



INDIAN SCHOOL SOHAR
PRE-BOARD EXAMINATION (2018-19)
SUBJECT: ENTREPRENEURSHIP (066)

CLASS: XII**DATE: 17/01/2019****MAX. MARKS: 70****DURATION 3 HRS**

General Instructions: -

- a. This paper contains 24 questions in 5 parts and all questions are compulsory.
- b. There is no word limit for numerical questions.
- c. The instructions for each part are given separately. Read them carefully and follow.

Part A

This part contains 5 questions carrying 1 mark each. Answer to these questions should be from one word to one sentence.

1. What is idea germination? 1
2. Define franchising agreement. 1
3. Name the two factors on which the accuracy of Cash Flow Projections depends upon. 1
4. Patamadai, a small town resides along the banks of the Tamaraparani river, 20Kms away from Tirunelveli in Tamilnadu. This place is world famous for its silken mats woven from grass. The majority of mats made in here have cotton warps and korai wefts. The process of mat weaving is time consuming and painstaking. This handicraft industry has gone through a cycle of transition from being most coveted to the most ignored. Producers had changed the method of production but off late many of them are reverting back to traditional methods of dyeing and processing the korai grass. Mass production now requires more finance. Which financial institution these producers should approach for help? 1
5. Explain the meaning of ATL & BTL. 1

Part B

This part contains 5 questions carrying 2 mark each. Answer to these questions should be in 50 word to 75 words.

6. Specialized Financial Institutions are an important source of finance for certain industrial units. Name any such units. 2
7. Masoori is famous for its pristine beauty. Ariel Pvt. Ltd. wanted to build an ecofriendly amusement park which will not only be known for fun activities but will also educate the public about various sustainable development home projects. The company felt that it their duty to

- educate the present generation about Do-it yourself projects. This will bring awareness about saving our environment for a better future. The company estimated the project to cost around ₹ 15 crores. Which financial institution should they approach? 2
8. Why is SWOT analysis important in preparing the marketing plan? 2
9. TCW is a leading cool drink manufacturing company headquartered in Delhi. They decided to allow various vendors the opportunity to manufacture and sell their products in various parts of the country. The company will provide the raw materials for manufacturing the cool drink.
- Identify and explain the concept discussed in above para.
 - Explain any one type of franchising. 2
10. State any two types of utilities created by business activities. 2

Part C

This part contains 7 questions carrying 3 mark each. Answer to these questions should be in about 100 words.

11. Harsha is an entrepreneur manufacturing chocolate in the name 'Yummilicious'. She had started this venture in the year 2010. She attended various start-up meeting where several Angel Investors and Venture Capitalists shared their success story and mentored the new budding entrepreneurs. In one of these sessions she heard a mentor say that every entrepreneur should constantly and consistently aim to improve the products and services already existing in the market. Taking this cue, Harsha decided to introduce wafers, lollipop and hard candy under the same brand name. Explain the benefits as to why Harsha is doing so? 3
12. Subeer, a tech-entrepreneur and his friend Harish, an investment banker planned to start a business organization where they can exercise control over the business, manage it with limited liability and that its continuity is not affected by entry or exit of members. They intend to maintain the confidentiality of the business operations as well.
- Identify and explain the form of business organization best suited for them.
 - Explain any three characteristics of this organization. 3
13. A stationery shop sells 30000 pens per year. Purchase cost is ₹ 2 per pen, holding cost is 20% of the purchase cost, ordering cost is ₹ 15. Calculate the Economic Ordering Quantity for the stationery shop. 3
14. Explain any three features of stock exchange. 3

15. What are the different types of acquisition? 3

16. The United Company manufactures three product Lipsticks, Eyeliners, Nailpaints. The variable expenses and sales price of all these products are given below:

Product	Lipsticks	Eyeliners	Nailpaints
Variable cost per unit	₹ 100	₹ 75	₹ 25
Sales price per unit	₹ 200	₹ 100	₹ 50

The total fixed cost is ₹ 50,000 per month. For the coming month, it expects the sale of three products in the ratio: Product X :20% Product Y: 50% Product Z :70%.

Compute the break-even point of the company in Rupees and in units for the coming month. 3

17. Define the following terms related to stock and stock market trading: 3

- a.Open
- b.High
- c.Limit order
- d.Short selling
- e.Offer
- f.Bid quantity

Part D

This part contains 4 questions carrying 4 mark each. Answer to these questions should be in about 150 words.

18. Explain any four factors to be taken into consideration for selecting channels of distribution related to a market. 4

19. Soumil wants to buy a house. The seller wants ₹ 20lakhs, but Soumil is willing to pay only ₹ 17 lakhs. 4

- a. Identify and explain the form of negotiation method would be appropriate for Soumil.
- b. Explain any other three forms of negotiation.

20. Explain any four importance of stock market from the viewpoint of investors. 4

21. What is working capital? What is the need for working capital? What value is exhibited by the business by maintaining adequate working capital? 4

Part E

This part contains 3 questions carrying 6 mark each. Answer to these questions should be in about 200 words.

22. Ravi was very thrilled with his new job. He was placed in a small factory manufacturing door knobs as a stock keeper. After a few days, while taking stock he understood that nuts and various small parts constituted majority of the cost of production. After sometimes, the firm went into a loss and the owner decided to look into the various factors that could have constituted the loss. Ram expressed his concern that inventory was not properly maintained and that there are various techniques which are involved and if followed properly the company will not be in a loss. The owner agreed to the suggestion. He also decided to take help from some specialized government institution initiate steps for technological up gradation, and modernization of existing units.

a. What technique was suggested by Ravi? Explain it.

b. Which specialized financial institution is the owner thinking of approaching.

c. Explain any three objectives of this institution.

6

23. Resham has started a restaurant on a National Highway in the name of 'Hamara Dhaba' by spending ₹ 20,00,000. He invested ₹ 800,000 of this own and took a loan of ₹ 12,00,000 from SBI@6% per annum. His monthly sales revenue is ₹ 12,00,000 and cost of good sold is ₹ 7,00,000. He pays monthly salary of ₹ 2,00,000 to his employees. The tax rate is 25%. Calculate Return on Investment and Return on Equity for Resham.

6

24. Unicon Ltd. and Nahata communications provide cable TV network in adjacent areas of Delhi. After sometime the market was slowly taken over by big cable companies. Both Unicon Ltd. and Nahata communications understood the competition and decided to come together so as to increase their markets share. This strategy helped them in cost saving through economics of scale as they could cover more areas now. It led to the overall growth of both the companies.

a. Identify and explain the enterprise growth adopted by the two.

b. Explain any five benefits that the companies have after this arrangement.

6
