

Roll Number

SET A



INDIAN SCHOOL MUSCAT
SECOND TERM EXAMINATION
ENTREPRENEURSHIP (066)

CLASS: XI

Time Allotted: 2 hrs.

05.03.2022

Max. Marks: 35

GENERAL INSTRUCTIONS

1. The paper is divided into 3 Sections
2. Section-wise overall choice is given to the students.
3. Section A (2 markers) has 6 questions. Attempt any 4 out of 6.
4. Section B (3 markers) has 5 questions. Attempt any 4 out of 5.
5. Section C (5 markers) has 4 questions. Attempt any 3 out of 4.

Q. No.	Question	Marks
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SECTION A

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| 1. | Mariah had done a diploma in fashion designing. She is very creative. She saw a picture of a party gown in an international fashion magazine, having a price tag of ₹ 50,000. She decided to make that gown herself with some customization. She calculated that for making of gown, she has spent ₹4,000. Her friend liked the gown very much, so Mariah sold that gown to her friend for ₹8,500 and made a profit of ₹4,500. Due to this transaction, Mariah decided to open a boutique of making gowns and selling them in the market with nominal profit. On the basis of the given information, identify four relevant features of business highlighted here. | 2 |
| 2. | Victory Ltd., set up their small manufacturing unit producing bucket seat covers in the name of 'Comfy'. The product was a great hit. After sometime, SMW Ltd- market leaders in luxury car manufacturing, planned to join hands with Victory Ltd. Such a deal will allow SMW to obtain better pricing and control over the manufacturing process. Identify and explain the type of integration for Victory Ltd and SMW Ltd. | 2 |
| 3. | What do you mean by unit cost and unit price? | 2 |
| 4. | Whether an entrepreneur goes by primary, secondary or tertiary sources depends on the method he has chosen to collect data. The decision regarding the choice of method of collecting data further depends on various other factors. Discuss the various methods of collecting data. | 2 |
| 5. | State whether the following require small or large working capital:
(a) A firm following liberal credit policy
(b) A firm using labour intensive technology
(c) A firm with high turnover of working capital | 2 |

(d) A firm that is engaged in production process

6. Enumerate four roles played by a Business Mentor. 2

SECTION B

7. Describe any three uncontrollable factors in the environment to which companies need to adapt itself in order to exist in the market. 3
8. Rajesh was a chemical engineer working for a company selling insect killer spray. He was aware how this product could harm the health of the users and was constantly looking for ways to improve the product. Filled with innovative zeal, he worked hard and developed a mosquito repellent which produces sonic waves to drive away mosquitoes. It is non-smoky and does not emit any kind of fragrance or odour. It was safe to use as the sonic waves do not affect human beings or plants. He decided to name his product as 'Quit mos'. The product was to be packed in a corrugated box with an extension cord as free gift. Its price was fixed at ₹260 per unit. A replacement warranty for one year will be given as an introductory offer. He decided to sell this product through agents who will sell to both, the wholesalers and retailers depending upon the market to be catered. Quoting the lines from the above para, identify any three elements of marketing mix used by Rajesh. 3
9. Describe the different types of costs. 3
10. 'Equity financing is the capital invested in an enterprise by its owners'. Explain the following methods of equity financing: Equity, Preference shares and retained earnings. 3
11. What is a cash register? Explain cash inflow and cash outflow with two examples each. 3

SECTION C

12. Ashwin owns a factory which is engaged in manufacturing refrigerators. The following information is available to you: 5

Fixed expenses	₹ 9,00,000
Direct labour	₹20
Direct material	₹50
Direct overhead	100% of direct labour
Selling price per unit	₹120

Calculate:

- (a) Total variable cost
- (b) BEP in units
- (c) BEP in ₹
- (d) Sales target if Ashwin has a goal of achieving a profit of ₹60,000.
- (e) BEP in units (with reference to b.) if fixed cost increases by 10%

13. Raghav is a very creative person and has always been working on innovating products and services that can make living healthy and hygienic. He developed a design of an air conditioner with an inbuilt air purifier as well. Since he did not get any financial support from any bank, he approached Nirvana Vent (VC), a venture capitalist firm. Though VC liked the idea but it refused to help Raghav at the seeding stage and asked him to come again if needed during second round financing. Who are Venture capitalists? Why was seed capital not given by VC when it was ready to fund the second round financing? 5
14. The most important assets that a firm must have and that management must be most concerned with, are the human assets of the enterprises, in whose absence all other non-living resources are useless. Explain the human resources of an organization with the Manning table of managerial staff. Also mention any four scientifically evolved strategy for selection of personnel. 5
15. Explain market expansion strategies with the help of Ansoff's Product Grid. 5

End of the Question Paper