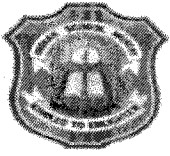


Roll Number

SET A



INDIAN SCHOOL MUSCAT
FIRST PRE-BOARD EXAMINATION
ENTREPRENEURSHIP

CLASS: XII

Sub. Code: 066

Time Allotted: 3 Hrs.

03.03.2021

Max. Marks: 70 Marks

General Instructions:

1. There are 35 questions in the question paper. All questions are compulsory.
2. There is no overall choice. Though internal choice is given.
3. Question no. 1 to 21 carrying 1 mark each.
4. Question no 22 to 26 are very short answer questions carrying 2 marks each.
5. Question no 27 to 29 are short answer questions carrying 3 marks each.
6. Question no 30 to 32 are long answer questions carrying 4 marks each.
7. Question no 33 to 35 are very long answer questions carrying 6 marks each.

1. State whether the given statement is 'True' or 'False' 1
Analytical application is the first stage in the process of innovation.
2. 'These are convenient frames of reference for streamlining the process of generation of ideas.' 1
Identify the concept.
3. Kumar belongs to a farmer's family. One day a team of officials from the local block development office visited his village for discussing additional opportunities related to agriculture. The team discussed with the villagers how to develop fishery. The team explained about the technique of construction of ponds and the modern technology of growing fishes. The team also informed that the 'State agriculture department' will provide loan at an interest rate of $2\frac{1}{2}$ % per annum to the farmers who will engage themselves in the occupation and will also help the farmers in the marketing of fishes. Kumar, decided to engage himself in the fishery occupation. 1

Identify the 'idea field' that helped Kumar to engage himself in fishery occupation.

OR

Amish has the habit of reading newspaper on a daily basis. 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 panels. Identify this way of identification by Amish which has helped him to understand the market and produce goods accordingly.

4. Gross working capital means: 1
- a) Sum total of all assets.
 - b) Sum total of all fixed assets.
 - c) Sum total of all current assets.
 - d) Current assets minus current liabilities.

5. Apart from the verbal information from the customers, wholesalers, retailers, distributors and consultants, there are other sources of collecting information for scanning the environment. State any other four sources. 1

OR

Victor industries has been one of the leading companies in mobile phone industry in India. The company decided to launch a new model A1 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 for ecofriendly recyclable materials for the phone which will cause less environmental damage.

Identify the two factors of PESTEL model

- a) Economic, Social
 - b) Legal, Economic
 - c) Social, Political
 - d) Ecological , Technological
6. Sanjay was very keen to start his own business. He was confused as to the kind of business he should start. He attended a start-up session. One of the speakers stated that 'Creativity can be used to spot and harness opportunities, as well as be applied to develop new products and services'. State any two ways in which creative ideas can be generated. 1
7. Merin has completed her MBA degree. She wants to start a toy manufacturing unit. She wants to manufacture trendy toys for children below the age of 5 years. She approached a popular trend spotter to help her with the same. The trend spotter demanded ₹5, 00,000 from Merin to help her. Looking at the high fee demanded, she decided to do the trend spotting by herself. She decided to identify the trend by talking to the parents of toddlers. Identify the method that Merin adopted to spot the trend. 1
8. Hemant approached his father seeking ₹5, 00,000 for his new venture. He had planned to start a computer assembling unit. Though his father was in a position to give him the money he still insisted that he should take a loan from the bank which will make him more responsible. When Hemant approached the bankers, they asked for a business plan. Hemant was not sure as to who can help him in preparation of the business plan. 1
- Who among the following can prepare the business plan?
- a) Lawyers
 - b) Accountants
 - c) Marketing Consultants
 - d) All of these.

9. Arun was working with Tiya as a production manager. For smooth flow of work, he had to pay attention towards various elements and to ensure predetermined quality of products, he had to compare the performance with established standards. 1
The component of business plan discussed here is:
a) Manpower Plan
b) Organizational Plan
c) Operational Plan
d) Marketing Plan
10. SMART goals help the business to go beyond the realm of goal setting into an actionable plan for results, where 'S' stands for 'Specific'. What does rest of the acronym stand for in S.M.A.R.T? 1
11. Jatin invented a devise with specific features, no one knows about this devise till now, but he is in fear of stealing the method of making the devise. Suggest him to protect the invention by him. 1
12. According to ABC analysis, 'B' inventory accounts for _____ of the items in terms of quantity. 1
a) 10 – 20 %
b) 15 – 20 %
c) 40 – 50 %
d) 65 – 75 %

13. Arvind had a very good idea to manufacture face masks which can purify the air taken in. For starting the unit, he was in need of large amount of funds, so he decided to approach certain investors. For this, he prepared a three minutes summary of the business plan's executive summary to use it as a teaser. 1

Which format of business plan will Arvind use?

OR

Jain had started his business of dairy products in 2013. He wanted to expand his business but did not have the necessary funds. One of his friends suggested that he should approach Mr. Goel, a venture capitalist for further funds. Jain approached Mr. Goel with the executive summary and a few key graphs showing financial trends and key decision making benchmark in the form of slide presentation.

Identify and explain the format of business plan referred in the above para.

14. Iyer is a restaurant selling South Indian dishes. Now they wanted to sell Pizza in their outlets. Pizza had been an item in their menu earlier also but was withdrawn because of higher price as compared to the price of established brands. Therefore this time, they decided to price Pizzas very less initially. It was done with the objective of increasing its market share. Iyer restaurant was of the view that once Pizza is established in the market they will increase the price to a level that will help them in earning a reasonable profit on their product. Identify the pricing strategy adopted earlier and at present. 1

OR

Abdul Ltd. started the manufacturing of Ayurvedic Skin care products. They researched that large number of established enterprises were also manufacturing the similar type of products. The

company fixed the price of their product on 'cost plus method' of pricing. After some time the company realized that they were not getting good response regarding their product from the customers and the market share of their product was decreasing. Since their product was new, they decided to price the product differently based on sales location.

Identify the new pricing method that was adopted by Abdul Ltd.

15. Tata group has chosen this type of branding.

- a) Individual brand name
- b) Family brand name
- c) Corporate name
- d) Alpha-numeric name

1

OR

Ponds, a mother brand name used for shampoos, talcum powder, cold creams etc. is an example of this type of branding.

- a) Individual brand name
- b) Family brand name
- c) Corporate name
- d) Alpha-numeric name

16. Mohan is an employee of Telcom Ltd. Telcom Ltd. decided to issue shares to Mohan and few other employees, as they thought that this would motivate them to work hard. Identify this kind of issue.

1

- a) Public Issue
- b) Private Placement
- c) Offer to employees
- d) Rights Issue

OR

Pranjal has 500 shares of L&T. L&T comes out with a fresh issue of shares and Pranjal received an offer to buy 1 share of L&T for every 5 shares held by her. Which method of floating new issue is indicated in this case?

- a) Public issue
- b) Private placement
- c) Offer to employees
- d) Rights issue

17. Identify the form of merger where two entities combine together and form a new entity, extinguishing both the existing entities.

1

OR

'This is the most essential component of mergers. According to this concept, the value of the combined entity is expected to be greater than the value of the independent entity'. Identify the concept.

18. Identify the type of advertising depicted in the given image.



OR

Identify the type of promotion strategy used here.



19. This type of franchise is often used by beverage industry. In this, most bottlers of soft drinks receive franchise from a company and are supposed to use its ingredients to produce, bottle and distribute the soft drinks. 1
- a) Product franchise opportunity
 - b) Business franchise opportunity
 - c) Business format franchise opportunity
 - d) Manufacturing franchise opportunity
20. Kamal Ltd. are manufacturers of textiles, having their plant in Surat, a city of Gujarat. Vastra Ltd. are the manufactures of readymade garments and sell their products throughout the country. They also export their products to America and European countries. Vastra Ltd. source their textiles from Kamal Ltd. The management of the two companies decided to merge to have economies of large scale production. Identify the type of merger entered into by Kamal Ltd. and Vastra Ltd. 1
- a) Conglomerate Merger
 - b) Horizontal Merger
 - c) Vertical Merger
 - d) Market extension Merger

21. Stock of Raw Material 1,50,000 Short-Term Loans 1,83,000 Trade Creditors 96,000 Trade Debtors 2,20,000 Dividend Payable 1,50,000 Tax Payable 1,32,000 Short-Term Investments 2,28,000. From the above information, calculate the Gross Working Capital. 1

22. 'Ayush Generic Medicines,' a chemist shop sells generic medicines. On 15.02.2016 medicines as per the details given below were sold : 2

No. of customers	Per customer billed amount (₹)
10	370
20	430
40	500
30	1000

Calculate the average amount of medicines sold per customer.

23. "Human life is built around works". Identify the form of Business Organization being talked about in the following sentences:- 2

- "The one-man control is the best in the world if that man is big enough to manage everything."
- "Two heads being better than one."
- "People can carry out business activities with limited liability as well as without losing the confidentiality of their business"
- "Minimum of 7 members are a must to start this limited liability firm and it also has the ability to raise capital from the public."

24. Rajiv and Ramesh entered into a verbal agreement to form a partnership firm. They agreed to share its profits. Their business was running smoothly. One day a dispute arose between Rajiv and Ramesh regarding the profit sharing ratio. Rajiv decided to move to the court and enforce his rights against the firm and Ramesh. Will Rajiv succeed? 2

Give reasons in support of your answer.

25. Real juice enterprise sells 3,000 bottles of fresh juice per year. Cost of one milk bottle is ₹60. Holding cost per annum is ₹12. Ordering cost is ₹500 per order. Calculate the 'Economic Order Quantity'. 2

OR

The following figures are extracted from the balance sheet of Swadesha Ltd. Net profit after tax: ₹2, 00,000 Net profit before tax: ₹2, 80,000 Total Investment (Owned + Borrowed): ₹4, 00,000 Own funds: ₹1, 00,000 Calculate Return on Equity for Swadesha Ltd.

26. While there are benefits to going public, it also means additional obligations and reporting requirements. Mention two benefits and two drawbacks of public issue. 2

27. Mahesh, an entrepreneur is planning to enter into a new business of manufacturing laptop bags with an inbuilt lock facility. Being highly complex and tedious, its manufacturing operations need to be well planned. He decides that the complete bag will be manufactured at his own factory i.e. no part 3

of its manufacturing process will be outsourced.

Identify the important component of business plan that is discussed above.

Also, state any four needs to be described in the above stated manufacturing situation.

28. Karan finished his graduation from Polytechnic college in the year 2018. He had specialized in repairing of electronic goods. After few months of his graduation, he met his uncle who has a small factory manufacturing electronic circuits used in Television. His uncle informed Karan that he could no longer run the unit so Karan decided to take over the factory. His uncle had two workers. Karan was able to get a huge order of supplying 10,000 units of electronic circuits every month from a popular TV manufacturing company in India. He knew that to meet the orders timely he has to employ more people. In order to do so he decided to formulate Manpower planning. Describe the factors that Karan has to keep in mind while formulating manpower plan. 3

OR

Vishal started a school bag business with his brother. Both were very excited about the new venture. With meticulous planning and lot of hard word they were able to sell 1000 bags in the first year. But they did not earn any profit. Both were very happy because they were not at loss and revenue generated was equal to the cost. Now they were moving towards earning profit in the second year.

- i) Identify the component of financial plan discussed above.
- ii) Give two points to state how it is useful for the entrepreneur.

29. “It is a paid form of communication designed to persuade customers to choose the product or service over that of a competitor”. Identify the concept and also mention any four of its objectives. 3

30. Mention any four purposes of logo. 4

31. Source based question 4

Source – Entrepreneur magazine – Aug 2020.

The recent survey conducted jointly by FICCI and Indian Angel network revealed that 70 % of start up across the country have been impacted by Covid 19 while as many 12% have their halt operations all together. There are different times that no one was prepared to deal with. The prolonged locked down had a massive impact on the startup eco system. Given that they rely largely on constant flow of capital and investment, which due to pandemic came to a complete stand still. With the ongoing crisis, to keep startup afloat has become quiet challenge. However, this challenge can be eliminated if the entrepreneurs adapt to the quarantine, adopt new strategies, and are open to experiments and pivot to their business plans. That’s because the pandemic has not only affected our present but also our future.

Keeping in mind this article, state any four components of a financial plan. Also explain each one of it.

OR

Potential investors regard the marketing plan as critical to the success of the new venture. Thus, the entrepreneur should make every effort to prepare it as comprehensive and detailed. Describe the first four steps involved in preparing a marketing plan.

32. Writing Instruments Ltd. is engaged in manufacturing and distribution of Ballpoint Pen, Sketch Pen and Gel Pen. 4

Product	Ballpoint Pen	Sketch Pen	Gel Pen
Sales price/unit (₹)	40	45	75
Variable cost/unit (₹)	20	30	40

The total fixed cost is ₹75,000 per month. For the coming month, it expects the sale of three products in the ratio –40:20:40.

Compute the break-even point of the company in Rupees for the coming month.

33. Identify and explain the corporate action in which company buys most, if not all, of the target company's ownership stakes in order to assume control over the target firm. Explain its different types. 6
34. While preparing an operational plan, an entrepreneur has to pay attention towards various elements. Explain these elements. 6

OR

Mr. Manu had always wanted to manufacture an innovative energy efficient fan. He was looking into various options and had narrowed it down to one option. He understood that his entire idea would have to follow a process.

Identify and explain the steps after product identification.

35. Give any three differences between Angel investors and venture capitalists. 6

End of the Question Paper