



# COMMON PRE-BOARD EXAMINATION 2023-24

Subject: **ENTREPRENEURSHIP** (066)

Class XII



Time: 3 Hrs.

Max. Marks: 70

## **General Instructions:**

Read the following instructions carefully:

1. This question paper contains 34 questions.
2. The question paper contains 4 sections - A, B, C and D
  - 1.1. Section A contains multiple choice questions
  - 1.2. Section B - 2 marks; Answers to these questions may be from 30-40 words.
  - 1.3. Section C - 3 marks; Answers to these questions may be from 50-75 words.
  - 1.4. Section D - 5 marks; Answers to these questions may be from 120-150
3. Internal choice is given in the paper, there is no overall choice.

## **Part A**

1. A thorough knowledge of the external environment helps a firm to tap raw materials, technology and even financial resources from the market at economical prices, at the right time. The concept discussed here is \_\_\_\_\_. 1
  - a. Business opportunity
  - b. Environment scanning
  - c. Trend spotting
  - d. Innovation
2. PUMA is well known for producing stylish and trendy footwear, apparel, and accessories that cater to both athletic performance and everyday wear. Their focus on blending function and fashion has helped them gain traction among consumers who want to look good while staying active. PUMA invests in various advertising channels, including television commercials, digital ads, print media, and billboards, to reach their customers across different platforms. Which form of promotion strategy used by Puma is mentioned here? 1
  - i. Above the line
  - ii. Below the line
  - iii. Through the line

- a. i only
  - b. ii only
  - c. i and ii
  - d. i, ii, iii
3. Ram, Shyam and Mustafa were the Board of Directors of a jersey manufacturing firm. They expect huge sales in the coming years and hence were planning for expanding their business. For this, they decided to sell a particular portion of the company's share through Initial Public Offer. The type of company in the above case is \_\_\_\_\_. 1
- a. Public company
  - b. Private company
  - c. Government company
  - d. Departmental undertaking
4. Red Bull organization is regarded as main energy drink provider that is distributing its products throughout the world. Now, it intends to enter into market of Hong Kong because it is located in China and China has provided several opportunities to international organizations to conduct their business. The objective of the company in this regard is to sponsor high energy events in the country. The company will focus on sponsoring sports such as basketball, baseball, and football. Further, in order to win hearts of older generations the company will also consider sponsoring traditional sports. By sponsoring events, the company can pay attention to the brand image, visibility, and credibility of its product. The promotion tool selected by Red Bull to enter the market of Hong Kong is \_\_\_\_\_. 1
- a. Advertising
  - b. Sales Promotion
  - c. Personal Selling
  - d. Public Relations
5. Rate of labour turnover is a factor affecting which of the following? 1
- a. How to procure personnel?
  - b. How many people are required?
  - c. What kind of people are required?
  - d. When to select the people?
6. Nestlé is the world's largest food and beverage company. It owns a wide variety of product brands. Maggi is one such brand owned by them which has various products under it such as noodles, sauces, masalas etc. Identify the type of brand name used for Maggi. 1
- a. Family brand name
  - b. Corporate name
  - c. Individual brand name
  - d. Alpha numeric name

7. Source- The Economic Times 1  
Mukesh Ambani- owner of Reliance Industries announced the allotment of 2,86,932 equity shares of ₹10 each to its employees, on January 03, 2011. In November 2010, i.e. the previous year too, he announced the allotment of 2.25 lakh shares to its employees. The method of new issue by Reliance Industries is \_\_\_\_\_.  
a. Stock option  
b. Rights issue  
c. Private placement  
d. Public issue
8. Assertion (A): Creativity is the first stage in the process of innovation. 1  
Reason (R): Any attractive economic idea which can be implemented to create a business is known as innovation.  
a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)  
b. Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A)  
c. Assertion (A) is true but Reason (R) is false.  
d. Assertion (A) is false but Reason (R) is true.
9. Assertion(A): For a trading organization, the operating cycle will be shorter. 1  
Reasoning(R): There is no manufacturing in a trading organization.  
a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)  
b. Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A)  
c. Assertion (A) is true but Reason (R) is false.  
d. Assertion (A) is false but Reason (R) is true.
10. 'The main goal of this financing is for the venture to go public so that investors can exit the venture.' Identify the stage of financing for a company. 1  
a. Seed capital  
b. Start-up capital  
c. Second round financing  
d. Bridge financing
11. Find out the Circulating Capital of Banara Ltd. from the given data: 1
- |                     |             |
|---------------------|-------------|
| Cash                | ₹. 7,00,000 |
| Account Receivables | ₹. 3,50,000 |
| Account Payables    | ₹. 70,000   |
| Inventory           | ₹. 8,00,000 |

Short term borrowings ₹. 1,00,000

Outstanding Salaries ₹. 50,000

a. ₹. 18, 50,000

b. ₹. 17,00,000

c. ₹. 18,00,000

d. ₹. 14,30,000

12. Shankar had an idea of making disposable plates with the fiber in sugarcane after crushing its juice, which otherwise is thrown as waste. He went through the process of identifying its pros and cons of making it before launching the product. Point out the stage of creativity process he is in. 1
- a. Idea germination
  - b. Preparation
  - c. Incubation
  - d. Illumination
13. The third stage in enterprise process is \_\_\_\_\_ 1
- a. Evaluating the ideas to find a creative solution
  - b. Setting up a project and nurturing
  - c. opportunity spotting
  - d. Identifying a product through innovation
14. The ban on firecrackers by the Supreme court was violated in several areas of Delhi as people celebrated Diwali on November 12. Many shopkeepers in the area were seen flouting the ban and selling small firecrackers to children. Which factor of the PESTEL model was not considered here? 1
- a. Ecological
  - b. Social
  - c. Legal
  - d. Political
15. Choose the enterprise which is owned, managed and controlled by private individuals. 1
- a. Departmental undertaking
  - b. Public corporations
  - c. Joint stock company
  - d. Government company
16. 'In a minute' - a growing ready to cook product manufacturing company owned by a 20 years old graduate, was formed by influence from few bloggers who used to highlight the healthy ingredients which can be used in the recipes. Which way of trend spotting does this indicate? 1
- a. Read Trends

- b. Talk Trends
- c. Watch Trends
- d. Think Trends

17. Lalit, who developed the idea of an automated fresh juice vending machine, made arrangements for the required capital, fresh fruits and technology to manufacture it. The stage of innovation process is \_\_\_\_\_. 1
- a. Analytical planning
  - b. Resource organization
  - c. Implementation
  - d. Commercial application
18. Mahi was walking through the streets of Bengaluru. She notices the beautiful external presentation of Vodafone store with their basic Red color theme. The type of media used here for advertisement is \_\_\_\_\_. 1
- a. Ambient
  - b. Outdoor
  - c. Window display
  - d. Point of sale

### Part B

19. What are the factors which an entrepreneur should keep in mind while assessing the market? 2

### OR

Mention any four sources from which we can collect the information for environment scanning.

20. Seema, Divya and Jaya sells handicraft goods under the brand name 'Earthly' in Delhi. They collect all the handicrafts from tribal and rural women in the state of Tamil Nadu. They have appointed sales persons to focus on target customers. Explain the types of sales strategies which can be used by them. 2
21. Neel started a sweet stall business near a residential area in Mumbai. He was not getting enough customers as she expected. Which are the two main factors that had been ignored by Neel before starting the business? 2
22. In April, Paulo Pena became the new CEO and president of Carrols Restaurant Group, the largest Burger King franchisee in the system that owns and operates more than 1,000 stores across 23 states. Shortly after he started, Pena began a "listening and learning tour" and visited many of the franchise's restaurants, seeking to better understand the business. He met hundreds of employees who have shared their ideas, concerns and suggestions for 2

strengthening and evolving the company. Analyze the benefits which Carrols Restaurant Group as a franchisor gets through franchising.

**OR**

Describe any two factors related to manufacturer, to be considered for selecting a distribution channel.

23. Differentiate between Reverse acquisition and Back flip acquisition. 2

**OR**

Elaborate Business format franchise opportunity.

24. Rolex is one of the most iconic luxury brands in the world, and a large part of its success can be attributed to its high pricing strategy. Rolex uses this pricing as it invests heavily in the development of new product designs and materials. Identify the pricing strategy used by Rolex and also mention the advantages of fixing price in this manner. 2

### **Part C**

25. Sandeep and Puneet, members of a private company decides to expand their business. They need more funds in order to expand their business. Sandeep suggests to raise finance through issuing shares to the public, but Puneet disagrees as he knows that a private company enjoys certain benefits over a public company. Enlist any six such benefits. 3

**OR**

'This section of the business plan generally begins with the "mission statement" by the entrepreneur describing the size, scope and nature of the enterprise'. Identify the element of business plan and explain the two components in it.

26. Which all things we get to know while calculation of Break Even Point. Mention any three of it. 3

27. Gucci is one of the top most luxury fashion brands well known globally. It has a diverse product portfolio in its marketing mix with product line ranges from handbags, shoes, ready to wear products, watches and other accessories for men, women and children. It has a very unique tagline justifying the product 'Quality is remembered long after price is forgotten'. The company is well known for its recognizable logo and unique design style. It's logo consists of two interlocking G letters, which represent the name of the company's founder Guccio Gucci. These letters symbolize veracity, grandeur, authority and heritage today. Identify the marketing mix highlighted in the above case. Also explain any two of its elements mentioned here. 3

28. Suhail is the owner of a supermarket. He brought ₹4, 00,000 his own money in the business. He has borrowed ₹6, 00,000 from State Bank of India @ 10% p.a. to make a total investment of ₹10,00,000. His net profit before interest for the year is ₹1,40,000. Calculate the Return on Equity for Suhail. 3

29. Pivot Ltd. is the manufacturers of ball point pens. They are planning to outsource the manufacturing of high quality ink to a Japanese company, as the resources to manufacture 3

the ink by the company is very expensive. The element of production plan to be mentioned in the business plan is \_\_\_\_\_. Mention the factors to be mentioned under this.

**OR**

'The identification of the target market is pretty tedious task'. Evaluate the given statement.

**Part D**

30. All ideas need not necessarily become sound business opportunities. It has to be assessed in terms of potentiality of the opportunity. Elucidate the first five steps in idea and opportunity assessment. 5

**OR**

Akbar would like to start a business with his four friends, but is not sure whether to go for setting up a partnership firm or a Company. Help Akbar and his friends by explaining any five features of a Joint Stock Company.

31. Jiya has completed her B. Tech. in Chemical Engineering from a famous Indian Institute of Technology. She wants to start a chemical production unit wherein such chemicals will be produced which are used in automobile coloring and are being imported from other countries. The technology to be used by Jiya is new and untried involving high risk factors along with high growth potential. In order to give shape to her idea, she wants to raise funds for her project from such a source that provides private equity capital as seed funding to early stage. 5
- (a) Suggest Jiya the source of finance from where she can fund her project.
- (b) Give the meaning of the source suggested in (a) above and state any four features of this source.

32. Elaborate any five reasons for mergers and acquisitions 5

**OR**

Due to the rising competition with KCC Cosmetics, two other firms in the Cosmetics Industry Fab and L18 merged together. Both Fab and L18 couldn't stand the price war between the companies in the cosmetics distribution sector and decided to come together. This strategy helped them in cost saving through economies of scale and led to the overall growth of both the companies. Identify the type of merger by the companies. Also elaborate the other types of mergers.

33. Surya and his friend Chander are into developing sustainable products that are environment friendly and at the same time carrying value for the customers. They want to develop vegan leather by using Aloe Vera. They met the officials from Venture company that promotes young entrepreneurs. Hopeful of a positive response they submitted a detailed, well written, and pleasingly formatted plan. Identify the format of business plan presentation used by Surya and his friend. Also mention any four importance of business plan. 5
34. Chin Foods started a business of making two types of sauces- Soya sauce and Chilli Sauce. The Fixed costs are ₹56,000/-. The sales revenue and the variable cost per unit are as follows. From the information, calculate the weighted contribution per unit. 5

Product	Soya sauce	Chilli sauce
Sales price per unit	₹80	₹90
Variable cost per unit	₹60	₹50
Sales Mix	60%	40%

Calculate the following from the information given above.

- Total weighted average contribution margin
- Breakeven Quantity for each variety
- Break even (in Rupees) for Soya Sauce