



INDIAN SCHOOL MUSCAT  
SECOND PERIODIC TEST  
ENTREPRENEURSHIP (066)

CLASS: XI

17.01.2023

Time Allotted 50 Mins.

Max. Marks: 20

**GENERAL INSTRUCTIONS**

1. There are total 8 questions.
2. Marks for each question are indicated against it.
3. All questions are compulsory.

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1. The total amount of long-term funds received by a business from its shareholders and creditors is known as \_\_\_\_\_. 1  
(A) Capitalization  
(B) Capital structure  
(C) Owners fund  
(D) Borrowed fund
  2. Unit cost is also known as \_\_\_\_\_. 1  
(A) Fixed cost  
(B) Variable cost  
(C) Unit price  
(D) Gross profit
  3. Differentiate between Unit of sale and Unit price. 2
  4. Mention any four things a manager will consider while deciding the number of people required in the organization. 2
  5. Bijul is planning to start a paint-manufacturing unit. He requires around 1 crore to start his business. He was finding very difficult to acquire the required finance as debt. One of his friend advocated that these early stages of new enterprises can be easily financed through two strong group of investors known as Angel investors or Venture capitalists. Describe the financial requirements in the early stage of an enterprise. 3
  6. Mention any three importances of Break Even analysis. 3
  7. Mahin had a chocolate cupcake manufacturing business. He assumed his fixed expenses to be ₹40,000. The various other expenses he assumed are as follows: 3  
(a) Flour for 10 cakes ₹500  
(b) Sugar for 10 cakes ₹200

- (c) Cocoa for 10 cakes ₹200
- (d) Butter for 10 cakes ₹50
- (e) Factory power ₹150

He plans to sell a pack of 10 cupcakes for ₹1,500. Calculate his Break-even margin per cake.

- 8 Relying too heavily on equity can be downfall of a business owner. Steve Jobs, co-founder of Apple computer, made that mistake. Jobs and his partner Wozniak, sold the shares of the firm to raise capital. Other shareholders voted against Jobs. The votes were much higher than the shares held by Jobs in the firm, as the number of votes each shareholder had was related to the number of shares he owned. Here comes the importance of knowing more about the different sources of raising funds through debt. Elaborate the following sources. 5
- (a) Debentures
  - (b) Public deposits
  - (c) Loan from bank
  - (d) Grants
  - (e) Trade credit

**End of the Question Paper**

Roll Number		
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SET

B



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1. The composition of different types of long term capital. 1  
(A) Capitalization  
(B) Capital structure  
(C) Owners fund  
(D) Borrowed fund
  2. Identify the odd one from the given below terms. 1  
(A) Cash book  
(B) Cash register  
(C) Break-even point  
(D) Book of original entry
  3. Explain gross profit with the help of its formula. 2
  4. Mr. Rayden is the finance manager of Zodiac Pvt. Ltd. The company would like to expand its business by adding more machines for more production. Being the company's finance manager, he decided to check the following factors affecting fixed capital requirement. Explain them. 2  
(a) Nature of business  
(b) Size of business  
(c) Technology used  
(d) Range of products
  5. Ben is planning to start a paint-manufacturing unit. He required around 1 crore to start his business. He was finding very difficult to bring the necessary amount himself. So he thought of seeking outside financing, but he found this source less attractive as it would create a long term obligation on the firm to pay the interest. This made him to think on the various options available under equity financing. Describe these three methods in detail. 3
  6. Describe the different types of expenses. 3

7. Jitesh had a juice-manufacturing unit. He assumed his fixed expenses to be ₹72,000. The various other expenses he assumed are as follows: 3
- (a) Fruits for 10 pack of juice ₹300
  - (b) Sugar for 10 pack of juice ₹200
  - (c) Water for 10 pack of juice ₹100
  - (d) Factory power ₹100
- He plans to sell 10 pack of juice for ₹1,500. Calculate his Break-even margin per juice pack.
- 8 Steve Jobs, co-founder of Apple computer, and his partner Wosnaik sold the shares of the company in order to raise capital. This became a problem when the other shareholders voted against Jobs. The votes were much higher than the shares held by Jobs in the firm, as the number of votes each shareholder had was related to the number of shares he owned. This situation can be avoided if we are aware of the sources of debt financing available to the entrepreneurs. 5
- (a) What do you understand by debt financing?
  - (b) Taking a loan from commercial banks is one of the commonly used debt financing. These banks extend loans in different ways. Elaborate any four such ways in which banks provide loan.

**End of the Question Paper**

<b>Roll Number</b>		
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SET

C



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1. Identify the cash inflow from the below items. 1
    - (A) Advertising
    - (B) Insurance premium
    - (C) Tax to the Government
    - (D) Sale of scrap
  2. This category of manpower is known as the brain box of the enterprise. They frame policies and objectives of the enterprise and ensure its implementation. 1
    - (A) Administrative manpower
    - (B) Managerial staff
    - (C) Non-Managerial staff
    - (D) Technical manpower
  3. Differentiate between Unit of sale and Unit price. 2
  4. Judit is the finance manager of Softy Pvt. Ltd., engaged in the manufacturing of cotton shirts. Through a close observation of the company's financial transaction, Judit understood that the firm is struggling even to meet its day to day operations expenses. The company is now planning to look for further capital in order to overcome this situation. Being the company's finance manager, he decided to check the following factors affecting working capital requirement. Explain them. 2
    - (A) Nature of business
    - (B) Size of business
    - (C) Business cycle
    - (D) Gestation period
  5. Describe the different types of expenses. 3
  6. Bimal is planning to start a paint-manufacturing unit. He required around 1 crore to start his business. He was finding very difficult to acquire the required finance as debt. One of his friend advocated that these stages can be easily financed through two strong group of investors known as 3

Angel investors or Venture capitalists. These people are ready to finance the early stages of new enterprises. Describe these financial requirements in the early stage of an enterprise.

7. Mahin had a chocolate cupcake manufacturing business. He assumed his fixed expenses to be ₹ 40,000. The various other expenses he assumed are as follows: 3
- (a) Flour for 10 cakes ₹500
  - (b) Sugar for 10 cakes ₹200
  - (c) Cocoa for 10 cakes ₹200
  - (d) Butter for 10 cakes ₹50
  - (e) Factory power ₹150
- He plans to sell a pack of 10 cupcakes for ₹1,500. Calculate his Break-even margin per cake.
- 8 Steve Jobs, co-founder of Apple computer, and his partner Wosnaik sold the shares of the company in order to raise capital. This became a problem when the other shareholders voted against Jobs. The votes were much higher than the shares held by Jobs in the firm, as the number of votes each shareholder had was related to the number of shares he owned. This situation can be avoided if we are aware of the sources of debt financing available to the entrepreneurs. 5
- a. What do you mean by debt financing?
  - b. Taking a loan from commercial banks is one of the commonly used debt financing. These banks extend loans in different ways. Elaborate any four such ways in which banks provide loan.

**End of the Question Paper**