



INDIAN SCHOOL AL WADI AL KABIR

SAMPLE PAPER 2-2020-21

CLASS XII

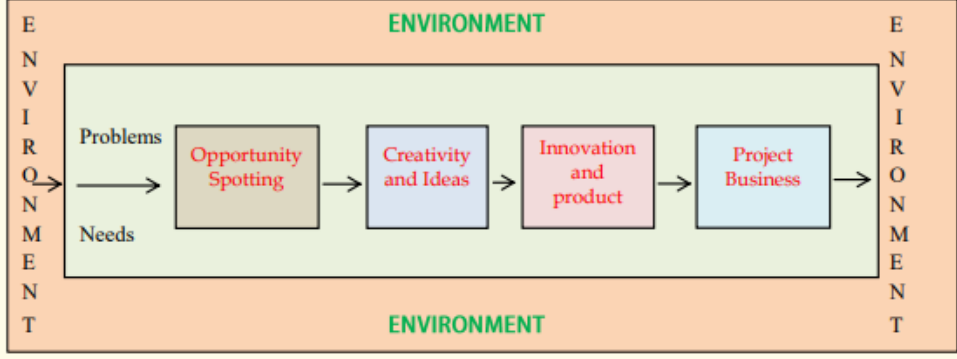
SUB: ENTREPRENEURSHIP


MAX. MARKS: 70




Instructions:

- (i) All the questions are compulsory. There is no overall choice, though internal choice is given.
- (ii) Read the questions carefully before attempting.
- (iii) Questions No. 1 to 21 are very short answer type questions, carrying 1 mark each consisting of MCQs, Fill in the blanks, One word answer, True/False.
- (iv) Questions No. 22 to 26 are short answer type questions, carrying 2 marks each. Answer to each of these should not exceed 50 words.
- (v) Questions No. 27 to 29 are short answer type questions, carrying 3 marks each. Answer to each of these should not exceed 75 words.
- (vi) Questions No. 30 to 32 are short answer type questions, carrying 4 marks each. Answer to each of these should not exceed 150 words.
- (vii) Questions No. 33 to 35 are long answer type questions, carrying 6 marks each. Answer to each of these should not exceed 250 words.

Q. No.	QUESTIONS	Marks
1.	Rohit, an entrepreneur, decided to open a chain of retail stores to sell fast-food items like pizza, burgers, etc. He decided to open the retail stores in the urban areas. Identify the environmental factor behind such decision. A. Political factor B. Technological factor C. Social factor D. Ecological Factor	1
2.	Vinod was working with Aryan, a new entrepreneur, as a production Manager. For smooth and coordinated flow of work he had to pay attention towards various elements. To ensure smooth flow of operations Vinod has to fix time, day, date and when each operation is to be commenced and completed. Identify the component of Operational Plan described above. A. Routing B. Scheduling C. Dispatching D. Inspection.	1

3.	 <p>The diagram illustrates a process flow within an environment. It is enclosed in a large orange rectangle labeled 'ENVIRONMENT' at the top and bottom. Inside this rectangle is a green rectangle containing a sequence of four boxes connected by arrows. The first box is labeled 'Opportunity Spotting' and is preceded by 'Problems' and 'Needs' with an arrow pointing to it. The second box is 'Creativity and Ideas', the third is 'Innovation and product', and the fourth is 'Project Business'. An arrow points from the 'Project Business' box to the right, exiting the green rectangle but staying within the orange environment box.</p> <p>Identify the concept depicted in the image</p> <p>A. Enterprise proposal Diagram B. Enterprise Process Diagram C. Enterprise Project Diagram D. None of these.</p>	1
4.	<p>Ranjit operates a small coffee shop catering to the local community. He prepares different flavours of coffee and serves it in designer cups developed by him. He also takes customised orders.</p> <p>Which form of business is best suitable for this type of enterprise?</p> <p>A. Sole Proprietorship B. Partnership C. Joint Stock Company D. Cooperative</p>	1
5.	<p>What is meant by ‘Environment Scanning’ ?</p>	1
6.	<p>Arijit is working as a salesman in a company engaged in the marketing of readymade garments. He gets a monthly salary of Rs. 50,000 besides many other benefits. He is doing this work to earn his living and satisfy the materialistic and social requirements. He is not doing this work out of love, care and affection.</p> <p>Ramesh has undertaken _____ activity.</p> <p>Fill in the blank selecting appropriate word.</p> <p>A. Social B. Economic C. Cultural D. Non-economic</p>	1
7.	<p>STATEMENT 1: CPL Airlines wants to expand its operations. One of the important political factors it should consider is the landing rights of airlines in foreign countries.</p> <p>STATEMENT 2: Idea Germination is the seeding stage in the creative process, at this stage the entrepreneur recognizes that opportunity exists.</p> <p>Choose the correct option</p> <p>A. Both statements are true</p>	1

	<p>B.Both statements are false C.Statement 1 is true, Statement 2 is false D.Statement 1 is false, Statement 2 is true</p>	
8.	<p>The maximum number of members for Bright Pvt Ltd. is _____. Fill in the blank, choosing the correct option. A.50 B.100 C.200 D.Unlimited</p>	1
9.	<p>Shoes for All are the manufacturers of leather shoes only for specially-abled children up to the age of twelve years. It took over Comfort Ltd who are the manufacturers of shoes for all age groups. Which of the following types of acquisition is this ? A.Friendly acquisition B.Reverse acquisition C.Backflip acquisition D.Hostile acquisition</p>	1
10.	<p>Dev is preparing a business plan for his new venture power saving LED bulbs with guidance from his uncle who is a lawyer. But his uncle is presently not keeping well and hence Jeet does not know under which heading to the information about site location, physical infrastructure and production process.. He approaches his elder brother Jeevan, an engineer for help. Identify the component of Business Plan , under which the above items to be mentioned. A. Operational Plan. B. Organisational Plan C. Financial Plan. D. Description of Venture.</p>	1
11.	 <p>Identify the type of Franchising unit shown in above image: A.Product Franchise Business opportunity B.Manufacturing franchise opportunity C.Business Franchise opportunity venture D.Business Format franchise opportunity</p>	1

12.	<p>Name the type of brand name depicted in the picture:</p> <div style="display: flex; justify-content: space-around; align-items: center;">    </div> <p>A. Corporate name B. Alpha-numeric name C. Family brand name D. Individual brand name</p>	1
13.	<p>Which one of the following is not a content of franchise agreement?</p> <p>A.Contract Explanation B.Preparation Manual C.Proprietary Statement. D.Ongoing site maintenance.</p>	1
14.	<p>‘Toys for U Ltd’. is a leading company for manufacturing of soft-toys for children. The company is in process of developing a prototype for a talking pillow, ‘Talk O Hug’, which would enable parents to convey their message to 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 wants to devise a pricing strategy to recover the huge coat of R&D before the level of competition increases.</p> <p>Identify the pricing strategy that the management is planning to adopt.</p> <p>A. Cost plus pricing B. Penetration Pricing C. Price Skimming D.Variable pricing</p>	3
15.	<p>B & H is a leading advertising firm. They recruit new graduates through college placements. During an interview, a student was asked to list the four rules for planning any advertising activity, he replied that the following is required: Aim, Target, Media. He could not mention one more point. Which point did he fail to answer?</p> <p>A.Contract B.Customers Competitors D. Company</p>	1

16.	<p>Pink & Blue Stores sells 1000 insulated water bottles annually. Demand for the product is uniform. Purchase Cost per bottle is Rs.50. Holding cost per annum is 10% of purchase cost. Ordering cost is Rs. 100 per order.</p> <p>Calculate the Economic Ordering Quantity for bottles?</p> <p>A.100 units B.200 units C.400 units D.600 units</p> <p style="text-align: center;">OR</p> <p>From the following information obtained from the financial statements of Bites Ltd., calculate Return on Equity. Net Income earned - ₹ 10,00,000 Equity- ₹ 5,00,000.</p> <p>A.50% B.150% C.100% D.200%</p>	1										
17.	<p>ABC Ltd., decided to raise funds by issuing shares. The finance department felt that the company should offer the shares to existing shareholders on a pro-rata basis. Out of the following, identify the method of raising the funds being suggested by the finance department?</p> <p>A.Public Issue B.Rights Issue C.Private Placement D.Offer to Employees</p>	1										
18.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">COLUMN A - Terms</th> <th style="width: 50%; text-align: left;">COLUMN B- Meaning</th> </tr> </thead> <tbody> <tr> <td>i. Reverse acquisition</td> <td>(a) Purchasing company becomes a subsidiary of the purchased company.</td> </tr> <tr> <td>ii. Back flip acquisition</td> <td>(b) Coke and Pepsi uses this format to expand.</td> </tr> <tr> <td>iii. Business franchise opportunity ventures</td> <td>(c) A private company takes over a public company.</td> </tr> <tr> <td>iv. Manufacturing franchise opportunity</td> <td>(d) These ventures typically require that a business owner purchases and distributes the products for one specific company.</td> </tr> </tbody> </table> <p>Identify the correct option to match the above columns:</p> <p>A. i- b; ii - d; iii - a; iv - c B. i- c; ii - a; iii - d; iv - b C. i- a; ii - c; iii - d; iv - b D. i- c; ii - a; iii - b; iv - d</p>	COLUMN A - Terms	COLUMN B- Meaning	i. Reverse acquisition	(a) Purchasing company becomes a subsidiary of the purchased company.	ii. Back flip acquisition	(b) Coke and Pepsi uses this format to expand.	iii. Business franchise opportunity ventures	(c) A private company takes over a public company.	iv. Manufacturing franchise opportunity	(d) These ventures typically require that a business owner purchases and distributes the products for one specific company.	1
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19.	<p>If the purchase price is 80% of selling price, and the selling Price is Rs,2,000. Then the gross profit per unit earned by the business is: (Choose the correct answer)</p> <p>A.Rs.1,000</p>	1										

	<p>B.Rs.500 C.Rs.1,600 D.Rs.400</p> <p style="text-align: center;">OR</p> <p>At BEP, which of the condition is to be fulfilled: (Choose the correct option) A. Total Revenue = Total Profit B. Total Profit = Total Cost C. Total revenue = Total cost D. Total Revenue = fixed cost.</p>	
20.	<p>After assuming the future demand, every company needs to determine when place an order for stock and how much to order. This can be calculated by using the _____ formula.</p> <p>Fill in the blank: A. Break Even point B. Unit of sale C. Return on Investment D. Reorder point</p> <p style="text-align: center;">OR</p> <p>The _____ is the Unit of Sale for multi-product business. Fill in the blank: A. Customer B. Government Undertaking C. Competitors D. Bank</p>	1
21.	<p>Mahindra Stores sells Mobile phones of different brands X, Y and Z. The sales Mix ratio is 4:4:2. The total fixed cost for the business is Rs,2,46,000. The store is at break even by selling 3,000 phones. What is the total average contribution per unit. A. Rs.80 B. Rs.82 C. Rs.85 D. Rs.90</p>	1
22.	<p>The final step in the creative process is “Verification.” Briefly discuss the preceding two steps.</p> <p style="text-align: center;">OR</p> <p>Sensitivity to environmental factors is crucial for an entrepreneur. If a company is able to adapt to its environment, it would succeed in the long run. E.g. Sony is failing to understand the changing trends in mobile phones and therefore losing its market share. In the light of the above para, state any two benefits of understanding the business environment.</p>	2

23.	<p>Production activity involves transformation of raw material into finished product, with the help of energy, capital, Manpower machinery. Ravi is running a unit to make copper water bottles, which are considered to be hygienic and healthy. The bottle cap is insulated material and he gets it from his friend's factory, who owns to make thermal flasks.</p> <p>Identify and define the situation of Production plan mentioned above.</p>	2
24.	<p>A license holder can only sell medicines in the market. In this situation the pharmaceutical company should take care the distribution of the product only through licensed middlemen.</p> <p>(a) Name the component of marketing mix mentioned in above para. (b) State the factor/consideration related to the component identified in (a)</p> <p style="text-align: center;">OR</p> <p>Explain any two types of Intellectual property rights.</p>	2
25.	<p>State with reason for difference of cash conversion cycle for a sugar manufacturing company and Furniture manufactured against order.</p> <p style="text-align: center;">OR</p> <p>State the nature of items that make up the inventory.</p>	2
26.	<p>Good Lite Ltd. is in the Fast Moving Consumer Goods industry. They introduced a new variety of biscuits in the market. It has high fibre content with different new flavours incorporating various multigrains.</p> <p>Create a tagline for the product and draw a label for the product with all necessary information.</p>	2
27.	<p>Rehan and Nishant got jobs in IT sector and were based in Bangalore. Rehan was from Delhi and Nishant was from Gujarat. Both were missing home food. The canteen food was highly unappetizing. They checked out several tiffin services but did not find them satisfactory.</p> <p>The foods were not apt for their taste buds. So, they decided to quit their jobs and start a professionally managed tiffin service by the name of "Sanjha Chulha". They not only offered chapatis and North Indian curries, but also started with Gujarati thali, Bengali thali as regional meals</p> <p>The source of idea emergence mentioned above is "Problem."</p> <p>Briefly discuss any other three such sources.</p>	3
28.	<p>Arjun finished his graduation from Polytechnic college in the year 2019. He had specialised in repairing of electronic goods. After few months of his graduation, he met his uncle who has a small factory manufacturing electronic circuits used in Television. His uncle informed Karan that he could no longer run the unit so Karan decided to take over the factory. His uncle had two workers. Karan was able to get a huge order of supplying 10,000 units of electronic circuits every month from a popular TV manufacturing company in India. He knew that to meet the orders timely he has to employ more people. In order to do so he decided to formulate Manpower planning.</p> <p>Describe the factors that Arjun has to keep in mind while formulating manpower plan</p>	3

29.	<p>ABC analysis can help in better inventory control. Write the typical breakdown of such analysis.</p> <p style="text-align: center;">OR</p> <p>State the assumptions of Break-even Analysis.</p>	3									
30.	<p>Discuss the first four steps involved in preparing a Marketing Plan.</p> <p style="text-align: center;">OR</p> <p>State the questions with all its details which an entrepreneur needs to address while preparing an effective marketing plan.</p>	4									
31.	<p>Best Electronics Ltd., are the manufacturers of 'Air Conditioners' and 'Air Purifiers'. Their fixed costs are Rs.8,000 per year. The sales price and variable cost per unit of 'Air conditioners' and 'Air purifiers' are given below:</p> <table border="1" data-bbox="282 632 1312 747"> <thead> <tr> <th></th> <th>Air conditioners</th> <th>Air purifiers</th> </tr> </thead> <tbody> <tr> <td>Selling Price</td> <td>Rs. 2,000</td> <td>Rs. 500</td> </tr> <tr> <td>Variable cost</td> <td>Rs. 1,500</td> <td>Rs. 300</td> </tr> </tbody> </table> <p>The Air conditioners and Air purifiers were sold are 40 units and 60 units respectively throughout the year.</p> <p>(a) Calculate break even for both the product in units and Rupees. (b) Comment whether the company has achieved the break even based on their present level of sales.</p>		Air conditioners	Air purifiers	Selling Price	Rs. 2,000	Rs. 500	Variable cost	Rs. 1,500	Rs. 300	4
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Selling Price	Rs. 2,000	Rs. 500									
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32.	<p>It is a combination of two companies into one large company. The action involves stock swap or cash payment to the target..</p> <p>(a) Identify the mode of extremal expansion defined above. (b) Discuss any three types of the mode identified in (a)</p>	4									
33.	<p>Explain are the various elements of an Operational plan?</p> <p style="text-align: center;">OR</p> <p>Gautami started her business of manufacturing designer furniture in Lonavala. Her business was a huge success and she thought of starting a designer studio involving huge capital in Mumbai as well as in Pune. Her friends wanted to join hands with her and open the same. They approached a chartered accountant and he suggested them to form a private company as according to him this form of company is more desirable.</p> <p>(a) State any six privileges of a private company that make it a more desirable than a public company. (b) Why a company is called 'an artificial person having perpetual succession and a common seal'?</p>	6									
34.	<p>In 2015 AIO Ltd, started a toy manufacturing unit using robot technology. The toys manufactured by the company became popular amongst children. But since the cost of the toys was high, the company could not earn good profit. The business is of high risk along with higher expected returns. The company wants to increase production so that they can reduce cost per unit. For this the company wants additional investment of Rs. 50 lakhs. The company approached Ashok who has just retired from Indian Space Research Organisation and who is an influential person. Ashok agreed to give the loan to the company provided that his</p>	6									

	<p>loan is converted into equity shares after two years. The company agreed to Ashok's proposal.</p> <p>(a) What type of investor is Ashok?</p> <p>(b) Discuss the features of the same.</p> <p style="text-align: center;">OR</p> <p>Raman is a potential investor who wishes to be a part of Equity Linked Saving Scheme (ELSS). He has given the particulars of two companies to seek your advice on investment. Compare the Return on Equity of the two companies and suggest Raman where should he invest.</p> <table border="1" data-bbox="282 558 1117 982"> <thead> <tr> <th>Particulars</th> <th>Alpha Ltd. (Rs.)</th> <th>Beta Ltd.(Rs.)</th> </tr> </thead> <tbody> <tr> <td>Total Investment</td> <td>20,00,000</td> <td>20,00,000</td> </tr> <tr> <td>Owners Fund</td> <td>10,00,000</td> <td>8,00,000</td> </tr> <tr> <td>Borrowed Fund</td> <td>10,00,000</td> <td>12,00,000</td> </tr> <tr> <td>Interest on loan</td> <td>60,000</td> <td>48,000</td> </tr> <tr> <td>Annual Sales</td> <td>10,00,000</td> <td>15,00,000</td> </tr> <tr> <td>Cost of goods sold</td> <td>7,00,000</td> <td>8,50,000</td> </tr> <tr> <td>Salaries</td> <td>24,000</td> <td>36,000</td> </tr> <tr> <td>Utilities</td> <td>75,000</td> <td>1,00,000</td> </tr> <tr> <td>Depreciation</td> <td>5,500</td> <td>6,000</td> </tr> <tr> <td>Tax rate</td> <td>40%</td> <td>40%</td> </tr> </tbody> </table>	Particulars	Alpha Ltd. (Rs.)	Beta Ltd.(Rs.)	Total Investment	20,00,000	20,00,000	Owners Fund	10,00,000	8,00,000	Borrowed Fund	10,00,000	12,00,000	Interest on loan	60,000	48,000	Annual Sales	10,00,000	15,00,000	Cost of goods sold	7,00,000	8,50,000	Salaries	24,000	36,000	Utilities	75,000	1,00,000	Depreciation	5,500	6,000	Tax rate	40%	40%	
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35.	<p>We often hear CEOs saying that Mergers & Acquisitions are inspired by a desire to diversify or achieve higher growth, though the reasons can be varied. In the light of above statement, discuss the common reasons for M&A.</p>	6																																	