



**INDIAN SCHOOL SALALAH**  
**FIRST TERM EXAMINATION – SEPTEMBER 2024**



**Class: XII**

**ENTREPRENEURSHIP (066)**

**Date: 30/09/2024**

**Time: 3 Hours**

**Maximum Marks: 70**


**General Instructions:**

1. This question paper contains 34 questions.
2. The question paper contains 4 sections - A, B, C and D
  - 1.1. Section A contains multiple choice questions
  - 1.2. Section B - 2 marks; Answers to these questions may be from 30-40 words.
  - 1.3. Section C - 3 marks; Answers to these questions may be from 50-75 words.
  - 1.4. Section D - 5 marks; Answers to these questions may be from 120-150
3. Internal choice is given in the paper, there is no overall choice.

**PART A**

1	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. These are the two important component of one of the element of business plan. Identify the element of the plan. (a) Description of business Venture (b) Operational Plan (c) Organisational plan (d) Marketing plan.	1
2	Raghu, an entrepreneur, is always in touch with the changes taking place in the environment. He identifies opportunities and finds strategies to capitalise on these opportunities at the earliest. Sensing the requirement of providing reasonably priced food at their own place within no time with multiple options, he started the first online food network in India. Because of _____ advantage, he was able to capture more than 85% of the market share in no time. (a) First Mover advantage (b) Formulation of strategies and policies (c) Tapping useful resources (d) Sensitisation of entrepreneurs to cope up with rapid changes	1
3	The term absorption is used when: (a) Firm A + Firm B = Firm C (b) Firm A + Firm B = Firm AB (c) Firm A + Firm B = Firm B (d) Firm A + Firm B = Firm C + Firm D	1

4	<p>Ashwin was working as Director Finance in Ambur Metal Works. Managing Director of the Company Kailash asked Ashwin to draft a proforma investment decision plan enlisting the funds which should be invested in different assets so that the company can get the highest possible returns. From the following identify the reason(s) that would help Ambur Metal Works.</p> <p>i. It will help the company to understand the total amount of funds required.  ii. It will also help the company to assess the situation as to whether they have excess or inadequate funds.  iii. It helps the company to understand the various sources of funds  iv. It helps the company to reflect the position of the business at the end of every year</p> <p>(a) i only  (b) i and ii only  (c) i and iii only  (d) i, ii, and iii only</p>	1
5	<p>Mohan 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 Mohan was getting delayed for a few months due to shortage of cash. Meanwhile Victor used most of the musical compositions of Mohan in his video. Mohan was extremely upset to know that his friend had cheated him and used all his work. Which Intellectual Property Right, Mohan should have got to save his work?</p> <p>(a) Patent  (b) Trade Secret  (c) Copyright  (d) Industrial design.</p>	1
6	<p>Mansukhbhai wife could not afford to buy a non-stick TAVA (pan). Mansukhbhai's brain stormed immediately that, like his wife there must be thousands of homemakers who would need a nonstickTAVA. And the idea of clay fridge was considered equally strong and he decided to go ahead. Select the stage of creativity experienced by Mansukhbhai.</p> <p>(a) Idea germination  (b) Preparation  (c) Incubation  (d) Illumination</p>	1
7	<p>Assertion (A): In franchising there is usually a much higher likelihood of success when an individual opens a franchise as opposed to a mom-and-pop business.  Reason (R): It runs on a proven business formula that is already in place.</p> <p>(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)  (b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A)  (c) Assertion (A) is true but Reason (R) is false.  (d) Assertion (A) is false but Reason (R) is true.</p>	1
8	<p>Shiny Teeth' have been in the field of manufacturing tooth pastes since 2010. They decided to foray into the field of other specialised products in oral hygiene. Initially they decided to promote their specialised products to a large audience in the same manner as how they have been promoting their toothpastes. Within a few months they realised that their promotion technique is not working. The marketing team analysed and came to the conclusion that the</p>	1

	<p>specialised products should be promoted to a specific target audience. This idea worked very well and the promotion was a success. Identify all the promotion strategies used by them initially?</p> <p>(a) Above the line  (b) Below the line  (c) Through the line  (d) None of these</p>	
9	<p>Identify the type of merger shown in the image below between these two companies.</p>  <p>(a) Market extension merger  (b) Conglomerate merger  (c) Horizontal merger  (d) Vertical merger</p>	1
10	<p>Samar is a building rural entrepreneur who is working on improving the health index of the women in rural areas. Samar needs to understand various health issues confronted by women in order to create a socially committed organization. For this, he wants to gather information about the target market or customers in an organized manner. This organized effort of Samar is known as ____</p> <p>(a) Marketing Mix  (b) Market Research  (c) Marketing Plan  (d) None of the above</p>	1
11	<p>Growing flowers and selling to floral decorators is an example of the following source of idea field :</p> <p>(a) Service sector ideas  (b) Trading related ideas  (c) Natural resources  (d) Market driven ideas</p>	1
12	<p>Aarna Industries started manufacturing ice-creams under the brand name 'Tasty'. The company decided to use 3D animation techniques which will be projected on buildings. They chose several high raise buildings all over major metropolitan cities and started their advertising campaign. What form of media is the company using?</p> <p>(a) Television  (b) Point of sale  (c) Ambient  (d) Cinema</p>	1

13	<p>SWOT Analysis means not to consider</p> <p>(a) Strengths (b) Weaknesses (c) Opportunities (d) Tenure of Business</p>	1
14	<p>In a friendly takeover, how do the boards of the acquiring and target companies typically approach the deal?</p> <p>(a) The target company's board resists the takeover, leading to a hostile situation (b) Both boards mutually agree on the terms of the acquisition (c) The acquiring company initiates the takeover without the knowledge of the target company (d) The target company's board makes a counter offer to the acquiring company</p>	1
15	<p>Assertion (A): Customers are part of the micro environment. Reason (R): Micro environment does not operate in isolation and is one of the levels of business environment.</p> <p>(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A) (b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A) (c) Assertion (A) is true but Reason (R) is false. (d) Assertion (A) is false but Reason (R) is true.</p>	1
16	<p>“Welsa Moto Corp’s electric vehicles with zero tail pipe emission are emerging as a good alternative to two major problems; (i) climatic change due to auto exhaust and (ii) increasing pollution leading to ill health. This Act of ‘Welsa Moto Corp’s has taken care of _____ and _____ elements of macro environment.</p> <p>a) Social &amp; Ecological b) Political &amp; Technological c) Ecological &amp; Economical d) Social &amp; Political</p>	1
17	<p>The legal document that binds the franchisor and franchisee together is called</p> <p>(a) Proprietary Statements (b) Franchise agreement (c) Operations Manual (d) Contract Explanation</p>	1
18	<p>After passing his 12<sup>th</sup> 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. Identify the form of business organisation started by Sahil.</p> <p>(a) Sole proprietorship.</p>	1

	(b) Partnership (c) Private Limited Company. (d) Public Limited company.	
<b>PART B</b>		
19	One of the keys to business success is to anticipate what the market will want or need before the entrepreneurs are aware of it themselves. Since it's unlikely for an entrepreneur to see into the future, there is a 'best way' to anticipate what the market will want or need. a) Identify the "best way" an entrepreneur will undertake to understand the market. b) What are the two different ways of doing it?	2
20	Government banned the use of polythene bags and single use plastic material in order to curb the increasing pollution level by dumping of plastics. Harjot took this as an opportunity and is planning to manufacture biodegradable bags of different sizes by processing the sugarcane bagasse. Create a logo and a tagline for the bags manufactured by Harjot.	2
21	The merger of Techno Fit and Let's Konnect was due to the rising competition with Arihant Tech . The market was slowly captured by Arihant Tech, due to its policy of providing free service in the first 6 months. Both Techno Fit and Let's Konnect couldn't stand the price war between the companies in the telecom sector and decided to come together so as to increase their market share. This strategy helped them in cost saving through economies of scale as they could cover more areas now. It led to the overall growth of both the companies. Identify and explain the growth strategy adopted above by the telecom operators, Techno Fit and Let's Konnect.	2
22	Sanjana graduated from National Institute of Fashion Studies and wants to start her own boutique. She wants to understand the feasibility and viability of the proposed venture. This will also facilitate her in assessing and making provisions for the bottlenecks in the progress and implementation of the idea. She also wants to know about the success of the project along with the risk factors involved. a)Identify and give the meaning of the document which is required by Sanjana on the basis of the above para. b) Describe any two formats of the document stated in (a).	2
23	Explain External expansion as part of growth and development of an enterprise.	2
24	State any two factors that an entrepreneur has to take into consideration while assessing the market.	2
<b>PART C</b>		
25	Explain any three factors to be taken into consideration while selecting channels of distribution related to a product.	3
26	East west airlines are planning to expand over the next five years. The following would be taken into consideration by the east west airlines before expanding the business. Change in population size and fashion, Concern about the impact of carbon emissions from jet	3

	<p>engines, noise, and resistance to airport expansion. Political unrest, exchange rates, taxation (For example, VAT on fuel) landing rights in foreign countries. Oil prices, terrorism, economic boom or depression (airline revenues are very sensitive to business traffic) Engine efficiency, new aircraft being planned, better and cheaper video conferencing. Health and safety regulations, consumer legislation (For example, compensation for cancelled flights), safety and security legislations.</p> <p>a) Explain the above mentioned entrepreneurial concept by quoting the lines from the given paragraph and classify them.</p>	
27	<p>What are the three most likely situations which arise before any firm while preparing the production plan?</p>	3
28	<p>Franchising is advantageous for both franchisor and franchisee. Explain three advantages of franchising for the franchisee.</p>	3
29	<p>Mayank, a small entrepreneur, is manufacturing LED lamps with the brand name 'Led-amps'. These lamps are in great demand. He finds that the cost of production per unit of the lamp is ₹ 800 and he can sell the same at ₹ 1000 per lamp. The competitors in the market are selling this type of lamp at the rate of 1200. Mayank's objective is not to earn profit in the short-run but to capture the largest market share. His expectation is that the customers will be attracted towards the new brand because of the lower price.</p> <p>a) Identify the method of pricing adopted by Mayank to capture the substantial portion of the market.</p> <p>b) Also, state any two advantages of this method of pricing.</p>	3
<b>PART D</b>		
30	<p>“Successful launch of a product depends upon various factors. Entrepreneurs have to keep in mind the various ways of reaching the customers and persuade them to buy their products.” Comment on such methods used by an entrepreneur in attracting the customer to buy their product.</p>	5
31	<p>Mr. Amar plans to start a business. He needs to look at all those conditions and forces external to a business unit under which it operates. He understands that he does not emerge and grow spontaneously.</p> <p>Mr. Amar understands that an enterprise can identify opportunities and find strategies to capitalize on the opportunities at the earliest if he adapts to the changes. He can tap raw materials, technology and even financial resources from the market at economical prices, at the right time. He can take timely action to deal with threats and avail opportunities for the purpose of improvement in the performance of the firm. He understands that a keen watch on the changes would help sensitise him to changing competition, government policies and the needs of the customers.</p> <p>a) Identify the concept mentioned in para-1 of the above question.</p> <p>b) Quote the lines from Para-2 and explain the importance of the identified concept.</p>	5

32	<p>The footwear industry in India is dominated by ‘B-relax Footwear’. ‘Brelax Footwear’ procures 70% of its raw material from ‘Polymers Ltd.’ The major production of ‘Polymers Ltd.’ is plastic chips, PU foam and elastic which is used by ‘B-relax Footwear’ in its manufacturing processes. After due diligence, they decide to merge with each other. If they merge, ‘B-relax Footwear’ doesn’t need to look for a vendor and sourcing raw materials would be seamless. On the other hand, as a result of the merger, ‘Polymers Ltd.’ doesn’t need to worry about the sales and marketing. All they need to do is to improve their processes to produce better raw materials for ‘B-relax Footwear’. After the merger the combined entity will be known as ‘B-relax Inc’.</p> <p>i) Identify and explain the type of merger between ‘B-relax Footwear’ and ‘Polymers Ltd.’  ii) Which is the most dominant reason for this merger ? Explain.  iii) State any other two types of merger with suitable examples.</p>	5
33	<p>While preparing an operational plan, an entrepreneur has to pay attention towards various elements. Explain these elements.</p>	5
34	<p>Kiran is a sole proprietor. Over the past decade, her business has grown from operating a neighbourhood corner shop selling accessories such as artificial jewellery bags, hair clips and nail art to a retail chain with three branches in the city. Although she looks after the varied functions in all the business. She is wondering whether she should form a company for better management of the business. She also has plans to open branches countrywide.</p> <p>(a) Explain the concept of sole proprietorship and two benefits of remaining a sole proprietor.  (b) Explain the concept of joint stock company and two benefits of converting it to a joint stock company.</p>	5

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