

Roll No.

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Candidates must write the Code on the title page of the answer-book.

- Please check that this question paper contains **11** printed pages.
- Code number given on the right-hand side of the question paper should be written on the title page of the answer book by the candidate.
- Please check that this question paper contains 34 questions.
- **Please write down the Serial Number of the question before attempting it.**
- 15 minutes time has been allotted to read this question paper. The question paper will be distributed at 08.40 a.m. From 08:45 a.m. to 09.00 a.m., the students will read the question paper only and will not write any answer on the answer book during this period.

ENTREPRENEURSHIP

Time allowed: 3 hours

Date: 06/02/2025

Maximum Marks:70

Instructions:

- This question paper contains 34 questions. All questions are compulsory.*
- The question paper is divided into four sections- Section A, B and C and D.*
- In Section A: Questions number 1 to 18 are Multiple Choice Questions carrying 1 mark each.*
- In Section B: Questions number 19 to 24 are Short Answer type-I questions carrying 2 mark each.*
- In Section C: Questions number 25 to 29 are Short Answer type-II questions carrying 3 mark each.*
- In Section D: Questions number 30 to 34 are Long Answer type questions carrying 5 mark each.*
- There is no overall choice. However, an internal choice has been provided in Section B, C and D of question paper. A candidate has to attempt only one of the alternatives in such questions*

PART A		
Q. No.		Marks
1	<p>Before selecting an opportunity, the entrepreneur has to ensure</p> <hr/> <ul style="list-style-type: none"> a. Maximum amount of Debt is to be used to start b. More equity should be used to start c. There is a good market for product and expected rate of return is good d. There are no competitors for the product to be produced. 	1
2	<p>This promotional technique is deliberately planned and sustained effort to establish and maintain mutual understanding between an organization and public. This industry grew 12% to touch 1600 crore in FY23, according to the fourth 'State of the Industry Survey 2023' report by the Public Relations Consultant Association of India (PRCAI). While media relations continue to be the largest service, non-media relations services now contribute 53% of the industry's revenue.</p> <p>Identify the technique:</p> <ul style="list-style-type: none"> a. Advertising b. Sales promotion c. Personal selling d. Public relations 	1
3	<p>Which of the following is not involved in sensing opportunities?</p> <ul style="list-style-type: none"> a. Ability to perceive and preserve basic ideas which could be used commercially. b. Ability to harness different sources of information c. Vision and creativity d. Ability to generate finance before selecting an opportunity 	1
4	<p>'Elegance Couture' is a successful brand name in the field of designer boutiques 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. The various conditions included were:</p> <ul style="list-style-type: none"> a. Interested individuals need to have a minimum 2000 square feet area and be ready to invest around ₹10,00,000. b. Fabrics and accessories must be procured from Elegance Couture headquarters only. c. Content, technical, and accounting assistance would be provided. d. Staff training for a month. 	1

	<p>Identify this type business opportunity offered by 'Elegance Couture'</p> <ol style="list-style-type: none"> Product franchise business opportunity Business format franchise opportunity Manufacturing franchise opportunity Business franchise opportunity ventures 	
5	<p>The duration between buying the raw material & receiving the cash from the customer is called_____.</p> <p>Alternatives:</p> <ol style="list-style-type: none"> Operating Cycle Cash dilution Cash counting cycle Cash flow. 	1
6	<p>Indian Railway (IRCTC) is providing online booking facilities through its online portal and Mobile Application. It is an example of _____</p> <ol style="list-style-type: none"> Direct sales strategy Indirect sales strategy Advertisement Door-to-Door selling 	1
7	<p>_____ component of a financial plan helps to ascertain the highest possible returns on investment.</p> <ol style="list-style-type: none"> Proforma investment decision Proforma income statement Proforma Cash flow Proforma Balance Sheet 	1
8	<p>Under Operational Plan, the element of 'Inspection' is helpful for:</p> <ol style="list-style-type: none"> Determining exact route or path of a product or service Fixation of time, day, date when each operation is to be commenced and completed Setting up laboratories Evaluation and appraisal of work performed 	1

9	<p>Match the following:</p> <table><tr><th>COLUMN A</th><th>COLUMN B</th></tr><tr><td>1. Sole Proprietorship</td><td>a) The word 'Limited' is used as part of the name</td></tr><tr><td>2. Partnership</td><td>b) Shares cannot be offered to public for subscription</td></tr><tr><td>3. Public Company</td><td>c) Mutual agency</td></tr><tr><td>4. Private Company</td><td>d) Individual management and control</td></tr></table> <p>Choose the correct option:</p> <p>a. 1(d), 2(c), 3(a), 4(b) b. 1(d), 2(c), 3(b), 4(a) c. 1(d), 2(a), 3(c), 4(b) d. 1(d), 2(b), 3(a), 4(c)</p>	COLUMN A	COLUMN B	1. Sole Proprietorship	a) The word 'Limited' is used as part of the name	2. Partnership	b) Shares cannot be offered to public for subscription	3. Public Company	c) Mutual agency	4. Private Company	d) Individual management and control	1
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10	<p>Sophia creates a unique, flower-shaped lamp. She wants to protect the lamp's appearance. Her main focus is to ensure that no other company can replicate or sell similar designs without her approval. Which intellectual property can protect her work.</p> <p>a. Copyright b. Industrial design c. Patent d. Trade secret</p>	1										
11	<p>The entrepreneurs have an option to brand their products alpha numerically as it signifies:</p> <p>a. Chemical characteristics b. Physical characteristics c. Neutral characteristics d. Mathematical characteristics</p>	1										
12	<p>Which of the following statement is related to 'Below-the-line' promotion approach that a company can use to promote its products?</p> <p>a. It targets mass audience b. It targets identified small groups c. It helps in established brand identity d. It includes conventional media like print, online, television and cinema advertising</p>	1										

13	<p>Assertion (A): Under penetration pricing, the price of the product is initially set at a price lower than the actual market price.</p> <p>Reason (R): It helps in attracting new customers and increases the market share.</p> <p>Alternatives:</p> <ul style="list-style-type: none"> a. Both (A) and (R) are true and (R) is the correct explanation of (A) b. Both (A) and (R) are true but (R) is not the correct explanation of (A) c. (A) is true but (R) is false d. (A) is false but (R) is true 	1
14	<p>In the year 2012, the social media application 'Chowpal' acquired 'Socialite' at a purchase value of \$1 billion. Both the entities operated in the social media industry and offered similar products as part of their photo sharing services.</p> <p>However, Chowpal intended to further bolster its market position in the social media space and the acquisition of Socialite exactly fitted in its scheme of the plan. The merger eventually helped Chowpal in increasing its market share, elimination competition and gaining access to a wider audience. Identify the type of merger.</p> <ul style="list-style-type: none"> a. Vertical merger b. Horizontal merger c. Market extension merger d. Product extension merger 	1
15	<p>Assertion (A): For a trading organization, the operating cycle will be shorter.</p> <p>Reason (R): There is no manufacturing in a trading organization.</p> <p>Alternatives:</p> <ul style="list-style-type: none"> a. Both (A) and (R) are true and (R) is the correct explanation of (A) b. Both (A) and (R) are true but (R) is not the correct explanation of (A) c. (A) is true but (R) is false d. (A) is false but (R) is true 	1
16	<p>Which market provides an organized mechanism for effective and smooth transfer of money from investors to entrepreneurs?</p>	1

	<ul style="list-style-type: none"> a. Primary market b. Secondary market c. Capital market d. Service market 	
17	<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> <ul style="list-style-type: none"> a. 200% b. 150% c. 210% d. 5% 	1
18	<p>Pipro Ltd was incorporated as a medium enterprise manufacturing life saving equipment under the Start Up India Scheme. Since the company has started to gain momentum and growth, the founder, the Chief Finance Officer of the company, Ms. Dina is exploring avenues to raise funds. In a meeting with the finance department it was decided that finance will be raised by offering securities to existing shareholders on pro rata basis.</p> <p>Identify the source of raising funds adopted by Pipro Ltd.</p> <ul style="list-style-type: none"> a. Public Issue b. Rights Issue c. Private Placement d. Offer to Employees 	1
PART B		
19 (A)	<p>Mr. Davis is an entrepreneur who identifies new trends to understand the market and produce goods or provide services in sync with the market trends. He uses tech-tools like e-mail newsletters or websites and forums to keep on top out of all and get the information he wants. He takes advantage of social networking tools like social network websites and forums. He joined groups on the networks and see what people are buzzing about and about the latest trends.</p> <p>He spends some time simply observing. What people are eating, doing, wearing, using? What stores or restaurants draw crowds and which sit empty? He absorbs and mulls about what he has read, heard and observed, starts to make connections and observations that will lead to business-boosting insights.</p> <p>Identify any two different ways in which Mr. Davis tried to spot the trends by quoting the lines given from the paragraph</p>	2

19 (B)	<p style="text-align: center;">OR</p> <p>A local restaurant owner, Ravi, noticed that his customers were becoming increasingly health-conscious, and many were asking for low-calorie, plant-based meal options. He realized that traditional menus didn't cater to this growing demand.</p> <p>At the same time, a new trend was occurring in the market, with new food delivery laws and sustainable eating. This opened up an opportunity to create a delivery-only service focused on healthy, plant-based meals. Ravi also noticed that new restaurants were emerging in the market with similar concepts, which pushed him to improve his offerings and create something new.</p> <p>From the above case, identify and quote any two sources which lead to the emergence of basic ideas.</p>	
20	State two elements of the innovation process.	2
21	Explain any four ways in which creative ideas can be generated:	2
22 (A)	Explain the types of Synergy.	2
	OR	
22 (B)	Mention any two disadvantages of Franchising to Franchisor	
23	<p>For the statements given below suggest a format for the business plans:</p> <ol style="list-style-type: none"> Sarah, the founder of EcoWear, a sustainable fashion brand, is at a networking event with potential investors. She has just three minutes to grab their attention and make her idea stand out. John, the operations manager of TechX Solutions, a fast-growing software development company, is preparing a detailed plan for his team to guide the company's expansion over the next year. This plan is not something he would present to external investors, but it's crucial for the smooth running of the business. 	2
24 (A)	Sujeet has been appointed as the stock incharge in a ready-made shirt manufacturing company. The Production Manager asks Sujee to ensure the availability of fabric without any interruption so that there is no stock-out situation. For this Sujee wants to know the re-order point of fabric for the company, that is to determine when to place an order. For this he found out the procurement lead time,	2

24 (B)	<p>which is 2 months, and the demand during this period, which is expected to be 300 bales of cotton fabric per month.</p> <p>With the help of the question given above calculate the reorder level</p> <p style="text-align: center;">OR</p> <p>A firm has Capital of Rs. 10,00,000; Sales of Rs. 5,00,000; Gross Profit of Rs. 2,00,000 and Expenses of Rs. 1,00,000. Calculate the Return on investment for the firm.</p>	
PART C		
25	State any three considerations related to market that have an impact on the selection of a distribution channel?	3
26 (A)	<p>What are the three possible situations a venture might face when creating a production plan.</p> <p style="text-align: center;">OR</p> <p>'Air-Puro Ltd.' is engaged in manufacturing and distribution of air-purifiers. The company has four departments - Production, Marketing, Finance, and Human Resource. The quality of the air-purifiers is very good and these are handy also. Due to this the demand of air-purifiers started growing. To meet the growing demand, the Production Head informed the Chief Executive Officer to recruit more employees.</p> <p>Identify and explain in detail the component of Business Plan which will help in deciding the number of people required.</p>	3
27	<p>Identify the idea fields given in the following statements:</p> <ol style="list-style-type: none"> 1. Ubiquitous American Dinner concept or even the Indian version like Nirula's offering Indian style "Plated or Combo" meals, with table service and overall good price-value equation. 2. A local bakery conducts market research and discovers an increasing demand for gluten-free options. Based on this, they develop a line of artisanal gluten-free bread and pastries. The new product line not only satisfies unmet consumer needs but also gives the bakery a competitive edge. 3. A young entrepreneur notices a growing demand for eco-friendly products and starts an online store specializing in sustainable household items. By sourcing reusable alternatives like bamboo toothbrushes and biodegradable packaging from 	3

	international suppliers, they cater to environmentally conscious consumers. The business quickly becomes popular due to its niche focus and strong marketing.	
28 (A)	<p>Simon signs a franchise agreement with "Miracle Coffee." The agreement states that he will operate as an independent franchisee under Miracle Coffee's brand, adhering to their business model. The daily procedures, like store layout, coffee preparation, and customer service standards, which Simon must follow have been specified clearly in the agreement. Regular updates will be sent, and Simon must implement them while maintaining confidentiality.</p> <p>Furthermore, as per the agreement, Simon has been instructed that the Miracle Coffee logo, branding, and marketing materials must be used as directed. He will also have to contribute 2% of his revenue to national advertising. Simon also has to repaint the store every three years and upgrade equipment as specified by Miracle Coffee to ensure brand consistency.</p> <p>Identify any three main ingredients of a franchise agreement from the above given text. Also, quote the lines for the same.</p> <p style="text-align: center;">OR</p>	3
28 (B)	Explain any three reasons for failure of merger and acquisition.	
29	<p>Olga Ltd uses EOQ logic to determine the order quantity for its various components and plans its orders. The annual consumption is 80,000 units. Cost of placing one order is Rs. 1,200; Cost per unit is Rs. 50 and carrying cost is 6% of Unit cost.</p> <p>From the above given information:</p> <ol style="list-style-type: none"> Calculate the EOQ for Olga Ltd. Also mention one way in which the calculation of EOQ will benefit Olga Ltd. 	3
PART D		
30	<p>Recognizing the opportunity in the women's hair care, Prabhav conceived an idea to manufacture a multi-functional three-in-one machine for hair i.e., hair dryer cum curler cum hair iron. He felt that it would be comfortable to carry one machine instead of three. On the basis of this idea, interest and curiosity, the need was adjudged and he started looking for an answer to implement the idea. He then conducted market research to foresee the future of this multifunctional three-in-one machine, hair dryer cum hair curler cum</p>	5

	<p>hair iron. The idea was considered very strong and he decided to go ahead.</p> <p>From the above case:</p> <ul style="list-style-type: none">a. Identify and state the steps in the creative process which were fulfilled by Prabhavb. Explain the next two immediate steps to be undertaken by him.c. He might also need a business plan when he approaches investors at a later stage. Explain any two points of importance of creating a business plan																	
31 (A)	<p>Ikon a famous electronics manufacturing company wants to use a pricing strategy only for a limited time to recover most of the investment made to build the products.</p> <p>Suggest a good pricing strategy so that Ikon can achieve its goals. Also mention two advantages and disadvantages of the suggested pricing strategy.</p> <p style="text-align: center;">OR</p>	5																
31 (B)	<p>Franchising is advantageous for both franchisor and franchisee. Explain any five advantages of franchising for the franchisee.</p>																	
32	<p>“This is a crucial test for product/service identification. Depending on the use of the product/service the entrepreneur will produce it in a cottage industry or a small scale- industry or a large-scale industry.”</p> <p>From the above give statement:</p> <ul style="list-style-type: none">a. Identify the stage of idea and opportunity assessmentb. Explain in detail the immediate four stages to follow.	5																
33	<p>Bright Lights Pvt Ltd started a business of making three varieties of bulbs.</p> <table border="1"><thead><tr><th></th><th>LED bulb 0 Watt</th><th>LED bulb 10 Watts</th><th>LED bulb 20 Watts</th></tr></thead><tbody><tr><td>Sales Price</td><td>80</td><td>45</td><td>60</td></tr><tr><td>Variable Cost</td><td>40</td><td>15</td><td>20</td></tr><tr><td>Sales Mix</td><td>50%</td><td>20%</td><td>30%</td></tr></tbody></table> <p>The total fixed cost is Rs.76,000.</p>		LED bulb 0 Watt	LED bulb 10 Watts	LED bulb 20 Watts	Sales Price	80	45	60	Variable Cost	40	15	20	Sales Mix	50%	20%	30%	5
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	<p>From the above given information, compute:</p> <ol style="list-style-type: none"> Total weighted average contribution margin BEP in units for all three varieties of bulbs BEP in rupees for LED bulb 10 Watts 	
34 (A)	<p>Denzil's grandfather owned a large agricultural firm named Baretto's, which operated on vast acres of land in Goa, primarily cultivating cashews. As part of its expansion plans, the company decided to purchase land in Coorg, Karnataka, to start growing coffee.</p> <p>To fund the expansion, Denzil's company required significant capital, and the chief financial officer suggested raising funds directly from the public.</p> <ol style="list-style-type: none"> Identify and explain the method suggested by Denzil's Chief Financial Officer Discuss any three advantages Denzil would gain from this approach. <p style="text-align: center;">OR</p>	5
34 (B)	<p>In 2023, DoHee Pvt. Ltd. started a cosmetics manufacturing unit utilizing advanced derma technology. The cosmetics produced by the company quickly gained popularity among millennials. However, due to their high cost, the company struggled to achieve significant profits. The business involves high risk but also offers the potential for substantial returns. To address the issue, the company decided to increase production to lower the cost per unit. For this, they required an additional investment of ₹60 lakhs.</p> <p>The company approached Malla Dixit, who had recently retired from her Executive position at O & M, a well-known advertising agency and was a highly influential figure. Malla Dixit agreed to provide the loan on the condition that it would be converted into equity shares after two years. The company accepted Malla's proposal.</p> <p>From the above case:</p> <ol style="list-style-type: none"> Identify and explain the role played by Malla in DoHee Pvt Ltd. Explain any three features of the role identified in (a) 	