PRE-BOARD EXAMINATION – 2023 Std. 12 20-12-2023

ENTREPRENEURSHIP

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General Instructions:

- i) The question paper contains 4 sections- A, B, C, and D.
 - Section A contains Multiple Choice questions.
 - Section B 2 marks.

Section C - 3 marks.

Section D - 5 marks.

ii) Internal Choice is given in the paper, there is no overall choice.

Section – A

- Arvind planned to start a small fast-food joint in his area after finishing his degree in hospitality 1. management. His plan was to combine and use healthy ingredients like whole wheat flour to make the burger buns. He knew that he had to start collecting information from different sources which will help him to identify the right opportunity to start his business. From where will Arvind get the necessary information?
 - Magazines a) b)
 - c) **Family Members**
- Shows All of the above d)
- 2. Ganesh decided to help his father in their family business. His father runs a cloth mill and he has planned to start a paper mill along with his father's cloth mill. He has also planned to use the same brand name so that legacy can be continued. Identify the type of branding Ganesh is planning to use.
 - Individual Branding b) **Retail Branding** a) Umbrella Branding Corporate Branding 1 c) d)
 - 3. Dharna is in the business of making educational toys for small children up to the age of 3yrs. She is successfully running the business for last 2yrs and now wants to assess the business for its ability to make payment for expenses in the short run. What financial information she should use to find out about her short term liquidity position?
 - **Current Assets Current Liabilities** b) a) Current Assets, Current Liabilities, Working Capital d) Working Capital c)
 - 4. Basant Builders, who were engaged in building and selling of flats, wanted to expand their business. To do so, they decided to merge with Krity Constructors, who were their biggest competitors. It was decided that they would merge the companies with equal shares and form a new company Chachan Realtors. The type of merger in this case is:
 - Vertical Merger Horizontal Merger a) b)
 - **Product Extension Merger** Market Extension Merger c) d)
 - 5. Deepak Limited has been manufacturing cycles since 2010. Their market share in this field is 35%. They decided to introduce new cycles with advance gear systems in 2015. For the same they estimated their financial requirements to be Rs. 20 crore. They decided to raise the same through a limited number of sophisticated investors without having to spend too much on the Promotion. Identify this kind of issue.

a)	Rights Issue	b)	E-IPOs	
c)	Private Placement	d)	Public Issue	1

6. Ramesh is a chemical engineer working for a company selling a disinfectant spray. He knows that the product harms the users and is constantly looking for the ways to improve the product. After a lot of hard work, he produced a mosquito repellent which provides sonic waves to drive away mosquitoes. It does not produce smoke or any kind of fragrance. It is absolutely safe to be used by human beings. He named it "Insect-Out". The price is set at Rs.230 per unit. He is giving out one year replacement warranty as an introductory offer and will pack it in a corrugated box with a gift-card inside. Keeping in mind the above details, identify the three elements of marketing mix used by Ramesh.

i)	Promotion	ii)	Place	iii)	Price	iv) Product	
a) c)	(i), (ii), (iii) (i), (iii), (iv)				-	(ii), (iii), (iv) All of the above	1

A designer proposes to produce 500 trousers per week for which he needs Rs. 30,000 for 7. purchasing Raw Material, Rs. 10,000 for payment of labour charges and Rs. 5,000 for purchase of a button machinery. His operating cycle is 3 weeks. Calculate the working capital requirements of this designer. 1 а

a) 15,000 b) 30,000 c) 1,60,000 d) 1,20,00	0
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8.	Suniti created a piece of music for a song and protect her creation. She can get a a) Patents b) Trademark	for lyri	cs and music piece.
9.	The Finance Minister of India announced in Rs. 16,000 crore to the IT ministry, 40% hig of the following PESTEL model factor does the a) Political b) Economic	her than last y	ear to improve various facilities. Which
10.	Which government body is responsible for performance of companies whose shares are a) Registrar of Companies c) Income Tax Authority		-
11.	 Assertion (A): An entrepreneur takes risk. Reason (R): An entrepreneur is self-confid a) Both Assertion (A) and Reason (R) and of Assertion (A). b) Both Assertion (A) and Reason (R) and of Assertion (A). c) Assertion (A) is true but Reason (R) is d) Assertion (A) is false and Reason (R) 	re true, and R re true but Re is false.	eason (R) is the correct explanation ason (R) is not the correct explanation 1
12.	a) Both Assertion (A) and Reason (R) and for the changes in fashion or styles and the statement of Assertion (A).	a stable life, e. re true, and R re true but Re is false.	its life should not be affected by
13.	 Assertion (A): A budget is a document for receptor expenditure over time. Reason (R): It is prepared by the top mannel lower management. a) Both Assertion (A) and Reason (R) and of Assertion (A). b) Both Assertion (A) and Reason (R) and of Assertion (A). c) Assertion (A) is true but Reason (R) and (A) an	agement and re true, and R re true but Re is false.	executed by the middle and
14.	Shameen, also known online as Sam, has been media personality has a staggering 25 wholeheartedly. Millions of social media us understands how to connect with the viewer to his Instagram account to keep his follower will soon appear in India's most popular realite Sameer an Entrepreneur has been following trend is it? a) Read Trend c) Watch Trend	M Instagram ers enjoy her rs. Sam frequers engaged. Ty show marks	n followers, and they support him r videos and photographs because he ently uploads videos, reels and photos The fact that this social media celebrity s a significant turning point in his career.
15.	Building a good relation with the stakehold publicity, building a good corporate image a a) Advertising c) Media Publicity	•• •	· ·
16.	Generic Advertisements fail to establish a co a) Face to face interaction c) Answer to queries instantly	nnection with b) d)	the audience because of lack of: Persuasion All of these 1

c)

- 17. Short term incentives that encourage the purchase or sale of a product or service is known as: a) Discounts and Rebate b) Sales Promotion
 - c) Offers and Freebies

- d)
 - None of these

By calculating Re-order Point

By calculating Lead Time

- Harshdeep is the stock keeper of Neha Textiles Ltd. The company is into converting cotton yarn 18. into fabric and then further computerized printing on the same to add value to the fabric. He wants to know the ideal quantity of yarn to be ordered so that the production process does not stop. How can he know the correct time to place an order?
 - By calculating Break Even Point a)
 - By calculating Economic Order Quantity
 - Section B

b)

d)

19. An Electric shop sells 6,000 water heaters per year. The demand is uniform throughout the year. Purchase Cost per water heater is Rs. 120. Holding cost per annum is 20% of purchase cost. Ordering cost is Rs. 500 per order. Calculate the 'Economic Order Quantity'.

(OR)

'Ayush Generic Medicines', a Chemist shop sells generic medicines. On 15.2.2016 medicines as per the details given below were sold. Calculate the average amount of medicines sold per customer.

No. of Customers	Per Customer billed amount		
15	370		
20	430		
45	500		
25	1,000		

- 20. The largest chocolate manufacturer 'Cadibo' in India merged with well-known Potato chips manufacturer 'Best Chips'. To impact a distinct identity to the merged company they decided to redesign their logo for their new brand name 'Cadibo Best Chips'.
 - Identify and explain the type of merger discussed above. i)
 - ii) State one more type of merger in addition to the one identified in Part (i).
- 21. Rahul wants to start a small shoe manufacturing factory. As a part of his business plan he prepared an 'entertaining slide show and oral narrative' that was meant to trigger discussion and create interest in potential investors for reading the written presentation. Identify and explain the format of the business plan referred in the above paragraph. 2
- 22. "Personal Selling is a better method of Sales Promotion than advertising". How? Explain with the help of any two points.

(OR)

"Quick expansion is the most obvious advantage of franchising for an Entrepreneur." Explain with the help of any two examples.

- "A problem is a roadblock in a situation, something that sets up a conflict and forces you to 23. find a solution." In the light of this statement mention four uses of Problem Identification. 2
- 24. Give the meaning of 'Cash Conversion Cycle'. How is Cash Conversion Cycle of a trading concern different from a manufacturing concern?

(OR)

'It is an organized mechanism meant for effective and smooth transfer of financial resources from the investors to the entrepreneurs.' Identify the mechanism and list its different types.

Section – C

- 25. Jugal Enterprises started the manufacturing of herbal toothpaste. They researched that large number of established enterprises were also manufacturing the similar type of products. The company fixed the price of their toothpaste on 'Cost plus Pricing Method'. After some time the company realized that they were not getting good response regarding their toothpaste from the customers and the market share of their toothpaste was less than 0.5%. Since their product was new, they decided to change their pricing method so that initially they could get more customers. Identify the new pricing method that was adopted by Jugal Enterprises.
 - i) ii) State any two advantages of the new pricing method identified in (i) above.
- 26. 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 research 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.

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- i) Identify the elements of Financial Plan discussed here.
- ii) Why is it important for the entrepreneur to ensure the selection of the best overall mix of the financing for the enterprise?

(OR)

Explain the three components of Brand with appropriate examples.

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27. Fizz and Lime is an established Beverage Company which started bottling: Wheat grass juice, Bitter Gourd with Jamun and Amla with Aloevera. It is planning to expand externally without compromising the unique taste of these drinks. Belligio Juices got the exclusive rights to manufacture and sell Wheat Grass and Amla, Aloevera under the name Fizz and Lime. Belligio Juice had to use only the ingredients supplied by Fizz and

- Lime to produce, bottle and distribute the two drinks.
- i) Identify and explain the form of external expansion adopted by Fizz and Lime.
- ii) State any one feature of this form of expansion.
- 28. An organization will have to look into three situations depending upon the manufacturing to be carried out internally or not while framing the production plan. Explain these three situations. 3
- 29. i) State, giving reasons, whether the following businesses require small or large working capital?
 - a) Following a liberal credit policy.
 - b) Using capital intensive technology.
 - ii) Why is Return on Investment deemed as a yardstick for the performance of an enterprise? (OR)

The point at which sales volume of an organization matches its total cost is a neutral point. Identify the point in this statement. Why should an entrepreneur know about this point?

Section – D

30. What is ABC Analysis? What does it indicate? Explain with an example.

(OR)

Angel Investors and Venture Capital are two sources of raising finance for an entrepreneur. Explain the concept of both the sources stating two distinguishing features of each.

- Besides providing continuous and ready market for securities, safety and security in dealings and regulating company's management, stock exchange performs a number of functions in respect of marketability of different types of securities for investors and companies. Explain any five functions of stock exchange other than the one mentioned above.
- 32. "Sensitivity to environmental factors is essential for an entrepreneur." In light of above statement explain the importance of environment scanning. (Any 5 points)

(OR)

D.

Existing products or services

Trading related ideas

Explain in detail the following sources of Idea Fields:

- A. Natural Resources B.
- C. Market driven ideas
- E. Service related ideas
- 33. CleAir Pvt. Ltd started a business of making three varieties of portable air purifiers for vehicles-Vincent, Banish, and Exclusive. From the following information calculate breakeven point in units for the company and suggest which variety is most revenue generating. Fixed costs are Rs. 15,20,000.

	Vincent	Banish	Exclusive
Sales Price	800	450	600
Variable Cost	400	150	200
Sales Mix	50%	20%	30%

- 34. 'Anjali Exports', a leading export house wants to diversify its business from cotton ladies dresses and suits to bed sheets, handicraft items, etc. because of demand in foreign countries. For this she required capital of Rs. 1 crore. She decided to take this amount as loan from Bank of Baroda for a period of 10 years. In order to avoid any kind of risk, it conducted a market survey to have an edge over the competitors and to maximise its profits, capturing foreign markets.
 - i) Identify the type of plan 'Anjali Export' has to make to analyse her business situation.
 - ii) Also explain the various steps in preparing such plan.