

## General Instructions:

- i) The question paper contains 4 sections- A, B, C and D.
- ii) Section A contains Multiple Choice questions.
- iii) Section B – 2 marks
- iv) Section C – 3 marks
- v) Section D – 5 marks

**SECTION – A**

1. An Idea which can be converted into an opportunity is based on the \_\_\_\_\_ of the customers: 1
  - a) Preferences
  - b) Dislikes
  - c) Opinions
  - d) All of the above
2. Which of these is not a part of 4C's of Credit? 1
  - a) Character
  - b) Cashflow
  - c) Collateral
  - d) Communication
3. Which of the following is an element of sensing the opportunities?
  - a) Ability to perceive
  - b) Insight into the change
  - c) Innovation
  - d) All of these
4. Which is the first stage in the process of innovation? 1
  - a) Idea germination
  - b) Creativity
  - c) Preparation
  - d) Incubation
5. The Board of Directors of a Joint Stock Company is elected by: 1
  - a) General Public
  - b) Government Bodies
  - c) Shareholders
  - d) Employees
6. Which of these actions of an entrepreneur will most likely result in creative destruction? 1
  - a) Developing a new product
  - b) Taking over a competitor's business
  - c) Issuing shares to individuals and institutions
  - d) Lowering prices of your product or service
7. What is the most common reason given for why people choose to become entrepreneurs? 1
  - a) To make a lot of money
  - b) To escape the long hours associated with corporate jobs
  - c) To be their own boss
  - d) To be able to retire early
8. Karan has learnt the art of zardozi work from his grandfather and father. He opened a designer boutique exclusively for bridal wear all by himself. He introduced new designs in his work which is highly appreciated by everyone. What form of Business Organization is operated by him? 1
  - a) Sole Proprietorship
  - b) Partnership
  - c) Private Company
  - d) Public Company
9. Ritu has completed her B.Tech in Textile Designing. She wants to start a ready-made garments manufacturing unit. She wants to manufacture trendy garments for children below the age of one year. She approached a popular trend spotter to help her with the same. The trend spotter demanded Rs. 2,00,000 from Ritu to help her. Looking at the high fee demanded, she decided to do the trend spotting by herself. She decided to identify the trend by talking to the parents of the newly born. The method that Ritu adopted to spot the trend is:
  - a) Watch trends
  - b) Think trends
  - c) Talk Trends
  - d) Read Trends
10. Which of the following plan helps to plan the work in such a manner that one can clearly form an idea about plant layout? 1
  - a) Operational Plan
  - b) Production Plan
  - c) Marketing Plan
  - d) Financial Plan
11. Assertion (A) : An entrepreneur takes risk.  
Reason (R) : An entrepreneur is self-confident. 1
  - 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 and Reason (R) is true.

12. Assertion (A) : The Brand name should be capable of being registered.  
Reason (R) : The Brand name should have a stable life, its life should not be affected by the changes in fashion or style.
- 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 and Reason (R) is true. 1
13. Assertion (A) : Needs and problems exists in the environment.  
Reason (R) : Opportunity is spotted by analysing the environment.
- 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 and Reason (R) is true. 1

Read the following article written on the basis of new developments in the field of toys for children and answer the questions from Q14 to Q18.

“Mittil Ltd” is a leading company for manufacturing soft toys for children. The company is in the process of 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 company has been doing enough research by reading through various media like newspapers, articles, magazines, internet about the usability and demand of the product. 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’ in the market.

14. Identify the pricing strategy that the management is planning to adopt: 1
- a) Cost plus pricing method
  - b) Penetration pricing method
  - c) Price Skimming
  - d) Variable Pricing method
15. The above selected method of Pricing will have the following advantage: 1
- a) It can result in fast diffusion and adoption.
  - b) It can result in recovery of research and development cost.
  - c) It can cater to quality conscious customers.
  - d) It can used to target early adopters of a product or service.
16. Keeping in mind the nature of the product, suggest the distribution channel that would suit the company: 1
- a) One level channel
  - b) Two level channel
  - c) Three level channel
  - d) Direct Channel
17. The above selected method of Pricing will have the following disadvantage: 1
- a) Low profit margins
  - b) Strict legal restrictions
  - c) Can backfire if there is close competition
  - d) Difficult to attract customers in bulk number
18. How has the company been able to study the trends to check the viability of the product? 1
- a) Think Trends
  - b) Read Trends
  - c) Watch Trends
  - d) Talk Trends

### SECTION – B

19. State any four legal formalities involved in sole proprietorship.  
(OR)  
Identify the form of Business Organization being talked about in the following sentences:
- a) “One man control is the best in the world if that man is big enough to manage everything”.
  - b) “Two heads being better than one”.
- 2

20. Suprabh was trained under "Skill India Programme" and was carefully monitoring the environment for detecting early signs of opportunities. Under the "Skill India Programme" he was sensitized about different uses of waste materials. He grabbed this opportunity and decided to use old newspapers and notebooks to prepare file covers for students with an art called as 'papermache'. He formulated plan of action to capitalize on the opportunities in the market. He decided to procure the raw materials from scrap dealers based in each locality to create a recyclable resource generation. This way he was not only able to contribute to the environment but was also able to improve the profits of the business.
- Quoting the lines from the para, identify the benefits Suprabh had by studying the environment. 2
21. Read the following newspaper article and answer the question given below:
- Earlier this week, the World Bank released its Global Economic Prospects Report. It expects India's gross domestic product (GDP) to contract by 3.2% in 2022-21. There will be a moderate recovery to 3.1% growth in 2021-22. This means that 2021-22 GDP will be less than what it was in 2019-20. To be sure, India is not the only country which will face this predicament. The East Asian region seems to be the only exception. India needs to further its entrepreneurial developments to scale up its GDP at the global level.
- Identify and explain the environmental factor stated in the above article. 2
22. Differentiate between the two types of Sales Strategy.  
(OR)  
With the help of any two examples, give the meaning of Intellectual Property Rights. 2
23. Sanjiv was developing a Business Plan for his organization. While working on the Financial Plan he realised that his financial requirements will be for Fixed Assets and their installations, preliminary expenses, working capital, expenses on reserach and development and investment in short -term assets viz raw material, level of cash, etc. To decide on the sources of funds for the venture, he tried to ensure the selection of the best overall mix of financing for the enterprise.
- i) Identify the elements of Financial Plan discussed here.  
ii) Why is it important for an entrepreneur to ensure the selection of the best overall mix of financing for the enterprise. 2
24. Advertising through television is favourable to big enterprises. But, indirectly it affects small emerging entrepreneurs also. Do you agree? Justify the answer. 2
- SECTION – C**
25. Disha, a graduate of Horticulture from Kurukshetra University came across a barren land near Solan when she visited this place. Disha was fond of strawberries and was inquisitive to understand the reason why strawberries could not be grown there. She took this as a challenge and believed in its success. Best quality strawberries now mark the beauty of that barren piece of land.
- i) Identify and explain the idea field from where the idea has been generated.  
ii) Also explain and give one example each for four other idea fields which may generate useful product ideas. 3
26. Discuss the first three steps involved in the investigation of ideas.  
(OR)  
Explain by giving three points, why market assessment is needed for an entrepreneur? 3
27. Vipul a new generation high tech farmer is involved in organic farming. He realised that there was a huge market for his fruits and vegetables as people have become health conscious and prefer to eat healthy food. Keeping in mind, he decided to open organic fruit corner outside central parks and in prominent malls in Jaipur. Now he needed, a 'Road Map' for himself to start the venture.
- i) Identify the term used for 'Road Map' by Vipul.  
ii) Why is this 'Road Map' required? 3

28. Which form of business is suitable for following types of businesses and why?  
 i) Beauty Parlour ii) Shopping Malls  
 iii) Hotels 3

29. Which of the following is a SMART goal and which is not? Give reasons.  
 i) Increase in Sales  
 ii) Ten times increase in Sale by next quarter  
 iii) Increase in sale by 10% in next quarter.

(OR)

Identify the types of Brand names or features used by Entrepreneur in the following cases:

- i) Every product is promoted on the basis of a separate brand  
 ii) A Common brand name is used for several products  
 iii) Use of letters and numbers to brand the product. 3

**SECTION – D**

30. "Personal Selling is a better method of sales promotion than advertising". How? Explain with the help of suitable examples.  
 (OR)  
 What are the advantages and disadvantages of advertising through Print media like 'Newspapers' and Audio media like 'Radio'. 5

31. Explain the steps of Creative Process.  
 (OR)  
 Explain how the following factors affect idea and opportunity assessment:  
 i) Application and use ii) Level of operation  
 iii) Competition 5

32. Name and define the form of Business Organisation in which liability of its members is limited. Explain three other features of this form of organisation.  
 (OR)  
 State five privileges or benefits of a Private Company over a Public Company. 5

33. Why is packaging concerned as an important ingredient in the product mix? Explain by giving three reasons with suitable examples. 5

34. Pure Minds Ltd. was a company into manufacturing of water purifiers, water dispensers, packaged drinking water and hand sanitizers. They do a lot of research and development and would update their product on a regular basis. They also encouraged feedback and suggestions from their customers.  
 Acting on one suggestion, they decided to manufacture a water bottle with a built- in water purifier called "Wonderpure". They spent a lot of money on promoting the product with the tagline, "Your child is secure with Wonderpure". The target segment was quality conscious customers. It was priced in such a way that the cost of investment of the original research gets recovered from the customer. The product was an instant hit.  
 i) Identify and explain the pricing strategy to be used by Pure Minds Ltd.  
 ii) State two benefits and two limitations of the pricing strategy identified in identified in part (i). 5