



## INDIAN SCHOOL AL WADI AL KABIR

### SAMPLE PAPER-4 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.	It is the process of entrepreneurship which involves the translation of a useful idea into an application which has commercial value'. Identify the process. A. Creativity B. Innovation C. Problem Solving D. Competition	1
2.	Anurag started a factory for manufacturing jute bags for shopping and contribute towards environment protection by discouraging the use of plastic bags.. He invested Rs.2,00,000 of his own and obtained a loan of Rs.10,00,000 from Bank. He made the instruction plan describing the details that were needed for the operation of machines by the workers. Identify the format of 'business plan' described in the above para. A. Elevator Pitch B. Pitch deck with oral narrative C. Plan for external stakeholders D. Internal Operational Plan	1
3.	After doing her M.Com from 'Himachal Pradesh University of Shimla', Komal went back to her village in Kinnaur district of Himachal Pradesh. She wanted to contribute for the development of women of her village, so she formed an	1

	<p>organisation, the membership of which was open for all the women villagers on a voluntary basis by paying Rs.500 only which will be treated as their capital. Komal knew that the land of her village was suitable for the farming of medicinal plants. So, she motivated the members of her organisation for growing medicinal plants in their fields under the guidance and help of the local agricultural department. It was also decided that the organisation will purchase the produce of each member and sell the same to drug manufacturing companies at a very good price which was not possible for the members individually. The main objective of the organisation is to render services to its members rather than to earn profit. A computer training center for young boys and girls of the village was started under the guidance of Komal from the surplus of the profits.</p> <p>Name the process that helped Komal in developing an idea into an opportunity.</p>	
4.	<p>After passing his 12th class with entrepreneurship as an elective subject Sahil started his own business. He invested Rs.2,00,000 as capital which was given to him by his father. He obtained a loan of Rs.1,00,000 from his elder brother Ravi, who was working as an assistant manager in Bank of Baroda. In the first year he incurred a loss of Rs.50,000 and had to pay to his suppliers their outstanding bills. This created a financial problem for him and he had to take a loan of Rs. 1,00,000 from the Bank of Baroda on the personal guarantee by mortgaging his house. He started doing hard work, lowered the prices and informed his customers about the qualities of goods sold by him. Because of this the sales increased four times and he earned a net profit of Rs.75,000 in the second year.</p> <p>Identify the form of business organisation started by Sahil.</p> <ol style="list-style-type: none"> <li>Sole proprietorship.</li> <li>Partnership</li> <li>Private Limited Company.</li> <li>Public Limited company.</li> </ol>	1
5.	<p>Pritam belongs to a farmer's family. One day a team of officials from the local block development office visited his village for discussing additional opportunities related to agriculture. The team discussed with the villagers how to develop fishery. The team explained about the technique of construction of ponds and the modern technology of growing fishes. The team also informed that the 'State agriculture department' will provide loan at an interest rate of 5% per annum to the farmers who will engage themselves in the occupation and will also help the farmers in the marketing of fishes. Pritam, decided to engage himself in the fishery occupation.</p> <p>Identify the 'idea field' that helped Pritam to engage himself in fishery occupation.</p> <ol style="list-style-type: none"> <li>Market Driven Ideas</li> <li>Trade Related Ideas</li> <li>Natural resources</li> <li>Creative Efforts</li> </ol>	1

6.	<p>Routing is a process concerned with determining exact route or path a product/ service has to follow right from raw material till its transformation into finished product. Scheduling means fixation of time, date, day when each operation is to be commenced and completed.</p> <p>These are the two important component of one of the element of business plan. Identify the element of the plan.</p> <ul style="list-style-type: none"> <li>A. Description of business Venture</li> <li>B. Operational Plan</li> <li>C. Organisational plan</li> <li>D. Marketing plan.</li> </ul>	1
7.	<p>Shiva and Gauri are a young couple having a four year old son Rohan. Shiva is employed in a multinational company and is posted in Germany. Gauri has her own computer training institute and is staying with her son and in-laws in a locality of Bengaluru. Gauri wants to admit her son in a reputed school of Bengaluru but is unable to visit schools and identify the one, where she could admit Rohan. She discussed the matter with Shiva. Shiva identified the problem and advised Gauri to collect on-line data related to admission, infrastructure facilities and related information about schools of Bengaluru, so that a suitable school for Rohan could be identified. He also advised Gauri to develop a website www.nurseryadmission.com and upload the information of various schools on the website. This website could be visited by the parents who wish to admit their children in the nursery class in schools of their choice. Shiva also told Gauri to employ a computer operator for this purpose who could update the website regularly. Large number of parents visited the website started by Gauri on payment of an online fee of Rs. 100.</p> <p>_____ concept of entrepreneurship is discussed in above para.</p> <p>Fill in the above blank.</p>	1
8.	<p>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. a. Identify the element of financial plan discussed here.</p> <ul style="list-style-type: none"> <li>A. Proforma investment decisions</li> <li>B. Proforma financing decisions</li> <li>C. Proforma Income Statement</li> <li>D. Both Option A and B</li> </ul>	1
9.	<p>Identify the type of merger shown in the image below between these two companies.</p>	1

	 <p>A. Conglomerate B. Horizontal C. Vertical D. Diagonal</p>	
10.	<p>Rohan a budding musician created a lot of musical notes for his upcoming video. He was extremely thrilled to listen to his compositions. He presented his compositions to his friend Victor. The release of musical video of Rohan was getting delayed for a few months due to shortage of cash. Meanwhile Victor used most of the musical compositions of Rohan in his video. Rohan was extremely upset to know that his friend had cheated him and used all his work.</p> <p>Which Intellectual Property Right, Rohan should have got to save his work?</p> <p>A. Patent B. Trade Secret C. Copyright D. Industrial design.</p>	1
11.	<p>Jagriti Ltd' are the manufacturers of cars for the last 15 years and was earning good profits. Recently, due to irregular supply of parts by the suppliers the company could not make timely delivery of cars to its customers. The customers cancelled their bookings and there were very few new bookings. As a result, the sale of the cars declined and also the profits. The management of the company analysed the problems and decided to take over those two firms because of whom the problems arose. One of them was supplying engines and the other tyres. The company also launched new discount schemes for its customers. It also decided to employ 200 unemployed young boys and girls to take up the cleaning operations using imported machines inside the factories as well as the surrounding areas.</p> <p>Identify and state the concept of 'Enterprise growth strategies' discussed in the above para.</p> <p>A. Franchise B. Acquisition C. Merger D. None of these.</p>	1
12.	Identify the advertising media from the given picture	1



- A. Outdoor
- B. Ambient
- C. Point of sale
- D. Directory Listings

**OR**

The logo of Bajaj is shown below, name the type of branding the company uses to market their product.



- A. Family Brand name
- B. Corporate Brand name
- C. Alpha- numeric names
- D. Individual Brand name

13.	A case of acquisition in which the purchasing company becomes a subsidiary of the purchased company is called as _____ acquisition. Fill the above blank.	1										
14.	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">COLUMN A - Terms</th> <th style="text-align: left;">COLUMN B- Meaning</th> </tr> </thead> <tbody> <tr> <td>i. Grand opening and Product launch</td> <td>(a) Press Advertising.</td> </tr> <tr> <td>ii. Sales promotions</td> <td>(b) Public Relation</td> </tr> <tr> <td>iii. Advertising media is suitable for image building, information dissemination and sales campaigns.</td> <td>(c) Indirect Sales Strategy.</td> </tr> <tr> <td>iv. Sophisticated and positive sales strategy</td> <td>(d) Below-the-line</td> </tr> </tbody> </table>	COLUMN A - Terms	COLUMN B- Meaning	i. Grand opening and Product launch	(a) Press Advertising.	ii. Sales promotions	(b) Public Relation	iii. Advertising media is suitable for image building, information dissemination and sales campaigns.	(c) Indirect Sales Strategy.	iv. Sophisticated and positive sales strategy	(d) Below-the-line	3
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	<p>Identify the correct option to match the above columns:</p> <p>A. i– b; ii – d; iii – a; iv – c  B. i– b; ii – a; iii – d; iv - c  C. i– b; ii – d; iii – c; iv - a  D. i– a; ii – d; iii – b; iv - c</p>	
15.	<p>STATEMENT 1: Logo is an identifying symbol for a product or business. It can be any distinctive design, mark, sign which stands associated with the entrepreneur's offering.</p> <p>STATEMENT 2: Trademarks are basically simple but powerful messages that help to communicate an enterprise's goals, mission, distinct qualities.</p> <p>Identify the correct option:</p> <p>A. Both the statements are true  B. Statement 1 is true but 2 is false.  C. Both the statements are false.  D. Statement 1 is false but statement 2 is true.</p>	1
16.	<p>Rishabh lives in Vijay Nagar, a residential colony near Delhi University (DU). Being close to DU this area is a hub for students who come from outside Delhi to study here as they find good accommodation with Tiffin service readily available. Rishabh has a vacant residential building there. He found it to be an attractive economic idea to start a Paying Guest House. He knows that he has a good market because of the location of his building.</p> <p>State the arithmetical requirement he has to ensure before opting for this opportunity?</p>	1
17.	<p>Deepak Ltd., has been manufacturing cycles since 2010. Their market share in this field is 35%. They decided to introduce new cycles with advanced 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.</p> <p>Identify this kind of issue?</p> <p>A. Issue by prospectus  B. Private Placement  C. Right Issue  D. Employee stock option.</p>	1
18.	<p>PHE Ltd. has Stock – Rs.3,000, Creditors- Rs.1,200, Debtors- Rs.1,500 and Bank Balance- Rs.700. The amount of Gross Working Capital for the company is:</p> <p>A. Rs.4,500  B. Rs.4,000  C. Rs.5,200  D. Rs.6,400</p>	1

	<b>OR</b>													
	<p>SKM Ltd has Current assets Rs.10,000 including cash of Rs.2,000. The amount of creditors Rs.4,000 and bank overdraft Rs.2,500. Calculate Net working capital for the business.</p> <p>A. Rs.3,500 B. Rs.2,500 C. Rs.4,500 D. Rs.5,500</p>													
19.	<p>‘Nomy India Ltd.’ are the producers of two different sizes of televisions. From the information given below, calculate the ‘Break-Even Quantity’ of the T.V. sets manufactured per month.</p> <p>Information:</p> <table border="1"> <thead> <tr> <th>Size of T.V</th> <th>Unit Selling Price</th> <th>Unit variable cost</th> <th>Allocated Fixed expense</th> </tr> </thead> <tbody> <tr> <td>43inch</td> <td>Rs.45,000</td> <td>Rs.36,000</td> <td>Rs.1,08,000</td> </tr> <tr> <td>55inch</td> <td>Rs.60,000</td> <td>Rs.50,000</td> <td>Rs.1,20,000</td> </tr> </tbody> </table> <p>Choose the correct option for Break-even point for the TV sets:</p> <p>A. 43 inch – 10 units and 55 inch- 12 units B. 43 inch – 12 units and 55 inch- 10 units C. 43 inch – 10 units and 55 inch- 10 units D. 43 inch – 12 units and 55 inch- 12 units</p>	Size of T.V	Unit Selling Price	Unit variable cost	Allocated Fixed expense	43inch	Rs.45,000	Rs.36,000	Rs.1,08,000	55inch	Rs.60,000	Rs.50,000	Rs.1,20,000	1
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55inch	Rs.60,000	Rs.50,000	Rs.1,20,000											
20.	<p>Kuljit Singh runs an online business for gym equipment. Annual demand for the Waist Flexers is 600. The annual holding cost per unit is Rs.5 and the cost to place an order is Rs. 15. What is quantity to be ordered to economize their cost of buying and storage?</p> <p>A. 300 units B. 600 units C. 900 units D. 1,000 units.</p> <p style="text-align: center;"><b>OR</b></p> <p>What are two things that are taken care in a reorder point?</p> <p>A. Break even unit and storage cost B. Lead time and usage rate C. Demand and carrying cost D. Break-even level and profitability.</p>	1												
21.	<p>The following table shows the number of guests who all stayed in a hotel in last 4 weeks and also their total bill amount for food, lodging and leisure activities.</p> <table border="1"> <thead> <tr> <th>WEEK</th> <th>No. of guests</th> <th>Total Bill (Rs.)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>24</td> <td>4,100</td> </tr> </tbody> </table>	WEEK	No. of guests	Total Bill (Rs.)	1	24	4,100	1						
WEEK	No. of guests	Total Bill (Rs.)												
1	24	4,100												

	2	12	3,000	
	3	14	3,400	
	4	10	1,800	
	TOTAL	60	12,300	
	<p>What is the value of unit price for the hotel?</p> <p>A. Rs.200 B. Rs.205 C. Rs.208 D. Rs.210</p> <p style="text-align: center;"><b>OR</b></p> <p>A Grocery store sold items to different customers for a period of 12 weeks and calculated their unit sale as Rs.3,000. The cost price per unit is 60% of the selling price. Calculate the Gross profit per unit.</p> <p>A. Rs.2,400 B. Rs.1800 C. Rs.2,100 D. Rs.1,200</p>			
22.	<p>It is described as an attractive economic idea which could be implemented to create a business, earn profits and ensure further growth.</p> <p>(a)Identify the concept described above. (b)List any two elements of the concept identified in (a).</p>			2
23.	<p>Asha and Jyoti, two friends after completing beautician course, they decided to provide open a beauty parlour as partners. They were ready to offer salon service at customers place at a premium rate during COVID 19 with all necessary precautions being taken. They decided to share profit equally and that each of them will be liable for acts performed by the other.</p> <p>List two features of the business that Asha and Jyoti are planning to start.</p>			2
24.	<p>Saurabh has just started a business of selling designer furniture. Being new to the business community he wants to maintain and improve the relationship with stakeholders. He approaches you for suggestion and help. List the tools that he can use to establish the mutual understanding with stakeholders.</p> <p style="text-align: center;"><b>OR</b></p> <p>Flipkart. An e-trading business giant, started operations with online selling of goods. People who wanted to buy at ease at any time can visit the website. Through its quality service and timely delivery and return policy it has crafted a position for itself. It has developed an attractive logo. The brand value has increased a lot.</p>			2



	(a) Define: Brand. (b) What is meant by logo? State any two functions of logo.																	
25.	<p>Clean Air Pvt. Ltd. started a business of making three varieties of portable air purifiers for vehicles - Vincent, Banish, 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.</p> <table border="1"> <thead> <tr> <th></th> <th>Vincent</th> <th>Banish</th> <th>Exclusive</th> </tr> </thead> <tbody> <tr> <td>Sales Price</td> <td>800</td> <td>450</td> <td>600</td> </tr> <tr> <td>Variable cost</td> <td>400</td> <td>150</td> <td>200</td> </tr> <tr> <td>Sales Mix</td> <td>50%</td> <td>20%</td> <td>30%</td> </tr> </tbody> </table> <p>Calculate total average contribution per unit.</p>		Vincent	Banish	Exclusive	Sales Price	800	450	600	Variable cost	400	150	200	Sales Mix	50%	20%	30%	2
	Vincent	Banish	Exclusive															
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26.	<p>It is the title or cover page that provides a brief summary of business plan's contents. One of its content is Industry Profile. State the content of Industry profile.</p>	2																
27.	<p>Sikha was manufacturing beauty products and was always on the lookout to improvise her products. She used social media and online surveys to understand the latest trend in customer needs and overall in the cosmetics industry. . Through the surveys, she understood that the customers prefer natural ingredients like multani-mitti or neem in place of chemicals in the beauty products. Responding to the customers' needs, she developed a 'Multani-Mitti cum neem face pack' in an attractive package. It was highly priced as she knew that the customers will be ready to pay the price for the quality. Her face pack was an instant success. (a) Identify the 'Way' in which Sikha spotted this trend. (b) Discuss any two other ways of trend spotting.</p>	3																
28.	<p>"Establishing Goals" is a step involved in preparing marketing plan. State the factors/ways for setting such goals.</p>	3																
29.	<p>What is cash conversion cycle? Why the CCC is different for a trading concern as against manufacturing concern?</p>	3																
30.	<p>Suraj, a tech-entrepreneur and his friend Harish, an investment banker planned to start a business organization where they can exercise control over the business, manage it with limited liability and that its continuity is not affected by entry or exit of members. They intend to maintain the confidentiality of the business operations as well. Explain four features of the business enterprise Suraj and Navin are planning to start.</p> <p style="text-align: center;"><b>OR</b></p>	4																

	<p>Anwar started a packing factory in the small plot of land inherited from his father. Anwar is very enthusiastic and concerned about environmental issues and health has planned to sale food grade plastics for packing edible oils and tetra pack for dairy industries. He contributed Rs.2,00,000 from his personal fund and obtained a loan of Rs.3,00,000 from the bank by mortgaging the land.</p> <p>(a)Advise him, where he must disclose the source of his fund, under Financial Plan while preparing the Business Plan.</p> <p>(b)Briefly discuss any other two components of Financial Plan.</p>	
31.	<p>The following figures are extracted from the balance sheet of Swadhin Ltd.</p> <p>Net profit after tax: Rs. 2,00,000</p> <p>Net profit before tax: Rs. 2,80,000</p> <p>Total Investment(Owned + Borrowed): Rs. 4,00,000</p> <p>Own funds: Rs.1,00,000.</p> <p>Calculate: (i) Return on Investment and (ii) Return on Equity for Swadhin Ltd.</p>	4
32.	<p>Just Sip is a new mixed fruit juice introduced by Amit Beverages Ltd. The mixed fruit juice has been fortified using various vitamins and minerals. The company designed a unique package for the product which made it very attractive. Their sales figures were an indication of their success. In order to capture huge market share, they decided to give exclusive rights to retailers to manufacture and sell the product to the public.</p> <p>(a)Identify and explain type of franchise mentioned above.</p> <p>(b) Also, explain two other types of franchise business with appropriate example.</p> <p style="text-align: center;"><b>OR</b></p> <p>Fit life Ltd. decided to diversify into manufacturing vitamin enriched water apart from their original business of cold drinks. The finance and marketing department sat and decided to adopt either of these two pricing techniques - adding a certain percentage of profit to the cost of production or to sell at a lesser amount so as to capture huge market. They put forth their finding to the CEO.</p> <p>Identify the pricing techniques under proposal and state one advantage and one disadvantage for each pricing method.</p>	4
33.	<p>Bhavesh an unemployed graduate got training for automobile repairing and allied services under PMKVY (Pradhan Mantri Kaushal Vikas Yojana) for skill development. He is planning to start a digital workshop for which he needs Rs.25 lacs. Though through MUDRA (Micro Units Development and Refinance Agency) he is able to get a loan of Rs.10 lacs but still he is falling short of Rs.15 lacs. He wants to pitch in his idea to potential investors through his business plan. Explain the different formats in which he can present his business plan for his start-up.</p> <p style="text-align: center;"><b>OR</b></p>	6

	<p>Source based question: <a href="https://www.notesmatic.com/2020/01">notesmatic.com/2020/01</a></p> <p>The macro-environment of a firm consists of major uncontrollable forces that affect its decision making and performance. The importance of these factors increases because of the fact that they are outside the firms' control and can have a positive or negative impact on their performance. Investing time in understanding the impact and its level helps managers build better strategies and improve business performance. Otherwise, an environmental change can have a strong adverse impact on its performance and bottom line. For example, if Apple is trying to sell iPhones in China then it will consider consumer spending, purchasing power of individual consumers, level of inflation, unemployment and other related factors before it makes important decisions. Finding faster growth in a region can be easier by developing an understanding of the local society and culture. Businesses can accordingly form a business marketing and sales strategy for their products/services or create new products and services for the local market. The growth of mobile technology and the growing use of smartphones and tablets have also led to the emergence of new opportunities for businesses. Businesses that fail to understand how these changes affect their business will not be able to find faster growth. Natural resources are not just raw material but the impact of businesses on nature and the environment is also a critical factor that affects their image and performance. Society and the government are also focusing on how businesses affect nature and their overall size of environmental impact. Governments around the world have formed laws that protect the environment and focus upon preventing the exploitation of natural resources.</p> <p>Quoting the sentence, identify and explain the macro environmental factors from the above article.</p>	
34.	<p>Ashok's grandfather owned a huge agricultural firm in the name of 'Organica'. The company had huge acres of land in Kerala where it grew spices. The company planned to expand and was planning to buy land in Coorg, Karnataka where it will grow coffee. While visiting the place, Ashok saw that the villagers had to walk more than 10 kms of hilly terrain to reach the hospital and he also felt that the villagers did not have any work in the evening apart from doing agricultural work in the morning. For expansion purposes he required money and the chief financial officer of his company suggested that they raise the required funds directly from the public. Ashok also decided to open a hospital and a skill development centre for the villagers in the evening wherein they can learn a lot of new skills.</p> <p>(a) Name the market where the company can make public issue.  (b) Explain the method of raising funds directly from the public and the primary advantage that Ashok stands to gain from it.  (c) Discuss the other ways the company can raise additional capital.</p>	6
35.	<p>Explain the advantages of franchising for the franchisor and the franchisee.</p>	6

