

PRE-BOARD / XII / ENTREPRENEURSHIP / 2020-21

Time: 3 Hrs.

MM: 70

General Instructions:

1. All questions are compulsory.
2. There are 35 questions in all.
3. Marks for each question are indicated against it.
4. Question No. 1 to 21 are Objective type questions, carrying 1 mark each.
5. Question No. 22 to 26 are short type questions, carrying 2 marks each.
6. Question No. 27 to 29 are Long Answer type-I questions, carrying 3 marks each.
7. Question No. 30 to 32 are Long Answer type-II questions, carrying 4 marks each.
8. Question No. 33 to 35 are Essay type questions, carrying 6 marks each.
9. Answer should be brief and to the point.

Q1. Idea germination is the first step in the creative process where the entrepreneur recognizes that an opportunity exists. Identify the second step of the process. 1

- a. Illumination
- b. Preparation
- c. Commercial application
- d. Incubation

Q2. Kavita decided to start her own venture in Horticulture and was looking for various ideas. Identify the source from where she can get some good business ideas. 1

- a. Service sector ideas
- b. Trading related ideas
- c. Natural resources
- d. Existing products or services

Or

Varun decided to start his own travel agency creating specialized options for high-end tourists. Identify the idea field form where he must have possibly got the idea.

- a. Trading related ideas
- b. Natural resources
- c. Service sector ideas
- d. Market driven or demand driven ideas

Q3. An entrepreneur can resolve the problem or can find the reason also by studying this document known as business plan that is why it is also known as 1

- a. Blue print of enterprise
- b. Operational plan
- c. Organizational plan
- d. Appendix

Q4. To determine self-position in market along with to overcome the competitor's entrepreneur has to do 1

- a. Manpower planning
- b. SWOT analysis
- c. Market study
- d. Managing the finance
- e.

- Q5.** When Eagle Bancshares Inc. merged with RBC Centura- what kind of merger was that: 1
- Vertical
 - Horizontal
 - Joint Venture
 - Conglomerate

or

Identify the type of intellectual property right which grants an inventor the right to exclude from making or selling an invention for a limited period of time

- Trade mark
 - Copyright
 - Industrial Design
 - Patents
- Q6.** What is the EOQ for the shopkeeper whose annual demand for jeans is 1200 @ Rs 100 per month. The cost of placing an order is Rs 500 per order. Inventory holding cost is Rs. 30 per annum? 1
- 200 units
 - 400 units
 - 600 units
 - 800 units
- Q7.** A product is anything that can be offered to a market for attention, acquisition or consumption. State whether the statement is true or false. 1
- Q8.** For a new venture it is not essential to define the specific group of potential customers who need the enterprise aims to fulfill. State whether the statement is true or false. 1
- Q9.** Ideas should be examined on the basis of expected annual turnover. State whether the statement is true or false. 1
- Q10.** The bigger company just buys off all shares of smaller company is considered as reverse acquisition. State whether the statement is true or false. 1
- Q11.** There exists one middleman in zero level channel. State whether the statement is true or false. 1
- Q12.** Interest Rates, Inflation, Business Cycles, Income, Availability and Cost forms _____ Environment. 1
- Q13.** The objective of the _____ Plan is to plan the work in a manner that each step to be taken in the right place, right time and more efficiently. 1
- Q14.** An entrepreneur should be able to creatively identify the idea to generate valuable _____ to the problems. 1
- Or
- An entrepreneur must have ability to _____ and preserve basic ideas which could be used commercially.
- Q15.** In merger _____ determines the increase in value of combined entity. 1
- Q16.** Labelling is the display of _____ about a product on its container, packaging or the product itself. 1

- Q17.** 1

Match the following on the basis of concept of venture capital	
a. Finance is required for conducting research	1. Start-up finance
b. Finance is required to develop prototype and conduct testing	2. Second round finance
	3. Seed Capital

Q18. Match the terms with their appropriate meanings:

1

(i) Problem	a. All conditions and forces in which business operates
(ii) Environment	b. Roadblock that set up a conflict and force you to find the solution.
	c. Economic idea that can be implemented to create business
	d. Monitoring the economic and non-economic environment.

Q19. Match the following concepts along with its importance

1

i. Self –assessment and self – evaluation	a. Break- Even Point
ii. To reflect the position of the business at the end of the year	b. Business Plan
	c. Production Plan
	d. Proforma balance Sheet

Q20. Match the following terms with the elements related to them:

1

i. Business Opportunity	a. PESTEL
ii. Micro Environment	b. SWOT Analysis
	c. Assured market growth
	d. Suppliers

Q21. Match the type of Environment with factors it covers

1

(i) Political	(a) Inventions and Discoveries
(ii) Economic	(b) Government Stability
	(c) Inflation
	(d) Population Demographics

Q22. Explain any two rules for goal setting.

2

Or

With the help any two examples give the meaning of intellectual property rights.

Q23. Gunjan has just passed her senior secondary examination from a CBSE affiliated school. She wanted to start her own business but was unable to decide about the nature of the business. One day during the morning walk her grand-father fell down in the park and got injured. She observed that her grand-father often forgets to take his medicines. She thought that the same problem may be faced by other old people.

2

- She thought of developing an instrument for the old people that could be fitted with an electronic device connected to the mobile phone of the members of their family which could indicate the location of the old people when they go out of the house. This device was to be kept in their pockets. She also thought to fit a timer in the instrument that could remind the old people about the time of taking their medicine. Identify and state the meaning of the concept described in the above para that helped Gunjan in structuring her idea for solving the problem.
- Q24.** Explain 'Proforma Financing Decisions' as a component of financial plan. 2
Or
State any four items of physical infrastructure that should be mentioned in the description of a business plan.
- Q25.** Healthy Juice India Ltd and Asli Juice Ltd are engaged in the production of fruit juice. Both the companies sell the juice in 1000ml tetra packs and are in direct competition. To avoid competition, the management of both the companies decided to merge and form a new company 'Asli Healthy Juice India Ltd'. The new company decided to sell the fruit juice through the company owned outlets throughout the country. Name and explain the Enterprise Growth Strategy. 2
- Q26.** From the following information obtained from the financial statement of Bites Ltd., calculate Return on Equity. 2
Net Income earned ₹ 10,00,000
Equity ₹ 5,00,000
Or
From the following information, calculate ROI
Net profit before interest and taxes ₹ 9,00,000
Capital Employed ₹ 45,00,000
- Q27.** Iqbal runs an electrical shop in Lucknow. The most sold product in his shop is ceiling fans. The annual demand for fan is 32000 units. The annual holding cost per unit is ₹ 192. The cost incurred in placing an order is ₹ 3000 Calculate the Economic Order Quantity of ceiling fans. 3
- Q28.** Karim, after completing class XII exam from his village school joined the course of electrician in an ITI in town near his village. On completion of the course he tried for a government job but could not get the same. He, therefore decided to help as a worker to a renowned electrician in that area. After working with him for two years, he decided to start his own electrician shop in the village. For this he purchased equipment for ₹ 10,000 and took a shop at a monthly rent of ₹ 2,000. He decided to manage the shop himself. 3
Identify the form of business organization started by Karim. Also state any four characteristics of such a form of business organization.
- Q29.** Lalit, a small entrepreneur, is manufacturing portable fans with the brand name 'P-Fan'. These fans are in great demand. He finds that the cost of production of per unit of the fan is ₹ 800 and he can sell the same at ₹ 1000 per fan. The competitors in the market are selling this type of fan at the rate of ₹ 1200. Lalit's objective is not to earn profit in short run but to capture the largest market share. His expectation is that the customers will be attracted towards the new brand because of lower price. 3
Identify the method of pricing adopted by Lalit to capture the substantial portion of the market. Also state any two advantages of this method of pricing.
Or
Shilpi Ltd started the manufacturing of herbal toothpaste. They researched that large number of established enterprises were also manufacturing the similar type of products. To recover the investment, a high price was determined for the toothpaste even if they have to sacrifice high sales. The quality conscious customers were ready to pay the high price as they understood the product's value and its features.
Identify the new pricing method that was adopted by Shilpi Ltd. Also state any two disadvantages of new pricing method identified.

- Q30.** Writing Instruments Ltd. is engaged in manufacturing and distribution of Ballpoint Pen, Sketch Pen and Gel Pen. Product Ballpoint Pen Sketch Pen Gel Pen Sales price/unit 40 45 75 Variable cost/unit 20 30 40 The total fixed cost is Rs.75,000 per month. For the coming month, it expects the sale of three products in the ratio – 2:1:2.

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

Or

ABC Ltd. Started a business of making three types of sewing machines Asha, Heera, Panna. From the following information calculate point in units for the company and suggest which variety is most revenue generating. Fixed cost are ₹ 15,20,000.

	Asha	Heera	Panna
Sales price	800	450	600
Variable cost	400	150	200
Sales mix	50%	20%	30%

- Q31.** Choose an innovative product or services and create its tagline, brand name, logo and define its USP. 4

- Q32.** Differentiate between ATL and BTL. 4

- Q33.** “Sensitivity to environmental factors is essential for an entrepreneur”. In light of above statement explain the importance of environment. 6

Or

Explain the PESTEL model.

- Q34.** Bob, Penny, Honey and Lily were childhood friends. They studied together till class XII. Bob and Penny became doctors and Honey and Lily became engineer. All of them had good earnings. They were creative and innovative and wanted to start a business. Bob and Penny gave an idea to manufacture a machine which would help the surgeons in doing surgery without much blood loss. Honey and Lily agreed to it, but they were short of capital. They estimated that approximately ₹ 2 crores would be required to finance the project, which would be collected from their friends and relatives. They also wanted that their private properties should not be used to pay-off the liabilities of the business. 6

Considering the above facts suggest the suitable type of business organization to be formed. State any three features and any four privileges of the suggested type of business organization.

- Q35.** Sonu and Monu completed their education from Delhi University. Sonu lived near the university whereas Monu had to go back to his village in Assam. Both of them wanted to start their own business. Since the Government announced ban on the use of polythene bags, an idea struck to them to start a jute bag manufacturing business. Sonu thought that he would get the advantage of University area to market the jute bags and can earn good profit. He also had necessary funds. Therefore, he started manufacturing the bags immediately. Due to not having any experience of the field he sold the bags on less margin to meet tough competition. 6

As a result, his business failed in few years. On the other hand, Monu was happy because the raw material was available to him at a low cost in Assam and people of his village were ready to work at a lower wage because of lesser job opportunities. Not only this, before starting the business Monu did some research on cost structure, the market, about the competitors and strength and weaknesses of the business.

Based on the above case, identify and explain causes of failure of Sonu’s business in comparison to Monu.