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**INDIAN SCHOOL SOHAR  
PRE BOARD EXAM  
ENTREPRENEURSHIP**

**Date: 11/01/2017  
STD: XII**

**Marks: 70  
Time: 3hrs**

**General Instructions:-**

- (i) Answers to questions carrying 1 mark each should not exceed 15 words.
- (ii) Answers to questions carrying 2marks each should not exceed 50 words.
- (iii) Answers to questions carrying 3marks each should not exceed 75 words.
- (iv) Answer to questions carrying 4 marks each should not exceed 150 words.
- (v) Answers to questions carrying 6marks each should not exceed 250 words.

1. State any two objectives of problem identification. 1
2. What do you meant by mutual agency partners? 1
3. An entrepreneur has decided to open a retail outlet to sell fast food items like pizza, noodles etc.in the rural areas. Do you think his decision is correct? Give any one reason identifying the environmental factor helpful in taking this decision. 1
4. Name the two state level specialized financial institutions 1
5. Identify the merger that take place between two companies that deal in the same products but in separate markets. 1
6. Explain 'utility creation' as a characteristic of business. 2
7. Airline revenues are very sensitive to business traffic. Identify the environment highlighted in this statement. Name some aspects of this environment. 2
8. 'All the business planned for sales volumes and revenues, resource quantities, cost and expenses etc. Identify the concept involved in the planning and state any two benefits of this concept. 2
9. Dileep's business has been operating successfully for 2 years. He decided to expand. He wanted his business to grow, but he did not have enough funds. His wife advised him to ask one of his friends to invest in his business. Dileep took her advice and admitted his friend Rakesh into his business with equal sharing of profits and losses.
  - a) What form of business was Dileep following initially
  - b) What form of business he changed to afterwards. 2
10. State any four functions of IDBI. 2
11. KFC is one of the best widespread international fast food joint. KFC believes in making a perfect chicken with extraordinary menu and providing hygienic, courteous and helpful service every single

time.it gives its customers a memorable dining experience and induces them to come back which is based on consumers perception of value received.

Keeping porter's value chain in mind, give the different primary activities performed by KFC.

What values are exhibited by this MNC through this activity? 3

12. After completing his MBA from NIPS, Bangalore, Vivek decided to start his own business by taking the franchise of 'Ferns&Petals'.since this is Vivek's first venture, advise him about the main clauses of a franchise agreement. 3

13. Ganga Dhar was working as the production manager in a German company. The company was producing remote operated high-end kitchen equipment's. He resigned from his job and returned to his hometown, Patna. In Patna he met his old friend Aditya, who had been managing his factory producing steel utensils with old technology. Ganga Dhar encouraged Aditya for the production of high end kitchen equipments. He also promised to help Aditya by providing funds and expertise so that the production unit runs by Aditya can develop into a big production house and its investors may get high returns on investment.

Identify the kind of 'Source of capital' provided by Ganga Dhar to Aditya and explain the same. 3

14. The Apple iPhone, a smartphone was launched by Apple in January 2007 in North America and when it went on sale it quickly sold out.it has launched the sixth generation phone, i.e., iPhone in 2012.the latest is iPhone 6+. Apple has been doing continuous research and development to attain this position, it has invested a lot into R&d.it prices its latest phone quite high.

a) Which pricing strategy is being followed by Apple?

b) Explain advantages and disadvantages of the same. 3

15. Midhun manufacturing Company, a leading company of housing sector registered a turnover of 2000 crore in 2015-16.this spectacular progress prompted the directors of the company to look out for further growth plans. The company has decided to grow externally through the process of mergers and acquisitions. The directors of the company want to know the process of mergers and acquisitions. The directors of the company want to know the process of M&A. You are required to give them a brief outline of the process. 3

16. Radha who graduated in Horticulture, was a gold medalist. She was not getting clients as she had developed large variety of plants in the garden. She wanted to pursue it as her career. Infact her father also had a piece of agriculture land 10 kms away from where she lived.

She could also see lot of opportunities for her business in hotels, marriage, offices etc.to provide plants and flowers. Threats existed in terms of some large players in the business.

- a) Radha is trying to do what type of analysis?
- b) Explain the same. 3
17. Scanning of opportunity is the link between 'Sensing opportunities' and 'entrepreneurial success'. Explain this statement with a suitable example. 3
18. RW, a public limited company collects waste from houses, offices and factories. Most of the waste is burnt to produce heat and electricity for the company's own use. This saves the cost for the company. But recent increase in customers has increased waste and now it has started dumping waste in old quarries where it is causing bad smell and gas emissions.
- In its business plan it has stated 'RW will become country's number one waste business and will protect the environment for our children's benefit'.
- (i) What is the difference between private limited and public limited company? Give one difference.
- (ii) The company's goals do not appear to be completely S.M.A.R.T. Do you agree? Give reasons.
- (iii) What values are not taken care by RW (any two)? 4
19. Neeraj, an entrepreneur, is living in a beautiful village of Himachal Pradesh. This village was very famous for its natural beauty but very few people knew about it. Due to his entrepreneurial inclination he always tried to find out the opportunities. People of the village are very poor as they are mostly dependent on farming. Neeraj thought of starting 'Holiday Resort' with cultural centre, restaurant and other facilities in the village. All the villagers agreed and supported Neeraj for this project. They agreed to co-operate to make this project a success. Neeraj needed capital of 3 crore for this project.
- a. Which of the financial institution is most suitable for him?
- b. Explain the same. 4
20. You are an entrepreneur who is deciding the operational plan for your business. While deciding the technology to be used, you come across three alternatives:
- a. Use a cheaper technology which lets you dispose of the waste and lets you fix the price of your product at lower level.
- b. Use technology that is little expensive as it lets you recycle that waste water into water fit for drinking. In this case, you will have to fix the price a little higher in order to earn profits.
- c. Use the technology that recycles the waste, do not increase the price and go about cost cutting through efficient utilization of resources.

Give reasons for your selection of an alternative.

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21. 'Good wash Limited are the manufactures of different sizes of fully automatic washing machines marked as small medium large and industrial. From the information given below, calculate the break even quantity of the machines manufactured per month. 4

Machine	Unit selling price(₹)	Unit variable cost(₹)	Fixed expenditure per month(₹)
Small	10,000	3,000	35,000
Medium	15,000	8,000	35,000
Large	20,000	13,000	70,000
Industrial	35,000	20,000	1,50,000

22. Anjali exports a leading export house wants to diversify its business from cotton ladies dress, suits to bed sheets, handicraft items, etc. Because of demand in foreign countries. For this she required capital of ₹1 crore. She decided to take this amount as loan from bank of India for a period of ten years.in order to avoid any kind of risk; she conducted a market survey to have an edge over the competitors and to maximize its profit, capturing foreign markets.

a) Identify the type of plan Anjali export has to make to analyse her business situation.

b) Also explain the various steps in preparing such plan

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23. These are convenient frames of reference for streamlining the process of generation of ideas. Identify them and explain them briefly with suitable examples. 6

24. Calculate ROI AND ROE on the basis of given information:

You have started a beauty parlor business, you spend ₹1, 50,000 to open the parlor of which you invested ₹70,000 of your own money and borrowed a loan for ₹80,000.interest rate p.a is 7%.sales revenue per month is ₹80,000.cost of goods sold is ₹30,000 per month. Fixed expenses are ₹30,000(salary ₹20,000, rent ₹10,000), depreciation ₹3000 and tax @14%. 6