



INDIAN SCHOOL MUSCAT
PRE-BOARD EXAMINATION
TERM I

ENTREPRENEURSHIP (066)

CLASS: XII

11.11.2021

Time Allotted: 90 min.

Max. Marks: 35

General Instructions:

1. The Question Paper contains 3 sections.
2. Section A has 24 questions. Attempt any 20 questions.
3. Section B has 24 questions. Attempt any 20 questions.
4. Section C has 12 questions. Attempt any 10 questions.
5. All questions carry equal marks.
6. There is NO negative marking

SECTION A

Attempt any 20 questions out of 24 questions.

1 Elin and Shreya were working in the IT sector in Bangalore. Elin was from Mumbai and Shreya was from Gujarat. Both of them missed their local cuisines and realized that there were many like them. So, they quit their jobs and established a Tiffin service which catered cuisines from various parts of India. What was the source of perceiving the basic idea?

- (A) Problem (B) Change (C) Innovation (D) Invention

2 This is required to convert an idea into an opportunity.

- (A) Sensing entrepreneurial opportunities
(B) Strategic positioning
(C) Product identification
(D) Incubation

3 Ayesha wanted the younger generation to understand the nutritional value of traditional food. Keeping this in mind, she started a 'Eat to Fit' - ETF restaurant and it was a successful venture. She opened many branches all over the state. Seeing her success, other restaurants followed the same model but 'ETF' always had the major market share. Which point of importance of the environment does this case imply?

- (A) Tapping useful resources
(B) Better performance
(C) Sensitization of entrepreneurs to cope up with rapid changes
(D) Identification of opportunities to get first mover advantage

- (A) Vision

(B) Need

(C) Market assessment

(D) Creative efforts

5 In Feb 2018, the whole world watched as the Falcon Heavy test flight launched Elon Musk's personal cherry-red Tesla Roadster into orbit. Identify the factor of PESTEL model discussed here.

- (A) Political factor
(B) Social factor
(C) Economic factor
(D) Technological factor

6 Rohit is working on designing of unique face mask which would not only filter the air inhaled but also send alert messages on the registered mobile number of the user in a zone of high pollution. This idea is germinated because of the interest and curiosity of Rohit as he is always interested in finding out the specific current problems and their solution. Before launching his idea, he also analyzed the pros and cons of the product. Identify the concept.

- (A) Verification
(B) Idea germination
(C) Preparation
(D) Incubation

7 Satyashree, a graduate of horticulture from Agra University came across a barren land near Solan when she visited this place. Satyashree was fond of mangoes and was inquisitive to understand why mangoes could not be grown there. She was informed by the local authorities that the land was infertile for raising mangoes. She took this as a challenge and believed in its success. Best quality mangoes now mark the beauty of that barren piece of land.

Identify the concept in which Satyashree starts looking for the answer to implement the idea on the basis of his interest and curiosity.

- (A) Idea germination
(B) Preparation stage
(C) Incubation
(D) Verification

8 Amit, an Entrepreneur, is always in touch with the changes taking place in the environment. He identifies opportunities and finds strategies to capitalize on these opportunities at the earliest. Sensing the requirement of providing reasonably priced food at their own place within no times with multiple options, he started the first online food network in India. Because of _____ advantage, he was able to capture more than 85% of the market share in no time.

- (A) First mover advantage (B) Better performance
(C) Image building (D) Tapping useful resources

- 15 Anupam is a post graduate in pharmacy and has worked with the pharmaceutical giant „Cipla” for about 7 years. He now plans to open his own pharmaceutical company, manufacturing painkillers and health tonics. His friend, who is a lawyer warns him that as a drug manufacturer, he would constantly be required to comply with various regulations, falling in which would lead to initiation of law suits. Keeping this factor in view, form of organization would be suitable for Anupam.
- (A) Sole Proprietorship
(B) Partnership
(C) Company
(D) Co-operative
- 16 (i) Each partner is liable for acts performed by other partners
(ii) Each partner can bind other partners and the firm by his acts done in the ordinary course of business.
- Which feature of partnership is highlighted by these two statements?
(A) Implied authority
(B) Utmost good faith
(C) Mutual Agency
(D) Agreement
- 17 What is the minimum number of members required to start a public company?
(A) 2
(B) unlimited
(C) 5
(D) 7
- 18 Kevin has learnt the terracotta pottery work from his grandfather and father. He opened his own shop exclusively for selling terracotta pots all by himself. He introduced new designs in his work which was of high demand. What form of business organization is operated by him?
(A) Sole proprietorship
(B) Partnership
(C) Private Company
(D) Public Company
- 19 It is a type of indirect tax levied on goods imported either in or to India or on goods exported from India.
(A) Income Tax
(B) Customs Duty
(C) Sales Tax
(D) Professional Tax
- 20 Identify the part of operational plan that goes beyond the manufacturing process describing the flow of goods and services from producers to consumers.
(A) Routing
(B) Dispatching
(C) Inspection
(D) Shipping

- 9 Abatement cost relates to
(A) The cost of installation of machines
(B) Cost incurred in managing the business
(C) The cost of controlling the environmental damage
(D) Floatation cost
- 10 Meenu started her small-scale business of making Pickles along with few of her neighbors using their free time at home. They named their venture 'Home Sweet Home'. They were able to supply the entire district. One of the members suggested that they should expand and start selling to other states. When she discussed the same to her husband, he suggested that they have to properly look into the environment analyzing the competitors. He suggested Meenu to
(A) Formulate policies
(B) Tap useful resources
(C) Environment scanning
(D) Image building
- 11 What can serve as a basis for formulation of strategies and policies?
(A) Identifying needs
(B) Identifying problems
(C) Identifying strengths and weakness
(D) Identifying threats and opportunities
- 12 Victor industries have been one of the leading companies in Mobile phone industry in India. The company decided to launch a new Model AI 1 which will have inbuilt latest software to encourage hands free use and enhance the customer experience through 3D photos. They are also looking into ideas to use ecofriendly recyclable materials for the body of the phone which will cause less environmental damage. Identify the two factors of PESTEL model from the above case study
(A) Economic, Social
(B) Ecological, Technological
(C) Legal, Economic
(D) Social, Political
- 13 In the late eighties Manohar Patel opened a poultry farm in his town, but it was a failure because he failed to consider the fact that around 75 % of the population in his town was vegetarian. Which external environment led to failure?
(A) Legal Environment
(B) Technological Environment
(C) Social Environment
(D) Economic Environment
- 14 Mr. Vivek wanted to manufacture an energy efficient AC. He looked in to various options and finally narrowed down to one option. He understands that his idea would have to follow a process. Identify the process.
(A) Process of idea generation
(B) Process of creativity
(C) Process of idea germination
(D) Process of idea fields

21 Identify the third element in the innovation process from the given options.

- (A) Resource organization
- (B) Commercial application
- (C) Implementation
- (D) Analytical planning

22 It means fixation of time, date, day when each operation is to be commenced and completed.

- (A) Routing
- (B) Dispatching
- (C) Shipping
- (D) Scheduling

23 Ailleen is the owner of 'Fresh Flour' involved in the manufacturing of flour. The utility created by Ailleen is _____.

- (A) Form utility
- (B) Place utility
- (C) Time utility
- (D) Finance utility

24 Paul is the owner of a coffee bean processing unit. He always put efforts in improvising his product and range to make different varieties which will eventually help him to establish a place for his brand in the beverage industry. Identify the Idea field used by him.

- (A) Creative efforts
- (B) Trading related
- (C) Market driven
- (D) Service sector

SECTION B

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25 An economic idea which can be implemented to create a business enterprise and earn profits must have possessed with

- A. Practicability of the idea
- B. Competence of the entrepreneur to encash it
- C. Potential of future growth

- (A) Only A
- (B) A and B only
- (C) A & B and C
- (D) B & C only

26 Ramesh runs a small business specializing in delivering organic fruits and Vegetables to the local area. He buys from local farms and packages these in boxes and delivers them locally. Total fixed cost incurred in the entire operation is ₹1,00,000. What will be the Total Break Even Point for Ramesh?

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	Organic Fruits (per Kg)	Organic Vegetables (per Kg)
Selling price per box (in ₹)	350	250
Variable cost per box (in ₹)	250	150
Sales Mix %	55	45

- (A) 100 boxes
- (B) 1000 boxes
- (C) 10,000 boxes
- (D) 1,00,000 boxes

27 'Tropicana' is the manufacturer of juices. Their main flavors were Mango, Cocktail and Apple. The sales price and variable cost per unit of these products manufactured by 'Tropicana' are as follows:

	Mango	Cocktail	Apple
Selling price per pack (in ₹)	120	60	60
Variable cost per pack (in ₹)	80	30	20
Sales Mix in the year	50%	20%	30%

Calculate the BEP per unit for Mango, Cocktail and Apple, when fixed expenses is ₹38,000.

- (A) Mango 60,000, Cocktail 12,000 and Apple 18,000.
- (B) Mango 18,000, Cocktail 12,000 and Apple 60,000.
- (C) Mango 500, Cocktail 200 and Apple 300
- (D) Mango 500, Cocktail 300 and Apple 200

28 WX Ltd. is in the process of innovating a new pen drive especially for teachers which will have a built-in antivirus and which can be worn like a watch so it minimizes the problem of losing the pen drive. Which of the given statements aptly describes the situation?

- (A) This is trend spotting
- (B) This is product identification
- (C) This is problem solving
- (D) This is problem solving by introducing an innovative product.

29 Galaxy Ltd. manufactures two types of calculators, Basic Model and Scientific Calculators. The total fixed cost of entire operations is ₹5,20,000.

	Basic Calculator	Scientific Calculator
Selling price per unit (in ₹)	370	575
Variable cost per unit (in ₹)	120	175
Sales Mix %	70%	30%

The weighted average contribution will be _____.

Page 6 of 12

- (A) 295
(B) 520
(C) 620
(D) 250

30 Identify the step of the creative process, which is the stage where, the entrepreneur recognizes that an opportunity exists and is the seeding stage of a new idea.

- (A) Idea germination
(B) Idea assessment
(C) Idea field
(D) Idea generation

31 Which of the following reflects the projected cash available with the enterprise as a result of subtracting projected cash disbursements from projected cash accumulations?

- (A) Proforma income statement
(B) Proforma cash flow
(C) Proforma balance sheet
(D) Proforma cash flow

32 While assessing the market, an entrepreneur has to prepare details on,

- (A) Level of operation and technical complexity
(B) Demand, supply and nature of competition
(C) Trading relates ideas
(D) Illumination

33 Exploring opportunities in the environment is a process involving various steps.

Arrange the steps in the correct order.

- i) Evaluating the ideas received from different sources to find a creative solution
ii) Identifying a product or service through innovation
iii) Opportunity spotting by analyzing the needs and problems that exist in the environment
iv) Setting up a project and nurturing it to success

- (A) (i)-(ii)-(iii)-(iv) (B) (iii)-(i)-(ii)-(iv)
(C) (ii)-(iii)-(iv)-(i) (D) (i)-(iv)-(iii)-(ii)

34 Which component of financial plan helps to understand the total amount of finance required by the entrepreneur?

- (A) Proforma financing decision.
(B) Proforma investment decision
(C) Proforma Income statement
(D) None of the above

35 A detailed plan describing planning details that are needed by management but may not be of interest to external stakeholders

- (A) A written presentation for external stakeholders
(B) A pitch deck with oral narrative
(C) Elevator pitch
(D) An internal operational plan

36 On 1.3.2021, medicines as per details given below were sold by H.L. Chemist.

No. of Customers	Per Customer billed amount (₹)
50	200
40	400
40	200
50	300
20	600

Calculate the average amount of medicines sold per customer.

- (A) ₹315
(B) ₹305
(C) ₹3050
(D) ₹405

37 Pramod is venturing out to start a business of manufacturing stuffed toys. While preparing his proforma cash flow statement, he decides to follow a conservative approach. Why do you think he does this?

- (A) Because he wants to get the maximum return on investment
(B) Because he plans to invest his profits on fixed assets
(C) Because he needs to ensure enough funds are there to cover the cash negative months
(D) Because he wants to identify the profitable options in line of production

38 Which part of the Business plan outlines the administrative structure and identifies the partners/members of the business?

- (A) General introduction
(B) Business Venture
(C) Organization plan
(D) Human Resource Plan

39 Assertion (A): A business plan helps in providing guidance to the entrepreneur in organizing his/her planning activities.

Reason (R): A business plan does not give suppliers much confidence when it comes to extending credit.

- (A) Both, A and R, are true and R is the correct explanation of A
(B) Both, A and R, are true but R is not the correct explanation of A
(C) A is true but R is false
(D) A is false but R is true

40 Power up Ltd., has become a well-known brand name in the field of fitness. Their products range from exercise equipment to protein shake. The company decided to launch a new product in the market which they believed will be a game changer. The company did a market survey amongst people from various age groups to know the acceptability of the product. What step of the creativity process is the company right now in?

- (A) Idea germination
- (B) Preparation
- (C) Incubation
- (D) Illumination

41 A keen watch on the trends in the environment would help sensitize the entrepreneur to changing technology, competition, government policies and changing needs of the customers.

The above line focuses on the importance of environment scanning which relates to

- (A) Better Performance
- (B) Image Building
- (C) Sensitization of entrepreneurs to cope up with rapid changes.
- (D) Tapping useful resources.

42 Anurag has the habit of reading newspapers daily. The latest headlines caught his attention. The headlines read as follows "Government plans to offer subsidy to manufacturers of solar panels". He had also heard from his friend that individual house owners are preferring to install solar panels to save electricity. He started to make connections that led him to a business idea of establishing a small-scale industry manufacturing solar panel. Identify the way of identification by Anurag which has helped him to understand the market and produce goods accordingly.

- (A) Read trends
- (B) Think trends
- (C) Talk trends
- (D) Watch trends

43 Following information is related to sales mix of product A, B and C.

PRODUCT	A	B	C
Sales price per unit	15	21	36
Variable cost per unit	9	14	19
Sales mix percentage	20%	20%	60%
Total fixed cost = ₹40,000			

Calculate the contribution margin per unit of B.

- (A) 6
- (B) 7
- (C) 17
- (D) 20

44 Two heads being better than one." Statement holds true for -----form of business organization.

- (A) Public Company
- (B) Private Company
- (C) Partnership
- (D) Sole Proprietor

45 The entrepreneur's bio data, industry's profile, constitution and organization, and product details comprise the -----section of the business plan.

- (A) Introductory profile
- (B) Description of the business venture
- (C) Production plan
- (D) Operational plan

46 The sole proprietorship form of business is suitable when

- (1) The goods are of artistic nature or demands customized approach
 - (2) Market is local
 - (3) Capital requirement is unlimited
 - (4) Confidentiality is not important
- (A) (1) and (2)
 - (B) (2) and (3)
 - (C) (2), (3) and (4)
 - (D) (1), (3) and (4)

47 The scope of a joint stock company is determined by:

- (A) The Indian Companies Act
- (B) Memorandum of Association
- (C) Articles of Association
- (D) The Indian Companies Act, Memorandum of Association and Articles of Association

48 Who among the following should apply for TAN?

- (A) All those who earn profits
- (B) All those who are responsible for deducting or collecting tax at source
- (C) All those who pay tax
- (D) All those who buy and sell

SECTION C

Attempt any 10 questions out of 12 questions.

49 The four Cs of credit are

- (A) Character, Credit flow, Collateral, Cooperation
- (B) Consumers, Character, Credit flow, Contribution
- (C) Competition, Cash flow, Credit flow, Collateral
- (D) Character, Collateral, Contribution, Cash flow

- 50 The entrepreneur has to initiate production in accordance with pre-conceived production plan. This includes issuing necessary orders, instructions, guidelines and information to work pertaining to giving practical shape to the production plan. Which element of operational plan is highlighted here?
 (A) Inspection
 (B) Dispatching
 (C) Follow-up
 (D) Shipping
- 51 Which of the following elements in the innovation process refers to applying the resources in order to accomplish the plans and delivering results?
 (A) Analytical planning
 (B) Resource organization
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- 52 Which of the following is not a factor involved in the sensing opportunities?
 (A) Vision and creativity
 (B) Ability to obtain necessary finances to start and continue a business
 (C) Ability to harness different sources of information
 (D) Ability to perceive and preserve basic ideas that could be used commercially
- 53 Which of the following is not a macro environmental factor that affects business?
 (A) Taxation
 (B) Unemployment
 (C) Levels of education
 (D) Suppliers
- 54 Wasim plans to start a mobile repair shop in Wazipur with an investment of ₹1,00,000/-. Which of the following is not part of the market assessment he undertakes before starting his venture?
 (A) Annual turnover and profit margin
 (B) Cost and price of the product
 (C) Product innovation and changes
 (D) Demand for the service
- 55 Ramesh, a class 12 teacher, found out that a lot of his students has very little idea about the job and vocation trends in India and abroad. He decides to start a career counselling center for such students. What idea field is being discussed here?
 (A) Market-driven idea
 (B) Trading-related idea
 (C) Service-related idea
 (D) Creative efforts
- 56 What is the maximum number of shareholders a public limited company can have?
 (A) 2
 (B) 200
 (C) 7
 (D) Any number
- 57 It is a comprehensive written document prepared by the entrepreneur yearly: -----
 (A) Blue print
 (B) Business plan
 (C) Financial plan
 (D) Operational plan
- 58 Which authority issues PAN?
 (A) National Institute of Entrepreneurship and Small Business Development
 (B) Department of commerce
 (C) Income Tax Department
 (D) Department of Industrial Policy and Promotion
- 59 Sangeeta was extremely good at making traditional sweets which she had learnt from her grandmother. She decided to start selling the sweets through advertising in social media. Her business picked up and she got a lot of orders from clients all across India. Seeing her huge success, her friend Raman advised that she should open a shop in the market area to expand her business. He expressed interest in the business and was ready to invest money so that they could do the business together and share the profits equally so long as they remain friends. What form of business organization does Raman and Sangeeta start?
 (A) Sole proprietorship
 (B) Partnership
 (C) Private company
 (D) Public company
- 60 Arindam and Arinita were partners in a transport business. With a view to expand, they thought of changing the business where their liability will be limited. To keep a control over the business they decided to sell shares to friends, families and some employees. Which form of business they adopted?
 (A) Public company
 (B) Private company
 (C) Cooperative organization
 (D) Sole proprietorship

End of the Question Paper

Roll Number	
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SET B

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30 Mr. Vivek wanted to manufacture an energy efficient AC. He looked in to various options and finally narrowed down to one option. He understands that his idea would have to follow a process. Identify the process.

- (A) Process of idea generation
 (B) Process of creativity
 (C) Process of idea germination
 (D) Process of idea fields

31 Kevin has learnt the terracotta pottery work from his grandfather and father. He opened his own shop exclusively for selling terracotta pots all by himself. He introduced new designs in his work which was of high demand. What form of business organization is operated by him?

- (A) Sole proprietorship
 (B) Partnerships
 (C) Private Company
 (D) Public Company

37 'Tropicana' is the manufacturer of juices. Their main flavors were Mango, Cocktail and Apple. The sales price and variable cost per unit of these products manufactured by 'Tropicana' are as follows

	Mango	Cocktail	Apple
Selling price per pack (in ₹)	120	60	60
Variable cost per pack (in ₹)	80	30	20
Sales Mix in the year	50%	20%	30%

Calculate the BEP per unit for Mango, Cocktail and Apple, when fixed expenses is ₹38,000.

- (A) Mango 60,000, Cocktail 12,000 and Apple 18,000.
- (B) Mango 18,000, Cocktail 12,000 and Apple 60,000.
- (C) Mango 500, Cocktail 200 and Apple 300
- (D) Mango 500, Cocktail 300 and Apple 200

38 Pramod is venturing out to start a business of manufacturing stuffed toys. While preparing his proforma cash flow statement, he decides to follow a conservative approach. Why do you think he does this?

- (A) Because he wants to get the maximum return on investment
- (B) Because he plans to invest his profits on fixed assets
- (C) Because he needs to ensure enough funds are there to cover the cash negative months
- (D) Because he wants to identify the profitable options in line of production

39 Amit, an Entrepreneur, is always in touch with the changes taking place in the environment. He identifies opportunities and finds strategies to capitalize on these opportunities at the earliest. Sensing the requirement of providing reasonably priced food at their own place within no times with multiple options, he started the first online food network in India. Because of _____ advantage, he was able to capture more than 85% of the market share in no time.

- (A) First mover advantage
- (B) Better performance
- (C) Image building
- (D) Tapping useful resources

40 Meenu started her small-scale business of making Pickles along with few of her neighbors using their free time at home. They named their venture 'Home Sweet Home'. They were able to supply the entire district. One of the members suggested that they should expand and start selling to other states. When she discussed the same to her husband, he suggested that they have to properly look into the environment analyzing the competitors. He suggested Meenu to

- (A) Formulate policies
- (B) Tap useful resources
- (C) Environment scanning
- (D) Image building

32 It means fixation of time, date, day when each operation is to be commenced and completed.

- (A) Routing
- (B) Dispatching
- (C) Shipping
- (D) Scheduling

33 This is required to convert an idea into an opportunity.

- (A) Sensing entrepreneurial opportunities
- (B) Strategic positioning
- (C) Product identification
- (D) Incubation

34 What can serve as a basis for formulation of strategies and policies?

- (A) Identifying needs
- (B) Identifying problems
- (C) Identifying strengths and weakness
- (D) Identifying threats and opportunities

35 Satyashree, a graduate of horticulture from Agra University came across a barren land near Solan when she visited this place. Satyashree was fond of mangoes and was inquisitive to understand why mangoes could not be grown there. She was informed by the local authorities that the land was infertile for raising mangoes. She took this as a challenge and believed in its success. Best quality mangoes now mark the beauty of that barren piece of land.

Identify the concept in which Satyashree starts looking for the answer to implement the idea on the basis of his interest and curiosity.

- (A) Idea germination
- (B) Preparation stage
- (C) Incubation
- (D) Verification

36 Ramesh runs a small business specializing in delivering organic fruits and Vegetables to the local area. He buys from local farms and packages these in boxes and delivers them locally. Total fixed cost incurred in the entire operation is ₹1,00,000. What will be the Total Break Even Point for Ramesh?

	Organic Fruits (per Kg)	Organic Vegetables (per Kg)
Selling price per box (in ₹)	350	250
Variable cost per box (in ₹)	250	150
Sales Mix %	55	45

- (A) 100 boxes
- (B) 1000 boxes
- (C) 10,000 boxes
- (D) 1,00,000 boxes

- 41 What is the minimum number of members required to start a public company?
 (A) 2
 (B) unlimited
 (C) 5
 (D) 7

- 42 Aileen is the owner of 'Fresh Flour' involved in the manufacturing of flour. The utility created by Aileen is _____.
 (A) Form utility
 (B) Place utility
 (C) Time utility
 (D) Finance utility

- 43 Following information is related to sales mix of product A, B and C.

PRODUCT	A	B	C
Sales price per unit	15	21	36
Variable cost per unit	9	14	19
Sales mix percentage	20%	20%	60%
Total fixed cost = ₹40,000			

Calculate the contribution margin per unit of B.

- (A) 6
 (B) 7
 (C) 17
 (D) 20
- 44 Which of the following is not a macro environmental factor that affects business?
 (A) Taxation
 (B) Unemployment
 (C) Levels of education
 (D) Suppliers
- 45 _____ and creativity of an entrepreneur help in sensing the opportunity.
 (A) Vision
 (B) Need
 (C) market assessment
 (D) creative efforts
- 46 Wasim plans to start a mobile repair shop in Wazipur with an investment of ₹1,00,000/-. Which of the following is not part of the market assessment he undertakes before starting his venture?
 (A) Annual turnover and profit margin
 (B) Cost and price of the product
 (C) Product innovation and changes
 (D) Demand for the service

- 47 Ramesh, a class 12 teacher, found out that a lot of his students has very little idea about the job and vocation trends in India and abroad. He decides to start a career counselling center for such students. What idea field is being discussed here?
 (A) Market-driven idea
 (B) Trading-related idea
 (C) Service-related idea
 (D) Creative efforts

- 48 In Feb 2018, the whole world watched as the Falcon Heavy test flight launched Elon Musk's personal cherry-red Tesla Roadster into orbit. Identify the factor of PESTEL model discussed here.
 (A) Political factor
 (B) Social factor
 (C) Economic factor
 (D) Technological factor

SECTION C

Attempt any 10 questions out of 12 questions.

- 49 It is a type of indirect tax levied on goods imported either in or to India or on goods exported from India.
 (A) Income Tax
 (B) Customs Duty
 (C) Sales Tax
 (D) Professional Tax
- 50 Paul is the owner of a coffee bean processing unit. He always put efforts in improvising his product and range to make different varieties which will eventually help him to establish a place for his brand in the beverage industry. Identify the Idea field used by him.
 (A) Creative efforts
 (B) Trading related
 (C) Market driven
 (D) Service sector
- 51 Abatement cost relates to
 (A) The cost of installation of machines
 (B) Cost incurred in managing the business
 (C) The cost of controlling the environmental damage
 (D) Floatation cost
- 52 (i) Each partner is liable for acts performed by other partners
 (ii) Each partner can bind other partners and the firm by his acts done in the ordinary course of business.
 Which feature of partnership is highlighted by these two statements?
 (A) Implied authority
 (B) Utmost good faith
 (C) Mutual Agency
 (D) Agreement

employees. Which form of business they adopted?

- (A) Public company
- (B) Private company
- (C) Cooperative organization
- (D) Sole proprietorship

60 Sangeeta was extremely good at making traditional sweets which she had learnt from her grandmother. She decided to start selling the sweets through advertising in social media. Her business picked up and she got a lot of orders from clients all across India. Seeing her huge success, her friend Raman advised that she should open a shop in the market area to expand her business. He expressed interest in the business and was ready to invest money so that they could do the business together and share the profits equally so long as they remain friends. What form of business organization does Raman and Sangeeta start?

- (A) Sole proprietorship
- (B) Partnership
- (C) Private company
- (D) Public company

End of the Question Paper

53 What is the maximum number of shareholders a public limited company can have?

- (A) 2
- (B) 200
- (C) 7
- (D) Any number

54 Rohit is working on designing of unique face mask which would not only filter the air inhaled but also send alert messages on the registered mobile number of the user in a zone of high pollution. This idea is germinated because of the interest and curiosity of Rohit as he is always interested in finding out the specific current problems and their solution. Before launching his idea he also analyzed the pros and cons of the product. Identify the concept.

- (A) Verification
- (B) Idea germination
- (C) Preparation
- (D) Incubation

55 It is a comprehensive written document prepared by the entrepreneur yearly: -----

- (A) Blue print
- (B) Business plan
- (C) Financial plan
- (D) Operational plan

56 Assertion (A): A company which is suffering huge losses can be shut down only by following the procedures laid down in Companies Act.

Reason (R): A company can be born as well as liquidated only by law.

- (A) A is true but R is false
- (B) A is false but R is true
- (C) Both A and R are true but R is not the correct explanation of A
- (D) Both A and R are true and R is the correct explanation of A

57 Which authority issues PAN?

- (A) National Institute of Entrepreneurship and Small Business Development
- (B) Department of commerce
- (C) Income Tax Department
- (D) Department of Industrial Policy and Promotion

58 An economic idea which can be implemented to create a business enterprise and earn profits must have possessed with

- A. Practicability of the idea
- B. Competence of the entrepreneur to encash it
- C. Potential of future growth

- (A) Only A
- (B) A and B only
- (C) A & B and C
- (D) B & C only

59 Arindam and Arinita were partners in a transport business. With a view to expand, they thought of changing the business where their liability will be limited. To keep a control over the business they decided to sell shares to friends, families and some

**INDIAN SCHOOL MUSCAT
PRE-BOARD EXAMINATION
TERM I
ENTREPRENEURSHIP (066)**



CLASS: XII

11.11.2021

Time Allotted: 90 min.

Max. Marks: 35

General Instructions:

1. The Question Paper contains 3 sections.
2. Section A has 24 questions. Attempt any 20 questions.
3. Section B has 24 questions. Attempt any 20 questions.
4. Section C has 12 questions. Attempt any 10 questions.
5. All questions carry equal marks.
6. There is NO negative marking

SECTION A

1 Elin and Shreya were working in the IT sector in Bangalore. Elin was from Mumbai and Shreya was from Gujarat. Both of them missed their local cuisines and realized that there were many like them. So, they quit their jobs and established a Tiffin service which catered cuisines from various parts of India. What was the source of perceiving the basic idea?

- (A) Problem (B) Change (C) Innovation (D) Invention

2 In the late eighties Manohar Patel opened a poultry farm in his town, but it was a failure because he failed to consider the fact that around 75 % of the population in his town was vegetarian. Which external environment led to failure?

- (A) Legal Environment
(B) Technological Environment
(C) Social Environment
(D) Economic Environment

3 Ayesha wanted the younger generation to understand the nutritional value of traditional food. Keeping this in mind, she started a 'Eat To Fit' - ETF restaurant and it was a successful venture. She opened many branches all over the state. Seeing her success, other restaurants followed the same model but 'ETF' always had the major market share. Which point of importance of the environment does this case imply?

- (A) Tapping useful resources
(B) Better performance
(C) Sensitization of entrepreneurs to cope up with rapid changes
(D) Identification of opportunities to get first mover advantage

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- (A) First mover advantage
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8 Meenu started her small-scale business of making Pickles along with few of her neighbors using their free time at home. They named their venture 'Home Sweet Home'. They were able to supply the entire district. One of the members suggested that they should expand and start selling to other states. When she discussed the same to her husband, he suggested that they have to properly look into the environment analyzing the competitors. He suggested Meenu to

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- 19 Power up Ltd., has become a well-known brand name in the field of fitness. Their products range from exercise equipment to protein shake. The company decided to launch a new product in the market which they believed will be a game changer. The company did a market survey amongst people from various age groups to know the acceptability of the product. What step of the creativity process is the company right now in?
 (A) Idea germination
 (B) Preparation
 (C) Incubation
 (D) Illumination
- 20 Victor industries has been one of the leading companies in Mobile phone industry in India. The company decided to launch a new Model AI 1 which will have inbuilt latest software to encourage hands free use and enhance the customer experience through 3D photos. They are also looking into ideas to use ecofriendly recyclable materials for the body of the phone which will cause less environmental damage. Identify the two factors of PESTEL model from the above case study
 (A) Economic, Social
 (B) Ecological, Technological
 (C) Legal, Economic
 (D) Social, Political

- 9 This is required to convert an idea into an opportunity.
 (A) Sensing entrepreneurial opportunities
 (B) Strategic positioning
 (C) Product identification
 (D) Incubation
- 10 Which part of the Business plan outlines the administrative structure and identifies the partners/members of the business?
 (A) General introduction
 (B) Business Venture
 (C) Organization plan
 (D) Human Resource Plan
- 11 The scope of a joint stock company is determined by:
 (A) The Indian Companies Act
 (B) Memorandum of Association
 (C) Articles of Association
 (D) The Indian Companies Act, Memorandum of Association and Articles of Association
- 12 Ailleen is the owner of 'Fresh Flour' involved in the manufacturing of flour. The utility created by Ailleen is _____.
 (A) Form utility
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 (C) Time utility
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13 Following information is related to sales mix of product A, B and C.

PRODUCT	A	B	C
Sales price per unit	15	21	36
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Sales mix percentage	20%	20%	60%
Total fixed cost = ₹40,000			

- Calculate the contribution margin per unit of B.
 (A) 6 (B) 7 (C) 17 (D) 20
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- Which feature of partnership is highlighted by these two statements?
- Implied authority
 - Mutual Agency
 - Ultimate good faith
 - Agreement

SECTION B

Attempt any 20 questions out of 24 questions.

- 25 The entrepreneur's bio data, industry's profile, constitution and organization, and product details comprise the -----section of the business plan.
- Introductory profile
 - Production plan
 - Operational plan
- 26 Assertion (A): A business plan helps in providing guidance to the entrepreneur in organizing his/her planning activities.
Reason (R): A business plan does not give suppliers much confidence when it comes to extending credit.
- Both, A and R, are true and R is the correct explanation of A
 - Both, A and R, are true but R is not the correct explanation of A
 - A is true but R is false
 - A is false but R is true

- 27 The sole proprietorship form of business is suitable when
- The goods are of artistic nature or demands customized approach
 - Market is local
 - Capital requirement is unlimited
 - Confidentiality is not important
- (A) 1 and 2 (B) 2 and 3 (C) 2, 3 and 4 (D) 1, 3 and 4

- 28 Identify the third element in the innovation process from the given options.
- Resource organization
 - Commercial application
 - Implementation
 - Analytical planning

- 29 Mr. Vivek wanted to manufacture an energy efficient AC. He looked in to various options and finally narrowed down to one option. He understands that his idea would have to follow a process. Identify the process.

- Process of idea generation
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- Sole proprietorship
- Partnership
- Private Company
- Public Company

- 31 Who among the following should apply for TAN?

- All those who earn profits
- All those who are responsible for deducting or collecting tax at source
- All those who pay tax
- All those who buy and sell

- 32 Ramesh runs a small business specializing in delivering organic fruits and vegetables to the local area. He buys from local farms and packages these in boxes and delivers them locally. Total fixed cost incurred in the entire operation is ₹1,00,000. What will be the Total Break Even Point for Ramesh?

	Organic Fruits (per Kg)	Organic Vegetables (per Kg)
Selling price per box (in ₹)	350	250
Variable cost per box (in ₹)	250	150
Sales Mix %	55	45

- (A) 100 boxes
- (B) 1000 boxes
- (C) 10,000 boxes
- (D) 1,00,000 boxes

33 A detailed plan describing planning details that are needed by management but may not be of interest to external stakeholders

- (A) A written presentation for external stakeholders
- (B) A pitch deck with oral narrative
- (C) Elevator pitch
- (D) An internal operational plan

34 Identify the part of operational plan that goes beyond the manufacturing process describing the flow of goods and services from producers to consumers.

- (A) Routing
- (B) Dispatching
- (C) Inspection
- (D) Shipping

35 'Tropicana' is the manufacturer of juices. Their main flavors were Mango, Cocktail and Apple. The sales price and variable cost per unit of these products manufactured by 'Tropicana' are as follows

	Mango	Cocktail	Apple
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- (B) Because he plans to invest his profits on fixed assets
- (C) Because he needs to ensure enough funds are there to cover the cash negative months
- (D) Because he wants to identify the profitable options in line of production

37 Anurag has the habit of reading newspapers daily. The latest headlines caught his attention. The headlines read as follows "Government plans to offer subsidy to manufacturers of solar panels". He had also heard from his friend that individual house owners are preferring to install solar panels to save electricity. He started to make connections that led him to a business idea of establishing a small-/scale industry manufacturing solar panel. Identify the way of identification by Anurag which has helped him to understand the market and produce goods accordingly.

- (A) Read trends
- (B) Think trends
- (C) Talk trends
- (D) Watch trends

38 Which component of financial plan helps to understand the total amount of finance required by the entrepreneur?

- (A) Proforma financing decision.
- (B) Proforma investment decision
- (C) Proforma Income statement
- (D) Proforma cash flow

39 Which of the following reflects the projected cash available with the enterprise as a result of subtracting projected cash disbursements from projected cash accumulations?

- (A) Proforma income statement
- (B) Proforma cash flow
- (C) Proforma balance sheet
- (D) None of the above

40 Galaxy Ltd. manufactures two types of calculators, Basic Model and Scientific Calculators. The total fixed cost of entire operations is ₹5,20,000.

	Basic Calculator	Scientific Calculator
Selling price per unit (in ₹)	370	575
Variable cost per unit (in ₹)	120	175
Sales Mix %	70%	30%

The weighted average contribution will be _____.

- (A) 295
- (B) 520
- (C) 620
- (D) 250

41 On 1.3.2021, medicines as per details given below were sold by H.L. Chemist.

No. of Customers	Per Customer billed amount (₹)
50	200
40	400
40	200
50	300
20	600

Calculate the average amount of medicines sold per customer.

- (A) ₹315
- (B) ₹305
- (C) ₹3050
- (D) ₹405

SECTION C

Attempt any 10 questions out of 12 questions.

- 42 Paul is the owner of a coffee bean processing unit. He always put efforts in improvising his product and range to make different varieties which will eventually help him to establish a place for his brand in the beverage industry. Identify the Idea field used by him.
- (A) Creative efforts
 - (B) Trading related
 - (C) Market driven
 - (D) Service sector
- 43 What is the maximum number of shareholders a public limited company can have?
- (A) 2
 - (B) 200
 - (C) 7
 - (D) Any number
- 44 A keen watch on the trends in the environment would help sensitize the entrepreneur to changing technology, competition, government policies and changing needs of the customers.
- The above line focuses on the importance of environment scanning which relates to
- (A) Better Performance
 - (B) Image Building
 - (C) Sensitization of entrepreneurs to cope up with rapid changes.
 - (D) Tapping useful resources.
- 45 Identify the step of the creative process, which is the stage where, the entrepreneur recognizes that an opportunity exists and is the seeding stage of a new idea.
- (A) Idea germination
 - (B) Idea assessment
 - (C) Idea field
 - (D) Idea generation
- 46 Two heads being better than one." Statement holds true for -----form of business organization.
- (A) Public Company
 - (B) Private Company
 - (C) Partnership
 - (D) Sole Proprietor
- 47 While assessing the market, an entrepreneur has to prepare details on,
- (A) Level of operation and technical complexity
 - (B) Demand, supply and nature of competition
 - (C) Trading relates ideas
 - (D) Illumination
- 48 Which of the following elements in the innovation process refers to applying the resources in order to accomplish the plans and delivering results?
- (A) Analytical planning
 - (B) Resource organization
 - (C) Implementation
 - (D) Commercial application
- 49 Which of the following is not a factor involved in the sensing opportunities?
- (A) Vision and creativity
 - (B) Ability to obtain necessary finances to start and continue a business
 - (C) Ability to harness different sources of information
 - (D) Ability to perceive and preserve basic ideas that could be used commercially
- 50 Exploring opportunities in the environment is a process involving various steps. Arrange the steps in the correct order.
- i) Evaluating the ideas received from different sources to find a creative solution
 - ii) Identifying a product or service through innovation
 - iii) Opportunity spotting by analyzing the needs and problems that exist in the environment
 - iv) Setting up a project and nurturing it to success
- (A) (i)-(ii)-(iii)-(iv)
 - (B) (iii)-(i)-(ii)-(iv)
 - (C) (ii)-(iii)-(iv)-(i)
 - (D) (i)-(iv)-(iii)-(ii)
- 51 Rohit is working on designing of unique face mask which would not only filter the air inhaled but also send alert messages on the registered mobile number of the user in a zone of high pollution. This idea is germinated because of the interest and curiosity of Rohit as he is always interested in finding out the specific current problems and their solution. Before launching his idea he also analyzed the pros and cons of the product. Identify the concept.
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- 53 Which authority issues PAN?
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 - (D) Department of Industrial Policy and Promotion

- 59 The entrepreneur has to initiate production in accordance with pre-conceived production plan. This includes issuing necessary orders, instructions, guidelines and information to work pertaining to giving practical shape to the production plan. Which element of operational plan is highlighted here?
- (A) Inspection
 - (B) Dispatching
 - (C) Follow-up
 - (D) Shipping
- 60 WX Ltd. is in the process of innovating a new pen drive especially for teachers which will have a built-in antivirus and which can be worn like a watch so it minimizes the problem of losing the pen drive. Which of the given statements aptly describes the situation?
- (A) This is trend spotting
 - (B) This is product identification
 - (C) This is problem solving
 - (D) This is problem solving by introducing an innovative product.

End of the Question Paper

- 54 The four Cs of credit are
- (A) Character, Credit flow, Collateral, Cooperation
 - (B) Consumers, Character, Credit flow, Contribution
 - (C) Competition, Cash flow, Credit flow, Collateral
 - (D) Character, Collateral, Contribution, Cash flow
- 55 Arindam and Arinita were partners in a transport business. With a view to expand, they thought of changing the business where their liability will be limited. To keep a control over the business they decided to sell shares to friends, families and some employees. Which form of business they adopted?
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 - (C) A & B and C
 - (D) B & C only
- 57 Sangeeta was extremely good at making traditional sweets which she had learnt from her grandmother. She decided to start selling the sweets through advertising in social media. Her business picked up and she got a lot of orders from clients all across India. Seeing her huge success, her friend Raman advised that she should open a shop in the market area to expand her business. He expressed interest in the business and was ready to invest money so that they could do the business together and share the profits equally so long as they remain friends. What form of business organization does Raman and Sangeeta start?
- (A) Sole proprietorship
 - (B) Partnership
 - (C) Private company
 - (D) Public company
- 58 Assertion (A): A company which is suffering huge losses can be shut down only by following the procedures laid down in Companies Act.
Reason (R): A company can be born as well as liquidated only by law.
- (A) (A) is true but (R) is false
 - (B) (A) is false but (R) is true
 - (C) Both (A) and (R) are true but (R) is not the correct explanation of (A)
 - (D) Both (A) and (R) are true and (R) is the correct explanation of (A)