019

Time Allotted: 3 Hrs

Max. Marks: 70

General Instructions:

- (i) All questions are **compulsory**.
- (ii) There are **24** questions in all.
- (iii) Marks for each question are indicated against it.
- (iv) Questions No. 1 to 5 are very short answer type questions, carrying 1 mark each
- (v) Questions No. 6 to 10 are short answer type questions, carrying 2 marks each.
- (vi) Questions no. 11 to 17 are Long Answer-I type questions, carrying 3 marks each.
- (vii) Questions No. 18 to 21 are Long Answer-II type questions, carrying 4 marks each.
- (viii) Questions 22 to 24 are long answer – III type questions, carrying 6 marks each.
- (ix) Answers should be brief and to the point.

PART A

- 1 Definition of this term refers to the means by which organizations gather information on changing conditions and incorporate these observations into a process where necessary changes are made. What is the concept or term referred here? 1

- 2 Differentiate between Logo and tag line. 1

OR

Differentiate between Brand Name and Brand Mark.

- 3 'High – Fi' Company is the manufacturer of school uniforms. Their main items were shirts, Pants and socks. The products were a great hit in the market. After sometimes 'Smart Look', the leading manufacturer of school bags and shoes joins hand with 'High – Fi' Company. Such a deal helped Smart Look to get control over the school stationary market segment. Identify the type of growth strategy. 1

- 4 How is cash flow projection different from cash flow statement? 1

- 5 Rahul wants to start an amusement park near Vishakhapatnam. This will require an investment of Rs. 50 lakhs. Name the financial institution which Rahul should approach for financing this decision. 1

OR

Lalitha wants to start a small 'Coir Mat' manufacturing unit in Alapuzha. This requires an investment of Rs. 25 Lakhs. Name the financial institution in which Lalitha should approach for financing this decision.

PART B

- 6 Explain any two factors involved in sensing opportunities. 2
- 7 Ashish has a habit of watching Television News channel every evening. The Latest Head line caught his attention. The Head Line was as follows “Government is leasing land at free of cost for 50 years in the nearby Industrial Estate and providing Financial help with 10% subsidy to start new production unit for young entrepreneurs. He had also heard that the government is giving a further subsidy for manufacturing power saving electrical bulbs. He started to make connections to start a business unit of producing power saving LED bulbs. Identify and explain this way of identifying business opportunity. 2
- OR**
- Air India is planning to expand its flight to Azerbaijan and Turkmenistan over the next five years. Enumerate any two political factors that it should consider as per the ‘PESTEL Model’ for the same.
- 8 Enlist the elements of innovation process. 2
- OR**
- Explain any two benefits of understanding the relevant environment of the business.
- 9 ‘Maple’ the sugar free ice cream started by Keerthy which became very popular in the town. It became a hit among the health conscious consumers of the modern time. Because of the popularity of the ice cream its demand has increased manifold. Keerthy has realized that brand of ice cream is becoming popular even in the nearby towns also. She decided to expand her business by starting large number of outlets in different parts of the town and in nearby towns also. For this purpose she decided to give exclusive right to individuals to distribute ‘Maple’ ice cream in return for regular payments. Identify and explain this type of business opportunity offered by Keerthy. 2
- 10 Gourav has realized the immense potential for house boating facilities with classic dining facilities in the back waters of Kochi. He expects an exponential growth for this particular venture. He estimated that the project will cost around Rs.50 lakhs. What are the possible sources from which he can raise this finance? 2

PART C

- 11 Explain Porters Generic Value chain with the help of a diagram. 3
- OR**
- Explain any three supportive activities that assist primary activities in helping the organization to achieve a competitive advantage.
- 12 Harish, after finishing his degree wanted to start his own business. He was confused as to what kind of business he should start. He attended a start up session. One of the speaker stated that ‘creativity can be used to spot and harness opportunities, as well as be applied to develop new products and services. State different ways in which creative idea can be generated. 3
- 13 Arun and Varun are two friends studied their MBA together. After completing their studies they wanted to start a business unit of production and export of garments to European countries. They wanted full control over the business with limited liability. They also wanted confidentiality of their business operation. Their business should not be affected by the entry or exit of members. Identify the business organization best suited for them. Give reason. 3

- 14 What are the three basic rules of Goal Setting? Explain each. 3

OR

What does marketing mix refer to? What are the components of marketing mix?

- 15 A problem is a road block in a situation, something that sets up a conflict and forces you to find a solution. Identify any three objectives and three uses of problem identification. 3

- 16 'Ayush Generic Medicines', a chemist shop sells generic medicines. On 15-02-2018, sale of medicines as per the details is given below 3

No. of customers	Per customer billed amount (Rs)
15	370
20	430
45	500
25	1000
95	1200

Calculate the average amount of medicines sold per customer.

OR

An electrical shop sells 6000 water heaters per year. The demand is uniform throughout the year.

Purchase cost of water heater is Rs.120.Holding cost per annum is 20% of the purchase cost.

Ordering cost is Rs.500 per order. Calculate Economic Order Quantity.

- 17 What are the regulatory functions of functions of NABARD? 3

PART D

- 18 What does venture capital finance mean? When should entrepreneurs seek venture capital finance? Explain. 4

- 19 Distinguish between: 4

a. Conglomerate merger and Horizontal merger

b. Market extension merger and product extension merger.

- 20 Even though there is no fixed content or format for a business plan, it is common for start-ups to follow four formats for business plan. What are these? Explain. 4

- 21 Explain the creative process. 4

OR

Examine any four sources from where business idea emerges.

PART E

- 22 'Office Stationeries Ltd.' is engaged in manufacturing and distribution of Ball point Pen, Sketch Pen and Gel Pen. 6

Product	Ballpoint Pen	Sketch Pen	Gel Pen
Sales price per unit	40	45	75
Variable cost per unit	20	30	40

Total Fixed Cost is Rs.75,000/- per month. In the coming month it expects sales of three products in the ratio of 2:1:2. Compute Breakeven point of the company in Rupees for the coming month.

- 23 'Healthy Diary Products' decided to diversify their product into vitamin enriched milk drinks. The marketing and finance department discussed and decided to adopt either of the two pricing techniques. 6

- a. Adding a certain percentage of profit to the cost of production or
- b. To sell at a lesser amount so as to capture the huge market.

They put forward their finding to CEO. Identify and explain the techniques. Also find the major advantages and disadvantages of these techniques

OR

Arundhati runs a marketing and advertising consultancy firm. 'Dassil Ayurvedic Soaps' is an important client of the firm. They are introducing a new ayurvedic soap named 'Nalpalmana'. They wanted Arundhati to design a new advertisement which should be unique.

- a. State the responses and rules to be followed while designing an advertisement.
- b. Identify the promotion strategy to be followed by 'Dassil Ayurvedic Soaps'.

- 24 Briefly explain the important components of financial plan 6

End of the Question Paper