



INDIAN SCHOOL SOHAR
PRE-BOARD II EXAMINATION (2023-2024)
ENTREPRENEURSHIP (066)- SET:2

Class: XII
Date:10/01/2023

Max Marks: 70
Time: 3 Hrs

General Instructions:

1. This question paper contains 34 questions.
 2. The question paper contains 4 sections - A, B, C and D
 - 2.1. Section A contains multiple choice questions
 - 2.2. Section B - 2 marks; Answers to these questions may be from 30-40 words.
 - 2.3. Section C - 3 marks; Answers to these questions may be from 50-75 words.
 - 2.4. 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.
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SECTION: A

1. Rohan and Aman are partners in a car parts manufacturing company. They are planning to expand their business and in order to grow Rohan suggested to merge with another car accessories company, however Aman wanted to acquire another car accessories company. Both mergers and acquisitions are enterprise growth strategies, but how they come into existence makes them different from each other. Which of the below statements justifies the given statement?
 - a) Merger is always friendly, whereas acquisition is always hostile.
 - b) Merger may be friendly, whereas acquisition is always hostile.
 - c) Merger is always dependent on synergy, whereas acquisition is never based on synergy.
 - d) Merger is consensual, whereas acquisition is forced.
2. Manju started a factory for manufacturing school bags for primary school children. She invested ₹ 5,00,000 on her own and took a loan of ₹ 5,00,000 from the bank. She formulated an instructional plan describing the details that are needed by management. Identify the format of business plan described here.
 - a) A pitch deck with oral narrative
 - b) An internal operational plan
 - c) Elevator's pitch
 - d) A written presentation for external stakeholders
3. Which of the following is an objective of public relation? (1)
 - a) It works towards promoting smooth functioning of the business.
 - b) It helps in building a corporate image.
 - c) It acts towards promoting the products and services.
 - d) All of the above
4. Evaluate the statements given below and choose the most appropriate option from the following: (1)

Assertion (A): Penetration Pricing method discourages the entry of competitors.

Reason (R) : Penetration Pricing method can result in fast diffusion and adoption.

 - 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.

- a) Above the line
- b) Below the line
- c) Through the line
- d) Both below the line and above the line

13. Radhika is an innovative entrepreneur. She has decided to open the business of plastic bricks. But before implementing her project, she wants to investigate the marketability of this idea. An angel investor is ready to fund her investigation. Identify the form of finance Radhika is availing of. (1)

- a) Seed Financing
- b) Pre-launch Financing
- c) Start-up Financing
- d) First-Stage Financing

Read the following text and answer the questions based on the text. (1)

'Safe Journey Travel' is a forthcoming cab service. It was not easy for the organisers to execute these services as the organisers knew that they are entering a highly competitive market. They gathered information on existing cab services and changing customer preferences and incorporated those observations into their operations. In order to reach the customers quickly, they developed a customer friendly 'app' to book, track and trace the cabs always. To create an environment of trust, all drivers were grouped into two shifts: 8 a.m. - 8 p.m. and 8 p.m. - 8 a.m. GPS systems were installed in all cabs to monitor their movements. There were different modes of payments services offered to customers. The fare payment can be made by an e-wallet, through the 'Safe Journey Travel' Smart Card, by Cash on Delivery or by debit/credit card. As soon as the services were launched, customers started liking it and feeling secure and in no time their services became a grand success. Which of the following concept helped the company to success.

14. Which of the following concept helped the company to succeed? (1)

- a) Environment Scanning
- b) Problem Identification
- c) Idea Fields
- d) None of the above

15. Why it is important for 'Safe Journey Travel' to scan the environment? (1)

- a) Organizations gather information on changing conditions.
- b) The right information can determine an organization's future viability.
- c) Both (A) and (B).
- d) None of the above

16. Which of the following importance of environment helps in identifying threats and opportunities in the market? (1)

- a) To get first mover advantage
- b) Formulation of strategies and policies
- c) Tapping useful resources
- d) Better performance

17. "As soon as the services were launched, customers started liking it and feeling secure and in no time their services became a grand success. Identify the importance of environment scanning stated in the above line. (1)

- a) To get first mover advantage
- b) Better performance
- c) Tapping useful resources
- d) Image building

18. Priya joins a Publication Company that publishes a monthly magazine "Lifestyle". It covers articles related to fitness, clothing, gadgets, cooking etc. Priya had joined the clothing division of the magazine. Her divisional head explained her nature of work of the division. She also informed Priya that in addition to visit to local mall, she would have to attend 'Power lunches' on the first Monday of every month. Out of the following, identify the way of spotting trend, the divisional head is talking about.

- a) Talk trend
- b) Think trend
- c) Watch trend
- d) All of these

SECTION: B

19. ABC Stores sells 1000 insulated water bottles annually. Demand for the product is uniform. Purchase Cost per bottle is ₹ 50. Holding cost per annum is 10% of purchase cost. Ordering cost is ₹ 100 per order. Calculate the Economic Ordering Quantity for bottles? (2)

20. V.M. Ltd is a leading mobile phones manufacturer in India. The company decided to launch a new model (2) which will have in-built software for hands free use and enhance the customer experience through 3D photos. They are also looking into ideas to use eco-friendly recyclable materials for the body of the phones that may cause negligible damage to the environment. Identify and explain the factors of the PESTEL model discussed here.
21. State four components of a sales strategy. (2)

OR

Vector Ltd., is in the fast-moving consumer goods industry. They introduced a new variety of biscuits in the market. It has high fiber content with different new flavours incorporating various multigrain. Create a tagline for the product and state which promotion strategy should be used by Vector Ltd.

22. "The process of 'generation of ideas' can be streamlined by developing an awareness about it and these (2) work as the convenient frames of references for this". State any four sources of the concept identified in the above line.
23. Differentiate between internal expansion and external expansion. (2)
24. 'Saplings' is a successful brand name in the field of playschool across the country. They decided to increase (2) the number of branches all throughout the country. For this purpose, they decided to give exclusive rights to individuals in return for a regular payment. The various conditions included were: Interested individuals need to have minimum 2000 feet area and are ready to invest around ₹ 10,00,000 in the business. Books and uniform to be procured from Saplings headquarters only. Content, technical and accounting assistance would be provided. Teacher training is also providing for a month. Identify and explain this type business opportunity offered by 'Saplings'.

SECTION: C

25. Franchising is advantageous for both franchisor and franchisee. Explain three advantages of franchising for (3) the franchisee.
26. Ragini, a career-oriented mother, hardly got time to cook for the family. She decided to hire a cook but was (3) not able to find one who could cook according to the taste of the family. Her sister Abha sensed that this problem is not only faced by her sister but also by many working women. She launched a website-'Dial for food' where who had housewives' who had culinary ability and were interested to cook could drop in their contact details and household where specific cuisine was required could leave in their requirements so that through the website home cooked food could be delivered. The website mainly helped in identifying the requirement and fulfilled it through providing delivery service. Here Abha used her sharpened skill of observation, analysis and synthesis to identify an opening.
- Identify and explain the process used by Abha to start her new business
 - Explain any two factors involved in this process.

OR

It is the process of entrepreneurship which involves the translation of a useful idea into an application which has commercial value. It takes persistent effort to work out analytically the details of the enterprise or service, to develop marketing strategies, to organize finances and strategize operations.

- Identify and explain the concept mentioned in the above lines.
 - Explain any four elements of the same.
27. Rajesh was a chemical engineer working for a company selling insect killer spray. He was aware how this (3) product could harm the health of the users and was constantly looking for ways to improve the product. Filled with innovative zeal, he worked hard and developed a mosquito repellent which produces sonic waves to drive away mosquitoes. It is non-smoky and does not emit any kind of fragrance or odour. It was safe to use as the sonic waves do not affect human beings or plants. He decided to name his product as 'Dengularia Free'. The product was to be packed in a corrugated box with an extension cord as free gift. Its price was

fixed at ₹ 260 per unit that will cover all the cost of production and a minimal percentage of profit. A replacement warranty for one year will be given as an introductory offer. He decided to sell this product through agents who will sell to both, the wholesalers and retailers depending upon the market to be catered. Quoting the lines from the above para, identify any three elements of marketing mix used by Rajesh.

28. Vishal is a Production Manager, for smooth and coordinated flow of work within the factory, he had to pay attention towards various elements like ensure predetermined quality of products, he had to compare the performance with established standards etc. (3)
- a) Identify and explain the element being discussed above which is related to one of the components of a 'Business Plan'.
 - b) Explain any two other elements of the identified concept.
29. Explain any three types of acquisition? (3)

SECTION:D

30. Abhimanyu Industries Ltd. had professionals and experts to draft a comprehensive yearly document with all the relevant details of internal and external elements of the venture. This document acts as a decision-making tool for the management. The Chief Executive Officer of the company always pays special focus on one element of this document that ensures the timely availability of funds in right volume to ensure the success of the entrepreneurial venture. (5)
- a) Identify and explain the 'comprehensive yearly document' being prepared by Abhimanyu Industries.
 - b) How is this plan work as a 'decision-making tool' for the management?
 - c) Identify and explain the element Chief Executive Officer of the company always pays special focus.
 - d) Explain any two components of the above identified element in Q.(c).
31. Adas Ltd. and Galria Ltd. deals with men and women shoe manufacturing respectively in Mumbai and Gujarat. After sometime the market was slowly taken over by big shoe company. Both Adas Ltd. and Galria Ltd. understood the competition and decided to come together so as to increase their market share. This strategy helped them in cost saving through economies of scale as they could cover more areas now. It led to overall growth of both the companies. (5)
- a) Identify the enterprise growth strategy adopted by the two.
 - b) Explain any four benefits that the companies have after this arrangement.
32. Geeta 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 colouring and are being imported from other countries. The technology to be used by Geeta is new and untried involving high risk factors along with high growth potential. She wants to raise funds for her project from such a source that provides private equity capital as seed funding to early stage, to give shape to her ideas. (5)
- a) Suggest and explain to Geeta the source of finance from where she can fund her project.
 - b) Explain any four features of the suggested source of finance.
33. Explain the steps of creative process. (5)

OR

Explain the first five steps involved in opportunity assessment.

34. The Baked popcorn Deight Ltd. is a well-known name in breads and bakery products. It has diversified into flavoured nuts popcorn. The two were introduced as smart, snacking options for health and diet conscious people. To start with, both will be sold in a standard packing of 50 gm. each. Fixed cost for these will be ₹1,00,00 Sale price and variable cost as follows: (5)

Particulars	Classic salted nuts	Flavored nuts
Sales price per unit (₹)	120	80
Variable cost(₹)	70	30
Sales mix (%)	40	60

From the given information calculate BEP in units and in rupees.