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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.

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| 1. | Give the meaning of fixed cost. | 1 |
| 2. | What do you mean by operational cost? | 1 |
| 3. | Differentiate between direct and indirect taxes. | 2 |
| 4. | Explain break-even point. Give the formula for the calculation of break-even point. Calculate break-even point from the following details:
A company manufactures a product with a selling price of Rs.60 per unit and the variable cost per unit is Rs.50 per unit. The fixed costs for the period are Rs. 60,000. | 3 |
| 5. | What do you mean by gross profit of a business? Calculate the gross profit and the profit before tax from the following details:
Lara purchased 100 shirts @ Rs.500 each. He could sell all the shirts @ Rs.1,500 each. Lara spent Rs.5,000 for insurance premium. Calculate Gross Profit and Profit before Interest and Tax for the business. | 3 |
| 6. | Mr. Rahul had a cash balance of Rs. 1,00,000 on 1 January, 2018 in his watch shop. Other transactions for January are:

<div style="margin-left: 20px;"> (1) January 2, Purchased furniture for office Rs. 2,000.
 (2) January, 5 Purchase of 20 watches @ Rs. 500 each.
 (3) January 10, Purchased 30 watches @ Rs. 600 each on credit and 25 watches @ Rs.500 each for cash.
 (4) January 12, Sold 30 watches @ Rs. 1,000 for cash and 10 watches @ Rs.1,200 on credit to Mr. Ashiq.
 (5) January 15, Paid wages Rs 1,000.
 (6) January 18, Received Rs. 11,500 from Mr.Ashiq.
 (7) January 20, Deposited Rs. 20,000 into bank. </div> | 4 |

Prepare Cash book with cash transactions only.

7. Mr. Anil is planning to start a shop selling tyres with a capital of Rs. 3,00,000. He can borrow a loan of Rs. 8,00,000 from his friend. The initial expenses for the setting up office will be Rs. 80,000.

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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 8,000 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	120	110
Cash sales of tyres	70	100	800
Credit sales of tyres	30	20	30
Cash sales Rs.	1,40,000	2,00,000	2,40,000
Credit sales Rs.	60,000	40,000	40,000

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

End of the Question Paper