



# INDIAN SCHOOL AL WADI AL KABIR

First Rehearsal Examination 2022-23

**Entrepreneurship (066)**

Date: 11/12/2022

Time Allowed :3 hours

Class: XII

Maximum Marks: 70

**General Instructions:**

- 1.The question paper contains 4 sections - A, B, C and D
2. Section A contains Multiple choice questions
3. Section B - 2 marks
4. Section C - 3 marks
5. Section D - 5 marks
6. Internal choice is given in the paper, there is no overall choice.

SECTION A		
1.	Ramesh is working as a salesman in a company engaged in the marketing of readymade garments. He gets a monthly salary of 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. Ramesh has undertaken _____ activity. (A) business (B) employment (C) professional (D) non-economic	1
2.	Assertion (A): Mutual agency as a characteristic of partnership states that each partner is liable for the acts performed by the other partners. Reason (R): The partners of a firm have limited liability. (A) A is true but R is false. (B) Both A and R are true, but R is not the correct explanation of A (C) A is true and R is the correct explanation of A (D) Both A and R are false.	1

3.	<table border="1" data-bbox="280 226 1360 821"> <thead> <tr> <th data-bbox="280 226 821 300">COLUMN A – Meaning</th> <th data-bbox="821 226 1360 300">COLUMN B- Terms</th> </tr> </thead> <tbody> <tr> <td data-bbox="280 300 821 380">i. uses the word 'Ltd.' at the end of its name.</td> <td data-bbox="821 300 1360 380">(a) Public company.</td> </tr> <tr> <td data-bbox="280 380 821 527">ii. has a minimum of two and a maximum of two hundred members excluding its past and present employees.</td> <td data-bbox="821 380 1360 527">(b) Continuity</td> </tr> <tr> <td data-bbox="280 527 821 674">iii. A company is created by law. Though, it has no body and no conscience, it still exists as a person, having a distinct personality of its own.</td> <td data-bbox="821 527 1360 674">(c) Private company.</td> </tr> <tr> <td data-bbox="280 674 821 821">iv. Legally, a firm dissolve on the retirement, death, bankruptcy lunacy, or disability of a partner if not otherwise provided for in the partnership deed.</td> <td data-bbox="821 674 1360 821">(d) Artificial person</td> </tr> </tbody> </table> <p data-bbox="280 863 987 894">Identify the correct option to match the above columns:</p> <p data-bbox="280 898 643 930">(A) i– b; ii – d; iii – a; iv – c</p> <p data-bbox="280 934 643 966">(B) i– c; ii – a; iii – d; iv – b</p> <p data-bbox="280 970 643 1001">(C) i– a; ii – c; iii – d; iv - b</p> <p data-bbox="280 1005 643 1037">(D) i– c; ii – a; iii – b; iv – d</p>	COLUMN A – Meaning	COLUMN B- Terms	i. uses the word 'Ltd.' at the end of its name.	(a) Public company.	ii. has a minimum of two and a maximum of two hundred members excluding its past and present employees.	(b) Continuity	iii. A company is created by law. Though, it has no body and no conscience, it still exists as a person, having a distinct personality of its own.	(c) Private company.	iv. Legally, a firm dissolve on the retirement, death, bankruptcy lunacy, or disability of a partner if not otherwise provided for in the partnership deed.	(d) Artificial person	1
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4.	<p data-bbox="280 1087 1369 1188">This is the seeding stage of a new idea. It is the stage where the entrepreneur recognizes that an opportunity exists which can be explored and exploited to its best potential.</p> <p data-bbox="280 1192 898 1224">Identify stage of creative process defined above.</p> <p data-bbox="280 1228 553 1260">(A) Idea germination</p> <p data-bbox="280 1264 480 1295">(B) Preparation</p> <p data-bbox="280 1299 492 1331">(C) Illumination</p> <p data-bbox="280 1335 472 1367">(D) Incubation</p>	1										
5.	<p data-bbox="280 1419 1369 1482">Nelson started an AC repair shop in his area after doing a diploma course. What idea field is it?</p> <p data-bbox="280 1486 509 1518">(A)Market driven</p> <p data-bbox="280 1522 521 1554">(B)Trading related</p> <p data-bbox="280 1558 516 1589">(C)Service related</p> <p data-bbox="280 1593 526 1625">(D)Creative efforts</p>	1										
6.	<p data-bbox="280 1677 1369 1740">Exploring opportunities in the environment is a process involving various steps. Arrange the steps in correct order.</p> <p data-bbox="280 1745 1308 1776">i) Evaluating the ideas received from different sources to find a creative solution</p> <p data-bbox="280 1780 979 1812">ii) Identifying a product or service through innovation</p> <p data-bbox="280 1816 1369 1879">iii) Opportunity spotting by analysing the needs and problems that exist in the environment</p>	1										

	iv) Setting up a project and nurturing it to success (A) i-ii-iii-iv (B) iii-i-ii-iv (C) ii-iii-iv-i (D) i-iv-iii-ii											
7.	Nilesh wanted to launch a new type of air-conditioner which would itself regulate the temperature according to the weather. He thought of first assessing the trend in the market for the design of the air conditioner. For this he appointed Sharon. Sharon, to study the market, surveyed a lot of people in the market by asking them about their preference of specification in the air conditioner. Identify the type of trend spotting used by Sharon: (A) Read trend (B) Talk trend (C) Watch trend (D) None of these	1										
8.	Which of the following is not a factor involved in the sensing opportunities? (A) Vision and creativity (B) Ability to harness different sources of information (C) Ability to obtain necessary finances to start and continue a business (D) Ability to perceive and preserve basic ideas that could be used commercially	1										
9.	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. Which intellectual property right could have helped Rohan to save his work? (A) Patent (B) Copyright (C) Trade Secret (D) Industrial design	1										
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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– 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>																
11.	<p>Assertion (A): 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>Reason (R): Trademarks are basically simple but powerful messages that help to communicate an enterprise's goals, mission, distinct qualities.</p> <p>(A) A is true but R is false.          (B) Both A and R are true, but R is not the correct explanation of A          (C) A is true and R is the correct explanation of A          (D) Both A and R are false.</p>	1															
12.	<p>_____ outline how the franchise name is to be used, as well as the marketing and advertising procedures in place that the franchisee will be required to follow.</p> <p>Identify the ingredient of content of franchise agreement defined above.</p> <p>(A) Contract Explanation          (B) Operations Manual          (C) Proprietary Statements          (D) Ongoing Site Maintenance</p>	1															
13.	<p>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>Identify the distribution channel discussed above:</p> <p>(A) Zero level          (B) One level          (C) Two level          (D) Three level</p>	1															
14.	<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" data-bbox="279 1476 855 1667"> <thead> <tr> <th>WEEK</th> <th>No. of guests</th> <th>Total Bill (Rs.)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>4</td> <td>100</td> </tr> <tr> <td>2</td> <td>2</td> <td>300</td> </tr> <tr> <td>3</td> <td>4</td> <td>400</td> </tr> <tr> <td>4</td> <td>6</td> <td>800</td> </tr> </tbody> </table> <p>What is the value of unit price for the hotel?</p> <p>(A) Rs.100          (B) Rs.200          (C) Rs.600          (D)Rs.800</p>	WEEK	No. of guests	Total Bill (Rs.)	1	4	100	2	2	300	3	4	400	4	6	800	1
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15.	<p>Nonika Ltd. manufactures two types of calculators, Basic Model and Scientific Calculators.</p> <table border="1" data-bbox="280 268 1166 478"> <thead> <tr> <th></th> <th>Basic Calculator</th> <th>Scientific Calculator</th> </tr> </thead> <tbody> <tr> <td>Selling price per box</td> <td>370</td> <td>575</td> </tr> <tr> <td>Variable cost</td> <td>120</td> <td>175</td> </tr> <tr> <td>Sales Mix</td> <td>70%</td> <td>30%</td> </tr> </tbody> </table> <p>The weighted average contribution will be _____</p> <p>(A) Rs. 650 (B) Rs. 455 (C) Rs. 295 (D)Rs. 560</p>		Basic Calculator	Scientific Calculator	Selling price per box	370	575	Variable cost	120	175	Sales Mix	70%	30%	1
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16.	<p>Gross working capital is the sum total of all ..... of the business.</p> <p>(A) Non-current assets (B) Current Assets (C) Current liabilities (D) Non-current liabilities</p>	1												
17.	<p>A ..... may be defined as an organized mechanism meant for effective and smooth transfer of money capital or financial resources from the investors to the entrepreneurs.</p> <p>(A) Capital Market (B) Consumer Market (C) Product Market (D) Service Market</p>	1												
18.	<p>Primary market is basically to facilitate transfer of resources from the savers to the entrepreneurs seeking funds for:</p> <p>(A) Setting new enterprises (B) Expanding (C) Diversifying (D) All of above</p>	1												
<b>SECTION B</b>														
19.	<p>Ragini, a career oriented mother, hardly got time to cook for the family. She decided to hire a cook but was not able to find one who could cook according to the taste of the family. Her sister Abha sensed that this problem is not only faced by her sister but also by many working women. She launched a website namely 'Dial for food' where housewives who had culinary ability and were interested to cook could drop in their contact details and households where specific cuisine was required could leave in their requirements so that through the website home cooked food could be delivered. The website mainly helped in identifying the requirement and fulfilled it through providing delivery service.</p> <p>Identify any two uses of problem identification to Abha.</p>	2												

20.	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 Arjun that he could no longer run the unit so Arjun decided to take over the factory. His uncle had two workers. Arjun 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. Describe the factors that Arjun has to keep in mind while formulating manpower plan	2
21.	In a bid to send astronauts to Mars, US space agency Nasa has invited applications for four people to live in a simulated Martian exploration habitat in order to prepare them for the real life challenges of future missions to the red planet. Nasa started taking applications for participants to live for a year in Mars Dune Alpha, a 1,700-square-foot Martian habitat created by a 3D-printer that is inside a building at Johnson Space Center in Houston. (i)Identify the macro environment factor which has influenced Nasa to develop Mars Dune Alpha. (ii)Define any other macro environmental factor.	2
22.	It refers to the difference between the value of the combined firm and the value of the sum of the participants. It accrues in the form of revenue enhancement and cost savings. For example, if firms A and B merge and the value of the combined entity— $V(AB)$ —is expected to be greater than $(V_A+V_B)$ , the sum of the independent values of A and B, the combined entity is said to be benefitting. (a)Identify the concept stated in the above-mentioned details. (b)What are the different types of the above identified concept?	2
23.	State with reason for difference of cash conversion cycle for a sugar manufacturing company and Furniture showroom. <b>OR</b> What is meant by cash conversion cycle?	2
24.	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. (a)Name the component of marketing mix mentioned in above para. (b)State the factor/consideration related to the component identified in (a)	2
<b>SECTION C</b>		
25.	‘Kindercare’ is a successful brand name in the field of playschool across the country. They decided to increase the number of branches all throughout the country. For this purpose, they decided to give exclusive rights to individuals in return for a regular payment.	3

	<p>The various conditions included were:</p> <p>a. Interested individuals need to have Minimum 2000 feet area and are ready to invest around 10,00,000.</p> <p>b. Books and uniform to be procured from Kindercare headquarters only.</p> <p>c. Content, technical and accounting assistance would be provided.</p> <p>d. Teacher training for a month.</p> <p>(i) Identify and define the type franchising offered by ‘Kindercare’.</p> <p>(ii) Define any other type of franchising.</p>																	
26.	<p>Fruity is a new mixed fruit juice introduced by Healthy Beverages Ltd. The mixed fruit juice has been fortified using various vitamins and minerals.. 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>State any three benefits for Healthy Beverage Ltd for adopting such strategy for business expansion.</p>	3																
27.	<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.</p> <p>(i) Name the method of raising the funds being suggested by the finance department.</p> <p>(ii) Discuss any other method of raising fund apart from the method identified in (i).</p>	3																
28.	<p>Discuss any three features of sole proprietorship business.</p> <p style="text-align: center;"><b>OR</b></p> <p>Discuss any three features of a Joint Stock Company.</p>	3																
29.	<p>Calculate the break-even point in units for the following three products:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Products</th> <th>A</th> <th>B</th> <th>C</th> </tr> </thead> <tbody> <tr> <td>Selling price per box</td> <td>Rs.30</td> <td>Rs.45</td> <td>Rs.60</td> </tr> <tr> <td>Variable cost</td> <td>Rs.15</td> <td>Rs.30</td> <td>Rs.20</td> </tr> <tr> <td>Sales Mix</td> <td>30%</td> <td>30%</td> <td>40%</td> </tr> </tbody> </table> <p>The Fixed Cost: Rs.50,000.</p>	Products	A	B	C	Selling price per box	Rs.30	Rs.45	Rs.60	Variable cost	Rs.15	Rs.30	Rs.20	Sales Mix	30%	30%	40%	3
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<b>SECTION D</b>																		
30.	<p>All ideas need not necessarily become sound business opportunities. We have to assess it in terms of the potentiality of the opportunity.</p> <p>In the light of above statement explain the steps involved in this type of investigation of idea.</p>	5																
31.	<p>Calculate the Return on Equity (ROE) for Maruti International Limited are given below:</p> <p>Investment- Rs. 8,00,000</p> <p>Borrowed Funds- Rs.60,000. Interest rate per annum is 10%.</p> <p>Annual sales revenue is Rs. 70,000.</p>	5																

	<p>Cost of goods sold is Rs.30,000.  Fixed expenses(yearly): Rs. 20,000  Depreciation: Rs.5,000  Tax @ 20%.  Calculate Return on Investment from the above details.</p>	
32.	<p>Explain the four stages an entrepreneur can seek finance from a venture capital firm.  <b>OR</b>  Who are Angel Investors? State any four features of Angel Investors.</p>	5
33.	<p>Arushi finished her graduation course on designing from a reputed university. She wanted to pursue higher studies from a foreign university. Her father felt that she should work for some time, gain some experience and then proceed to further study. Taking his advice she joined a top advertising firm 'Crypton Ltd'. The company was very famous and they had several important clients. As her first assignment, Arushi had to design an advertisement for print media for one of their major clients 'Amoridilla Soaps'. They were introducing new ayurvedic soap and they wanted Crypton to design an advertisement which was unique. Arushi started researching on the various rules of designing advertisement. She learnt that all good advertisements should elicit responses.  (a) State the rules to be followed while designing an advertisement.  (b) State any three objectives of advertisement.  (c) What is the advantage of press advertising?</p>	5
34.	<p>Vinod 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>	5