

<b>Roll Number</b>		
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## INDIAN SCHOOL MUSCAT SECOND PERIODIC TEST

### ENTREPRENEURSHIP

CLASS: XI

Sub. Code: 066

Time Allotted: 50 mts

08.01.2019

Max. Marks: 20

#### **GENERAL INSTRUCTIONS:**

1. All questions are compulsory.
2. There are total 7 questions in all.
3. Marks for each question are indicated against it.
4. 2 marks question is to be answered in 30 words.
6. 3 marks questions are to be answered in 60 words each.
7. 4 marks question is to be answered in 70 words.
8. 6 marks question is to be answered in 100 words.

1. Give two examples for inflow of cash for a business. 1
2. What do you mean by start-up cost? 1
3. Differentiate between fixed cost and variable cost. 2
4. Explain break-even point. Give the formula for the calculation of break-even point. Calculate break-even point from the following details: 3  
 A company manufactures a product with a selling price of Rs.20 per unit and the variable cost per unit is Rs.12 per unit. The fixed costs for the period are Rs. 40,000.
5. What do you mean by gross profit of a business? Calculate the gross profit and the profit before tax from the following details: 3  
 Sam purchased 50 phones @ Rs.10, 000 each. He could sell all the phones @ Rs.18,000 each. Sam spent Rs.50,000 for advertisement. Calculate Gross Profit and Profit before Interest and Tax for the business.
6. Mr. Issac had a cash balance of Rs. 1,00,000 on 1 January, 2018 in his stationery shop. Other transactions for January are: 4
  - (1) January 2, Purchase of 200 packets of pen @ Rs. 20 per packet.
  - (2) January, 5 Purchased furniture for business Rs. 2,000.
  - (3) January 10, Purchased 50 packets of pencils @ Rs. 10 per packet on credit and 20 sketch pen packets @ Rs.150 per packet for cash.
  - (4) January 12, Sold 100 packets of pen @ Rs. 40 per packet for cash and 30 packets of pencil @ Rs. 30 on credit to Mr. Tameem.
  - (5) January 15, Deposited Rs. 10,000 into bank.
  - (6) January 18, Received Rs. 900 from Mr.Tameem.
  - (7) January 20, Paid wages Rs 1,000.

Prepare Cash register with cash transactions only.

7. Mr. Anil is planning to start a shop selling tyres with a capital of Rs.5,00,000. He can borrow a loan of Rs. 10,00,000 from his friend. The initial expenses for the setting up office will be Rs. 1,00,000. 6

The tyres can be purchased @ Rs. 1,000 per tyre and it can be sold at Rs. 2,000 per tyre. The staffs will be paid a salary of 10,000 per month. The commission on sales to staffs is 10% on sales.

The supplier sends goods once in a month. Mr. Anil calculates that the tyres can be sold in the following month of its purchase. Money from credit sales will be received in the following month. The fixed costs start only from the first month of starting its operations.

Projected sales for 3 months

Month	1	2	3
Total tyres sold	100	125	140
Cash sales of tyres	80	110	120
Credit sales of tyres	20	15	20
Cash sales Rs.	1,60,000	2,20,000	2,40,000
Credit sales Rs.	40,000	30,000	40,000

Prepare a Cash flow projection statement for 2 months. (month 0, 1 and 2)

**End of the Question Paper**