



INDIAN SCHOOL SOHAR
TERM I EXAMINATION (2023-2024)
ENTREPRENEURSHIP (066)

Class: XII
 Date: 28/09/2023

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
 - 1.1. Section A contains multiple choice questions
 - 1.2. Section B - 2 marks; Answers to these questions may be from 30-40 words.
 - 1.3. Section C - 3 marks; Answers to these questions may be from 50-75 words.
 - 1.4. 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.

PART: A

1. Pankaj is running a chemist shop under the name 'Bansal Medicos' in Ashok Vihar Market. He takes all the decisions about business himself and there is no interference from others. He also earns good profit as a direct reward for his risk bearing. The form of business organization in which Pankaj is engaged, is.....
 - (a) company
 - (b) sole-proprietorship
 - (c) partnership
 - (d) co-operative
2. Which of the following is a feature of Joint stock company?
 - (a) Voluntary association
 - (b) Artificial person
 - (c) Separate legal entity
 - (d) All of the above
3. Given below are the elements of operational plan with its meaning. Match them correctly.

	Elements of operational plan		Meaning
A	Routing	(i)	Initiating Production in accordance with preconceived production Plan
B	Schedule	(ii)	Comparing materials, products or performance with established standards
C	Dispatching	(iii)	Determining the exact route or path
D	Inspection	(iv)	Fixations of time, date, and day when each operation is to be commenced

 - (a) A. (iii), B. (iv), C. (i), D. (ii)
 - (b) A. (i), B. (iv), C. (ii), D. (iii)
 - (c) A. (ii), B. (iii), C. (iv), D. (i)
 - (d) A. (ii), B. (i), C. (iii), D. (iv)
- 4.



- Identify the element of branding depicted in the given image:
- (a) Logo
 - (b) Brand
 - (c) Tagline
 - (d) Brand mark
5. Priyam composed a music piece for a song and the lyrics were written by him. He wishes to legally protect his creation. He can getfor his lyrics and music piece.
 - (a) patent
 - (b) trade mark
 - (c) copyright
 - (d) trade secret

6. Krishiv manufactures lamp shades in his cottage industry, where labour intensive techniques are used. He is selling these lampshades under the brand name 'U-lite'. They are in great demand as now a days interior designers are using lamp shades to give an aesthetic look to the houses they design. For Krishiv, the per unit cost of each lamp shade is `₹ 450` and he sells it for `₹ 900`. Similar lamp shades are available in the market and on online websites in the range of `₹ 1,000` – `₹ 1,100` per unit. The pricing strategy used by Krishiv is the one where the price of the product is initially set at a price lower than the eventual market price to attract new customers. His objective is to increase the sales volume, rather than to make profit in the short-run. The pricing strategy adopted by Krishiv is: (1)
- (a) Cost plus pricing (b) Penetration pricing
(c) Skimming pricing (d) Variable pricing

7. Evaluate the statements given above and choose the most appropriate option from the following: (1)
- Assertion (A):** A problem is a roadblock in a situation that forces the entrepreneur to find its solution.
Reason (R): One of the objectives of problem identification is to identify the target group facing the problem.
- (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.

Read the following article written on “WHY TREND-SPOTTING IS CRUCIAL TO STAYING AHEAD” and answer the questions from question number 8 to 11.

In every field in the business world, trends in customer behavior and technological innovation are changing more rapidly than almost any organization can handle. If you asked any business leader today, she or he would most likely tell you that her or his company is struggling to anticipate these see changes. The future of an organization’s profitability and sustainability is determined by many factors – some of which are beyond the control of the organization. Yet how senior management assesses macroeconomic adjustments, demographic shifts, technological advances and new levels of customer demands – based on behaviors and other social dynamics – will determine their organization’s long-term viability. Thus, senior managers need to find more efficient ways of interpreting the world around them and prioritizing the application of resources to remain competitive. One of the keys to business success is to anticipate what the market will want or need before the entrepreneurs are aware of it themselves. Since it’s unlikely for an entrepreneur to see into the future, the best way to do this is to become a trend-spotter. It means identification of new trends. This is of great help for the entrepreneur to come out with the products which are according to the trends of the market. So entrepreneurs can become trendspotters. The least costly way to gain market intelligence is to create a dialogue with your customers. The goal is to discover customer preferences, needs and wants. Thus entrepreneurs are using different ways to spot out trends in the market like Read trends, Talk trends, Think trends and Watch trends.

8. Entrepreneurs scan information from a wide variety of sources - from international news to niche bloggers focused on specific aspects of their industry. They use tech–tools like RSS feeds, e-mail newsletters or websites and forums to keep on top out of all and get the information they want. They understand quickly which sources are valuable and which should be avoided. Which way of trend spotting does this indicate? (1)
- (a) Read trends (b) Talk trends
(c) Think trends (d) None of these
9. As they absorb and mull about what they have read, heard and observed, they will start to make (1)

- connections and observations that will lead to business-boosting insights. Which way of trend spotting does this indicate?
- (a) Read trends (b) Talk trends
(c) Think trends (d) None of these
10. They get involved in specific industry's trade association and attending events both online and offline. They also take advantage of social networking tools like social network websites and forums. They even start or join groups on the networks and see what people are buzzing about and about the latest trends. Which way of trend spotting does this indicate? (1)
- (a) Read trends (b) Talk trends
(c) Think trends (d) None of these
11. There is no substitute for getting out in the marketplace. They make it a point to regularly go where their target customers hang out to observe What stores or restaurants draw crowds and which sit empty. Which way of trend spotting does this indicate? (1)
- (a) Read trends (b) Talk trends
(c) Think trends (d) None of these
12. Vikram, a new generation high tech. farmer is involved in organic farming. He realized that there was a huge market for his fruits and vegetables as people have become diet-conscious and prefer to eat healthy food. Keeping this in mind, he decided to open salad bars and organic fruit juice corners in prominent malls in Delhi. Now he needs a 'roadmap' for himself to start the venture. The term used for 'road map' is..... (1)
- (a) Environment scanning (b) Business plan
(c) Marketing research (d) Planning
13. Evaluate the statements given above and choose the most appropriate option from the following: (1)
- Assertion (A):** Manufacturers goodwill affects the selection of channel of distribution.
Reason (R) : A company which has a strong financial base can evolve its own channels.
- (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.
14. are the two sources of finance. (1)
- (a) Fixed and working capital (b) Debt and equity
(c) Cash and income (d) None of the above
15. Break-Even Point is the level where: (1)
- (a) The revenue generated is equal to all the expenses required for generating the revenue.
(b) the revenue generated is less than all the expenses required for generating the revenue.
(c) The revenue generated is more than all the expenses required for generating the revenue.
(d) Both (a) and (b).
16. A brand is a ----- (1)
- (a) name and term (b) sign and symbol
(c) design and combination (d) all of the above
17. State whether the following information is True/False. Give the reason for your answer. (1)
- Individual brand name means giving a common or successful family name for the several products.
18. "The packet of a 'Good day' biscuit will display all the necessary information such as ingredients list, weight, manufacturing date etc.". Which component of product mix is highlighted in the following lines? (1)
- (a) Branding (b) labelling
(c) Packaging (d) None of these

PART:B

19. The annual quantity of Jackets sold by Meghana Wool Mart is ₹ 12,000 at the rate of ₹ 1000 per jacket. The cost of placing an order and receiving goods is ₹ 500 per order. The inventory holding cost is ₹ 300 per annum. What is the Economic Order Quantity for Meghana Wool Mart? (2)
20. Neetu, while visiting her friend in Kashmir, found it to be an ideal place to start a high school. She started scanning and screening the environment and collected the following information. Using PESTEL model, categorize the information. (2)
- (a) Kashmir is rich in flora and fauna, free from air and land pollution.
 - (b) Local Kashmiris get subsidies to open school in backward areas of Kashmir.
21. Vineet, Vipul and Virad were good friends. Each had the property of ₹ 5 lakhs, ₹ 74 lakhs and ₹ 6 lakhs respectively. They started a business of exporting ready-made garments in the name of V3 Friends and decided to share profits equally. They were earning good profits and thus decided to diversify their business. For this, they took a loan of ₹ 10 lakhs from 'Vishad Finance Ltd'. Suddenly they incurred heavy losses in their business and were not in a position to repay the loan. Vishad Finance Ltd. filed a case against V3 Friends. The court ordered to recover the loan amount from the private property of Vineet, Vipul and Virad. (2)
- (a) Name the form of business organisation run by Vineet, Vipul and Virad.
 - (b) Explain any one characteristic of the identified business organization in the above question.
22. Arpit, an entrepreneur, was facing a shortage of capital. He was worried about the fact as to how his products will reach his customers. He met his friend who is at present working in a start-up firm. He explained to Arpit a way suitable for him to reach his potential customers. (2)
- (a) Identify and explain the channel of distribution adopted by Arpit.
 - (b) Give any two of advantages of this type of channel of distribution.
23. Sales mix is the promotion in which two or more products are sold. There are a few assumptions for the calculation of the breakeven point for the sales mix. Mention any four points of the same. (2)
24. "Information for environmental scanning can be collected from several sources". State any four such sources. (2)

OR

What is a sales strategy? Which are the two types of sales strategy that a business can implement?

PART:C

25. A grocery store sold in a day different quantity of different products at the prices indicated against them (3)
- (a) The number of customers are 50 find the unit price.
 - (b) The cost of each grocery item is 75% of its selling price
- From the given information calculate unit cost and Gross margin per unit of sale.
- | Products | Price per unit | Quantity sold |
|---------------|----------------|---------------|
| Dal | ₹ 40 | 35 kg |
| Chilli powder | ₹ 40 | 10 kg |
| Salt | ₹ 5 | 5 packets |
| Chips | ₹ 15 | 10 packets |
| Juice pack | ₹ 5 | 5 packets |
26. In the creative process when an idea re-surfaces in a realistic way and an entrepreneur comes out with a viable plan to give a practical shape by collecting raw material, arranging funds for the implementation of the idea. (3)
- (a) Identify and explain the creative process step given in the above lines.
 - (b) Explain any other two steps in creative process.
27. 'Mittil Ltd.' is manufacturing of soft toys for children. The company is in the process of (3)

developing a prototype for a talking pillow, "Talk O Hug", which would enable parents to convey messages to their children when they are away at work. The mechanism is such that the message is recorded in the device in the pillow and the moment the child touches the pillow; the speaker sensors would repeat the message recorded by the parents for their children. Though an innovation for India, imported versions of this product are already available in the market. The management wanted to device a pricing strategy to target the 'switches' is a present in the market.

(a) Identify the pricing strategy that management is planning to adopt. State the marketing objective of the company behind this pricing decision.

(b) State any one advantages and disadvantages of adopting the pricing policy to 'Mittal Ltd.'

28. Sohan started a small-scale business of manufacturing and marketing pickles and named the same as 'Desi Achar'. He supplied the pickle in the whole city. Now he wants to expand his business in other cities. He discussed the same with his father, who suggested to Sohan to properly look into those conditions and forces which are external to a business under which it operates. On his father's suggestion Sohan carefully monitors the internal and external environment for detailing early signs or opportunities and threats that may influence its current and future plans.

(a) Which technique of business environment does Sohan's father suggested to him?

(b) Explain the any four Importance of above mentioned technique.

OR

Surya and his friend Chander are into developing environment sustainable products that are friendly and at the same time carrying value for the customers. They want to develop vegan leather by using Aloe vera. They met the officials from Venture Angles Company that promotes young entrepreneurs. Hopeful of a positive response they submitted a detailed, well-written, and pleasingly formatted plan.

(a) Identify and explain the format of business plan presentation used by Surya and his friend.

(b) Explain any other two formats for the same.

(3)

29. It is a basic tenet of business - before you can make money you have to figure out how to spend it. Drafting a budget is a key way to help you turn your dreams for business success into reality. Using this vital tool, you can track cash on hand, business expenses, and now much revenue you need to keep your business growing- or at least afloat. By committing these numbers to paper, your chances of succeeding with your business are helped by anticipating future needs, spending, profits and cash flow. It also may let you spot problems before they mushroom so that you can switch gears. "It's like a road map for your company," says Victor Butcher, of Butcher Financial Services in Memphis, Tennessee., a former president of the Tennessee Society of Certified Public Accountants' Memphis Chapter who advises small businesses. "You need the road map to understand where you're going with your business".

Identify and explain any three components of plan stated in the above article.

(3)

PART D

30. KPCL Ltd. Manufactures variants of green tea. From the following information, calculate:

(5)

- Contribution margin
- Weighted average contribution.
- Overall break-even point in units.
- Product-wise break-even points in units.
- Overall Break-even point in rupees.

Total fixed cost = ₹ 14,80,000

Product	X	Y	Z
Sales price	₹ 15	₹ 20	₹ 35
Variable cost per unit	₹ 9	₹ 13	₹ 18
Sales mix percentage	20%	20%	60%

31. Aarushi completed her Bachelor's degree in Management and decided to join Paras Pharmaceuticals. She was placed under the department which has a direct touch with the customers. Her supervisor Kumar explained that their department plays a very important function like SWOT analysis, target marketing, and formulating different strategies. Kumar showed her an existing plan and asked Aarushi to devise a plan incorporating all that he had explained. Identify and explain the first five elements involved in this plan. (5)
32. Dr. Bhim is a senior cardiologist and is concerned about the depleting health index. He researched and found that proper eating habits can improve the quality of life. He initiated MediBytes, a unique canteen, where the food is provided as per one's health needs. The food served at MediBytes has no fast food and no aerated drinks. It provides zero-oil food with all the basic nutrients required for the body. Later MediBytes is planning to open their branches in other locations also. (5)
- (a) Identify and explain the idea field that was explored by Dr. Bhim.
- (b) State any three idea fields with examples other than the one identified in question (a) .
33. Setting-up a business is not an easy task. An enterprise is a separate and distinct unit, institutionally arranged to conduct any type of business activity. It needs to combine the necessary things such as materials, tools, equipment, working space and bring together all of them in a systematic and effective manner to accomplish the entrepreneur's desired objective. Thus, every business entity needs to select an appropriate legal structure or framework to work in. This legal structure determines the extent of ownership and responsibility of proprietor(s). Appropriate form of organisation strongly influences the enterprise's success and future prospects. Once selected, changing the form is quite a complex, time consuming and costly affair. (5)
- (a) From the point of view of ownership and management, business enterprises may be broadly classified under three categories. Which are they?
- (b) In making a choice, many factors entrepreneurs want to take into account. Explain.

OR

- Amaze Ltd., is a company engaged in the manufacturing of air-conditioners. The company has four main departments-Purchase, Marketing & Sales, Finance, and Warehousing. As the demand for the product grew, the company decided to recruit more employees in the Finance department and Marketing & Sales departments. Identify the component of the business plan that will help the Human Resource Manager to decide and recruit the required number of persons for each department.
34. "Successful launch of a product depends upon various factors. Entrepreneurs have to keep in mind the various ways of reaching the customers and persuade them to buy their products". (5)
- (a) List out all the methods used by an entrepreneur to attract customers to buy their product.
- (b) Explain any three such methods in detail.