



INDIAN SCHOOL AL WADI AL KABIR  
ASSESSMENT 1 2022-2023  
CLASS XII  
ENTREPRENEURSHIP

**ANSWER KEY**

Q. No.	QUESTIONS	Marks
<b>SECTION - A</b>		
1.	<p>It is the process of entrepreneurship which involves the translation of a useful idea into an application which has commercial value'. Identify the process.</p> <p><b>A. Creativity</b> B. Innovation C. Problem Solving D. Competition</p>	1
2.	<p>Pratap started a factory for manufacturing jute bags for shopping and contribute towards environment protection by discouraging the use of plastic bags. 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.</p> <p>A. Elevator Pitch B. Pitch deck with oral narrative C. Plan for external stakeholders D. Internal Operational Plan</p>	1
3.	<p>After doing her M.Com from 'Himachal Pradesh University of Shimla', Sanjana 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 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. Sanjana 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 Sanjana from the surplus of the profits. Name the process that helped Sanjana in developing an idea into an opportunity.</p>	1

	<b>Sensing Entrepreneurial opportunity</b>	
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> <p><b>A. Sole proprietorship.</b>  B. Partnership  C. Private Limited Company.  D. Public Limited company.</p>	1
5.	<p>Tarun 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 fisheries. Tarun, decided to engage himself in the fishery occupation.</p> <p>Identify the 'idea field' that helped Tarun to engage himself in fishery occupation.</p> <p>A. Market Driven Ideas  B. Trade Related Ideas  <b>C. Natural resources</b>  D. Creative Efforts</p>	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.</p> <p>Routing is an element of _____ Plan.</p> <p>Fill in the blank</p> <p><b>Operational</b></p>	1
7.	<p>Identify the third element in the innovation process from the given options.</p> <p>A. Resource organization  B. Commercial application  <b>C. Implementation</b>  D. Analytical planning</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</p>	1

	<p>on research and development and investment in short-term assets viz. raw material, level of cash, etc</p> <p>Identify the element of financial plan discussed here.</p> <p>A. <b>Proforma investment decisions</b></p> <p>B. Proforma financing decisions</p> <p>C. Proforma Income Statement</p> <p>D. Break Even Analysis</p>	
9.	<p>Which of the following feature applies ONLY to a public company?</p> <p>A. Can Start business after incorporation</p> <p>B. Has a restriction up to 200 members</p> <p>C. <b>Can invite public to subscribe for its shares</b></p> <p>D. Directors are not required to obtain qualification shares.</p>	1
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</p> <p>B. Trade Secret</p> <p>C. <b>Copyright</b></p> <p>D. Industrial design.</p>	1
11.	<p>Name the type of brand name depicted in the picture:</p>  <p>FAMILY BRAND NAME</p>	1
12.	<p>Identify the concept depicted in the following image</p>  <p>A. Tagline</p> <p>B. Brand Mark</p> <p>C. Brand Name</p> <p>D. <b>Both B and C</b></p>	1

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. <b>REVERSE</b>	1	
14.	<b>COLUMN A - Terms</b>	<b>COLUMN B- Meaning</b>	1
	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	
Identify the correct option to match the above columns: <b>A. i – b; ii – d; iii – a; iv – c</b> B. i – c; ii – a; iii – d; iv - b C. i – b; ii – d; iii – c; iv - a D. i – a; ii – d; iii – b; iv - c			
15.	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. One of his response was incorrect. Which one of the following response was incorrect? A. Aim B. Target <b>C. Desire</b> D. Competitors	1	
16.	Which one of the following is not a content of franchise agreement? A.Contract Explanation <b>B.Preparation Manual</b> C.Proprietary Statement. D.Ongoing site maintenance.	1	
17.	A vertical merger joins two companies that may not compete with each other, but exist in the same supply chain. An automobile company joining with a parts supplier would be an example of a vertical merger. State “True” or “False”. <b>True</b>	1	
<b>SECTION B</b>			
18.	It is described as an attractive economic idea which could be implemented to create a business, earn profits and ensure further growth. (a)Identify the concept described above. (b)List any two elements of the concept identified in (a). A business opportunity may be described as an attractive economic idea which could be implemented to create a business, earn profits and ensure further	2	

	growth. A business opportunity has five elements which are as follows: • Assured market scope • An attractive and acceptable rate of return on investment •	
19.	<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> <ol style="list-style-type: none"> <li>1) Two or more persons:</li> <li>2) Agreement</li> <li>3) Profit sharing:</li> <li>4) Unlimited liability</li> </ol>	2
20.	<p>List any two elements of a business opportunity.</p> <p>Practicability of the idea • Competence of the entrepreneur to encash it • Potential of future growth</p> <p style="text-align: center;">OR</p> <p>List the two things that an entrepreneur has to ensure before selecting an opportunity.</p> <p>There is a good market for the product he is going to produce • The rate of return on the investment is attractive to be accepted by him</p>	2
21.	<p>Kamal Ltd. are manufacturers of textiles, having their plant in Surat, a city of Gujarat. Vastra Ltd. are the manufacturers of readymade garments and sell their products throughout the country. They also export their products to America and European countries. Vastra Ltd. source their textiles from Kamal Ltd. The management of the two companies decided to merge to have economies of large scale production.</p> <p>(a) Identify the type of merger entered into by Kamal Ltd. and Vastra Ltd.</p> <p>(b) Also, explain a type of merger other than the one identified in (a) above.</p> <p>Vertical Merger Horizontal; Product extension; market extension; Conglomerate</p>	2
22.	<p>What is meant by logo? State a function of logo.</p> <p>A logo is a graphic mark or emblem commonly used by commercial enterprises, organisations and even individuals to aid and promote instant public recognition. Logos are a critical aspect of business marketing. As the company's major graphical representation, a logo anchors company's brand. 2) Corporate Logo are intended to be the "Identity" of an enterprise because of displaying graphically enterprise's uniqueness. 3) Through a set color combination, fonts, images, impression and/or pattern, logos provide essential information about a company that allows customers to relate with the enterprise's core brand.</p>	2
23.	<p>Sikandar &amp; Sons started manufacturing oximeters which has a great demand in this time of Covid 19 for domestic use and otherwise also it is an equipment in demand by the medical professionals. His son advised him to fix the price initially at a higher rate and then reduce the price when the demand has reduced.</p>	2

	Identify and define the pricing technique suggested by Sikandar's son. Price Skimming with definition	
24.	<p>Source based question Source: <a href="#">Business Today Desk</a> Aug 31, 2022</p> <p>Mukesh Ambani-led Reliance Industries Limited (RIL) has acquired the famous Campa brand from New Delhi-based Pure Drinks Group for an estimated amount of Rs 22 crore, a report in The Economic Times said. The acquisition is in line with the group's plan to venture into the soft drinks business under its retail arm. Along with the Campa brand, the group has also taken over the soft drink brand Sosyo.</p> <p>The Campa brand and Campa Cola were the two popular soft drink brands in the 1970s and 1980s. The brand's popularity ultimately fizzled out after the entry of Coca-Cola and PepsiCo in the 1990s. Reliance Retail will now relaunch the soft drink in cola, lemon, and orange flavours in October this year. Market experts said that the revamped Campa brand can now take on the leaders, Pepsi and Coca-Cola, in the beverages market. The new product will be available at Reliance Retail stores, JioMart, and kirana stores all over the country.</p> <p>Identify and define the type of business growth highlighted above. External - Acquisition</p>	2
SECTION C		
25.	<p>Amish has the habit of reading newspaper on a daily basis. The latest headlines caught his attention. The headlines read as follows' "Government plans to offer subsidy to manufacturers of solar panels". He had also heard from his friend that individual house owners are preferring to install solar panels to save electricity. He started to make connections that led him to a business idea of establishing a small scale industry manufacturing solar panels.</p> <p>Identify the ways of spotting the trend form the above case and quote the lines from above paragraph in support of your answe</p> <p>Think Trend Read Trend Talk Trend</p>	3
26.	<p>Rajesh was a chemical engineer working for a company selling insect killer spray. He was aware how this product could harm the health of the users and was constantly looking for ways to improve the product. Filled with innovative zeal, he worked hard and developed a mosquito repellent which produces sonic waves to drive away mosquitoes. It is non-smoky and does not emit any kind of fragrance or odour. It was safe to use as the sonic waves do not affect human beings or plants. He decided to name his product as 'Dengularia Free'. The product was to be packed in a corrugated box with an extension cord as free gift. Its price was fixed at Rs. 260 per unit. A replacement warranty for one year will be given as an introductory offer. He decided to sell this product through agents who will sell to both, the wholesalers and retailers depending upon the market to be catered.</p>	3

	<p>Quoting the lines from the above para, identify any three elements of marketing mix used by Rajesh.</p> <p>Product Price Promotion Place With quotation</p>	
27.	<p>Briefly discuss the three situations of Production Plan.</p> <p>No manufacturing Partial manufacturing Complete Manufacturing</p>	3
28.		3
29.	<p>Discuss any three factors related to the product while deciding upon the channels of distribution.</p> <p>Perishability Standard or customised Product</p>	3
<b>SECTION D</b>		
30.	<p>This document is valuable to the entrepreneur, potential investors, venture capitalists, banks, financial institutions, new personnel's suppliers, customers, advisors and others who are trying to familiarize themselves with the business venture, its goals, and objectives.</p> <p>State any four reasons for the importance of this document.</p> <p>Business Plan helps in determining the viability of the venture in a designated market b) helps in providing guidance to the entrepreneur in organizing his/her planning activities as such: i) identifying the resources required ii) enabling obtaining of licenses if required etc. iii) working out with legal requirements as desired by the government. c) helps in satisfying the concerns, queries, and issues of each group of people interested in the venture. d) provides room for self-assessment and self-evaluation, requiring entrepreneur to think through various scenarios and plan ways to avoid obstacles. e) though not desirable, at times, business plan helps to realize the obstacles which cannot be avoided or overcome, suggesting to terminate the venture while still on paper without investing further time and money. f) as the investors/lenders focus on the four Cs of credit : character, cash flow, collateral and equity contribution, it is the business plan which reflects the entrepreneur's credit history, the ability to meet debt and interest payments, and the amount of personal equity invested</p>	4
31.	<p>Discuss the advantages of Franchise for the Franchisee.</p> <p>Management expertise Capital Requirement Knowledge of the market Operational and structural control</p>	4

32.	<p>It is the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation (or individual) and its (or their) public.</p> <p>(a)Identify the Promotion Mix defined above.</p> <p>(b)State any four tools of the Promotion Mix identified in (a)</p> <p>Public Relation</p> <p>News creation and distribution (media releases) • Special events such as news conferences, grand openings and product launches • Speeches and presentations • Educational programs • Annual reports, brochures, newsletters, magazines and Audio–visual presentations • Community activities and sponsorships</p>	4
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**SECTION E**

33.	<p>There are many media options open to advertisers. The choice of media depends on the target customers to reach, the message to be communicated within the budget. Often a combination of media (the media mix) can be used to good effect.</p> <p>In reference to the above paragraph discuss any six type of media that can be used for marketing a product or service</p> <p>helps in determining the viability of the venture in a designated market b) helps in providing guidance to the entrepreneur in organizing his/her planning activities as such: i) identifying the resources required ii) enabling obtaining of licenses if required etc. iii) working out with legal requirements as desired by the government. c) helps in satisfying the concerns, queries, and issues of each group of people interested in the venture. d) provides room for self-assessment and self-evaluation, requiring entrepreneur to think through various scenarios and plan ways to avoid obstacles. e) though not desirable, at times, business plan helps to realize the obstacles which cannot be avoided or overcome, suggesting to terminate the venture while still on paper without investing further time and money. f) as the investors/lenders focus on the four Cs of credit : character, cash flow, collateral and equity contribution, it is the business plan which reflects the entrepreneur's credit history, the ability to meet debt and interest payments, and the amount of personal equity invested helps in determining the viability of the venture in a designated market b) helps in providing guidance to the entrepreneur in organizing his/her planning activities as such: i) identifying the resources required ii) enabling obtaining of licenses if required etc. iii) working out with legal requirements as desired by the government. c) helps in satisfying the concerns, queries, and issues of each group of people interested in the venture. d) provides room for self-assessment and self-evaluation, requiring entrepreneur to think through various scenarios and plan ways to avoid obstacles. e) though not desirable, at times, business plan helps to realize the obstacles which cannot be avoided or overcome, suggesting to terminate the venture while still on paper without investing further time and money. f) as the investors/lenders focus on the four Cs of credit : character, cash flow, collateral and equity contribution, it is the business plan which reflects the entrepreneur's credit history, the ability to meet debt and interest payments, and the amount of personal equity</p> <p style="text-align: center;"><b>OR</b></p> <p>An entrepreneur has a number of alternative channels available to him for distributing his products. These channels vary in the number and types of middlemen involved. Some channels are short and directly link producers with customers whereas other channels are long and indirectly link the two through one or more middlemen.</p>	6
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	<p>In reference to the above paragraph discuss the types of channels of distribution.</p> <p>Producer-customer (Direct channel-zero level): This is the simplest and shortest channel in which no middlemen is involved and producers directly sell their products to the consumers. It is fast and economical channel of distribution. Under it, the producer or entrepreneur performs all the marketing activities himself and has full control over distribution. A producer may sell directly to consumers through door-to-door sales persons, direct mail or through his own retail stores.</p> <p>Producer-retailer-customer (Indirect-one level): This channel of distribution involves only one middlemen called 'retailer'. Under it, the producer sells his/ her product to big retailers (or retailers who buy goods in large quantities) who in turn sell to the ultimate consumers. This channel relieves the manufacturer from burden of selling the goods himself and at the same time gives him control over the process of distribution. This is often suited for distribution of consumer durables and products of high value.</p> <p>Producer-wholesaler-retailer-customer (Two levels): This is the most common and traditional channel of distribution. Under it, two middlemen i.e. wholesalers and retailers are involved. Here, the producer sells his product to wholesalers, who in turn sell it to retailers. And, retailers finally sell the product to the ultimate consumers. This channel is suitable for the producers who have limited finance, narrow product line and need expert services and promotional support of wholesalers. This is mostly used for the products with widely scattered market.</p> <p>Producer-agent-wholesaler-retailer-customer (Three levels): This is the longest channel of distribution in which three middlemen are involved. This is used when the producer wants to be fully relieved of the problem of distribution and thus hands over his/her entire output to the selling agents. The agents distribute the product among a few wholesalers. Each wholesaler distributes the product among a number of retailers who finally sell it to the ultimate consumers. This channel is suitable for wider distribution of various industrial products.</p>	
34.	<p>We often hear CEOs saying that Mergers &amp; 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 any six reasons for Merger &amp; Acquisition. Six points to be discussed</p> <p style="text-align: center;"><b>OR</b></p> <p>A merger is a combination of two companies into one larger company. This action involves stock swap or cash payment to the target. In a merger, the boards of directors of the two firms agree to combine and seek stockholder approval for the combination. In most cases, at least 50% of the shareholders of the target and the bidding firms have to agree to the merger. In reference to the above paragraph, explain the types of merger. All five types of merger to be discussed.</p>	6

