

INDIAN SCHOOL SALALAH
THIRD PRELIMINARY EXAMINATION – FEBRUARY 2019
ENTREPRENEURSHIP

CLASS: XII

MARKS: 70

TIME: 3HRS

General Instructions

- *This paper contains 24 questions in 5 parts and all questions are compulsory.*
- *Internal choice is given in selected questions.*
- *There is no word limit for numerical questions.*
- *The instructions for each part are given separately. Read them carefully and follow.*

Part A

This part contains 5 questions carrying 1 mark each. Answers to these questions should be from one word to one sentence.

- | | | |
|-----------|---|---|
| 1 | Explain the term ‘ Cash Conversion Cycle ‘ . | 1 |
| 2 | Explain in brief inadequate diligence result in failure of merger and acquisition? | 1 |
| OR | | |
| | Differentiate between consolidation and merger. | |
| 3 | A Transnational company uses television, cinema advertising, sales promotions techniques, personal selling, direct marketing, print media sponsorships, online banners for promotion of its goods and services. Classify the above promotion tools as ATL and BTL. | 1 |
| 4 | How is NABARD different from TFCI ? | 1 |
| OR | | |
| | What is the role of specialized financial institutions in India? | |
| 5 | Naveen belongs to a farmer family. One day he was viewing ‘Kirshi Darshan’ programme of ‘Doordarshan’ on his television. The heading of the programme was on ‘How to grow honey-bees and produce honey’ ? In the same programme the methods of marketing honey through marketing cooperative societies were also being discussed. Naveen decided to grow honey-bees and market the honey produced. Identify the idea field which helped Naveen in generating the idea of growing honeybees and marketing the honey. | 1 |

Part B

This part contains 5 questions carrying 2 marks each. Answers to these questions should be in 50 to 75 words.

- 6 Geeta has completed her B.Tech in Chemical Engineering from a famous Indian Institute of Technology. She wants to start a chemical production unit wherein such chemicals will be produced which are used in automobile colouring and are being imported from other countries now a days. The technology to be used by Geeta is new and untried involving high risk factors along with high growth potential. She wants to raise funds for her project from such a source that provides equity capital as seed funding to early stage, to give shape to her ideas. 2
- Suggest Geeta the source of finance from where she can fund her project.
 - Give the meaning of the source of finance suggested in (a) above and state any four features of this source.

- 7 Saaranish's father owned a small piece of agricultural land in Chaksu, around 60 kms, away from Jaipur. During one of his visit to Jaipur to sell "Wheat" in Mandi, Saaranish happened to visit a 'flower show' and was surprised to see the response and interest of people for it. Back home he decided to convert his agricultural land into a Botanical Garden, to be used, both for growing flowers for sale and organizing flower shows: 2
- Identify the frame of reference used by Saaranish for this idea germination.
 - State the various sources of the identified concept.

OR

Sensing entrepreneurial opportunities, converts an idea into an enterprise, what are the different types of opportunities an entrepreneur may find?

- 8 What steps should be taken after assessing number and types of manpower? 2
- 9 Naresh had an ice cream factory and was selling them locally. He has been doing good business for the past ten years. But with the entry of competitors, his business declined and he had to close down his business. Since he was an enterprising person, he decided to take up exclusive distribution of a popular international brand of ice-creams called "Icecone". In return, he had to pay royalties to "Icecone" and conform to their standardized operating procedures. Instead of the plastic cups which cause environmental hazards "Icecone" had biscuit cups and cones. To boost immediate sales he decided to make an offer of 'Buy two cups/cones for the price of one' for the first ten days. 2
- Identify and state the concepts of 'Enterprise Marketing and Growth Strategies' discussed in the above para.
 - Identify any one value which the business wants to communicate to the society.

OR

Entrepreneur can opt to use a common or successful family name for their several products. a. Identify the type of brand name discussed above and other name given for this type of branding.

b. Explain an other two types of brand names from the entrepreneur's perspective.

- 10 Draw and explain Enterprise Process Diagram. 2

Part C

This part contains 7 questions carrying 3 marks each. Answers to these questions should be in about 100 words.

- 11 Why is 'customer relationship management' important for any business? Explain briefly. 3
- 12 Kavita has observed that there can be a good market for hand-knitted cotton and wollen trendy garments for small kids up to the age of three years. She thought of starting a small enterprise for the same. She also ensured that the enterprise will require 10-15 trained workers and an investment of rupees two lakhs. This will give 40% annual return on investment. 3
- Quoting lines from the above para, identify and give the meaning of the entrepreneurship concept being stated in the above para.
 - Also, state the elements of the concept identified in (a) above.

OR

Suhana, a student of School of Rug Weaving Institute, Turkey, visited her grandparents in Kashmir for the first time. Breathtaking mountain scenery, clear lakes, lush vegetation and magnificent forests mesmerized her. The valley is home to a rich biodiversity including a large number of bird species, many of which are unique to Kashmir. It is home to yak and sheep that are taken care by nomads. Kashmiri lifestyle is essentially slow paced and reflects religious diversity. Kashmiris are known to enjoy their music in its various local forms, and the traditional dress of both genders is often quite colourful. Tulip, saffron, dry fruits and artistic woodwork are its hallmark. She also observed that the government was stable and all the tourist places were well guarded by the army. She found it to be an ideal place to start a unit for carpet weaving and employ local people to preserve the ethnic touch. After the devastating floods a considerable population was rendered jobless, her unit would help to revive their economic condition. She started scanning the environment and collected the following information.

- Help her categorize the information making use of PESTEL MODEL.
 - Also state the values communicated by Suhana.
- 13 Two years ago Gopal started manufacturing low fat, sugar – free ice – cream on a small scale basis in his home town, Vishakhapatnam. After some time his ice – cream became popular among health conscious young customers and old persons specially those having diabetes or some heart ailment. Because of the popularity of the ice – cream the demand has increased many fold. Gopal is unable to meet the same, because of his limited managerial ability and limited capital. Gopal also felt that whenever he fell sick his business was temporarily closed. To overcome this problem he decided to admit in the business his friend Mohan who has recently completed his MBA and is ready to invest money for the expansion of the business. Mohan advised Gopal to get their firm registered. 3
- State three limitations indicated in the above para from which Gopal's business suffered.
 - Why did Mohan advise Gopal to get the firm registered?
- 14 What are the three steps involved in the process of sensing entrepreneurial opportunities? 3

- 15 Explain the types of franchising business opportunities with their salient features.(Any three) 3
OR
Explain the main ingredients of a franchise agreement.

- 16 Ravi started an organic food processing unit in his village situated on National Highway Number 8 in Alwar district of Rajasthan with an initial investment of 10 lakhs. He also took a loan of 5,00,000 from his father and a loan of 3,00,000 from his friend Naresh. After six months, for the expansion of his business he again felt that business required more funds. So he contacted Harish, who was a retired executive and had expertise and experience in similar type of business besides his good industry connections. Harish also knew that because of high-risk involved in the business there was a possibility of high return. Therefore, he agreed to invest 7 lakhs in Ravi's business with a condition that the amount invested by him will be converted into equity after two years. Name and explain the source of raising finance used by Ravi. State any two features of each source of financing. 3

OR

The following figures are extracted from the balance sheet of RB Ltd.

From the following information calculate Return on Equity : Capital 3,00,000 10% Loan 1,00,000 Net profit before interest 70,000. Also state the return on investment if tax is 15%.

- 17 Write down the main objectives of IDBI. 3

Part D

This part contains 4 questions carrying 4 marks each. Answers to these questions should be in about 150 words.

- 18 Vishal was working with Abhinav, a new entrepreneur as a Production Manager. For smooth and co-ordinated flow of work he had to pay attention towards various elements. To ensure predetermined quality of products he had to compare the performance with established standards. 4
Identify and state the component being discussed here which is related to one of the components of a 'Business Plan'. Also list out first three elements of this component.

OR

Neera wants to run her own enterprise which will produce health drinks for all age groups, containing the minerals and vitamins also, seeing the needs of the health conscious public. Before starting a venture, she is required to make a comprehensive project report encompassing the entire range of activities which she has planned in the business.

- a. Identify the concept of project report discussed here.
b. Elucidate the importance of this concept.
- 19 Nitin, an entrepreneur, is living in a beautiful village of Kerala. This village was famous for its natural beauty but very few people know about it. Due to this entrepreneurial inclination he always tried to find out opportunities. People of the village are very poor as they are mostly dependent on fishing. Nitin thought of starting a 'Holiday Resort' with cultural centre, restaurant and other facilities in the village. All the villagers agreed and supported Nitin for this project. They agree to co-operate to make this project a success. Nitin needed capital of 50,00,000 for this project. 4

- (a) Name the specialized financial institution which Nitin should approach to meet his requirements.
- (b) When was this institution incorporated as a public limited company and became operational?
- (c) What is the main function of this institution?
- (d) State any one value which Nitin wants to communicate to the society.
- 20 'Shudh Mishthan Bhandar' was a partnership firm owned by Ram and Madhur. 'Bengali Rasgoola' was another partnership firm owned by Das and Sengupta. Ram and Madhur were sharing profits in the ratio of 3:2 and Das and Sengupta used to share profits in 1:4 ratio. Both the firms were situated in a famous market of Kolkatta and were doing competitive business. Ram, the partner of Shudh Misthan Bhandar observed that many of their customers were from far off areas and if branches of Shudh Misthan Bhandar are also opened in other parts of the city the firm will be able to earn huge profits. Similar was the situation of Bangali Rasgoola. Their customers were also from the different and far off places of the city. One day in a function at a common friends house the partners of both the firms met. The partners of both the firms knew that the internal expansion of their respective firms will be costly. Hence, they discussed about the acquisition of one of the firms by another on friendly terms. For this purpose they agreed to meet once again to finalize the formalities. Finally, on 1-1-2016 'Shudh Mishthan Bhandar' acquired the business of 'Bengali Rasgoola' on mutually agreed terms and conditions. 4
- (a) Identify the type of growth strategy adopted by them.
- (b) State any other two ways which can be used in this growth strategy.
- (c) Also state any two advantages of this growth strategy.
- 21 Suraj and Chandni are a young couple having a three years old daughter Roshni. Suraj is employed with a multinational company and is posted in Spain. Chandni is also working as an executive with an IT firm in Gurugram and is staying with her in-laws in a locality of South Delhi. She wants to admit her daughter in a reputed day boarding school, but is unable to visit the schools and identify one where she could admit Roshni. She discussed the problem with Suraj. Suraj identified the problem and advised Chandni to hire a computer operator who could collect data related to admission in nursery class visiting the websites of different schools located in Delhi and NCR. He also advised Chandni to launch her own website www.nurseryadmission.com and upload the data so collected on it so that the same could be used by other parents like them for admission of their wards. Chandni followed the advise of Suraj and appointed a computer operator. She provided all facilities to him in the basement of her home. Large number of parents visited the website started by Chandni on an online payment of rupees 100 per visit. 4
- (a) Identify the entrepreneurship concept discussed in the above para.
- (b) State how this concept is helped Chandni.
- (c) State any one value that Suraj and Chandni tried to emulate.

OR

Entrepreneurship does not emerge and grow spontaneously. Rather it is dependent upon several various environmental factors. Explain them with examples.

Part E

This part contains 3 questions carrying 6 marks each. Answers to these questions should be in about 200 words.

22 Explain the steps for the development of the tool of cash management that helps an entrepreneur in knowing how much cash generation and expenditure is anticipated over a chosen period of time in future. 6

23 Aman an IITian wanted to start his own business with an initial investment of 25 lakh which his father has agreed to lend him. But he is not sure of what business he has to undertake , where to locate his business etc. Suggest him the basic factors to be considered before starting a business. Explain in detail various formalities required to start a business. 6

OR

Vikram a new generation high tech farmer is involved in organic farming. He realized that there was a huge market for his fruits and vegetables as people have become diet conscious and prefer to eat healthy food. Keeping this in mind, he decided to open salad bars and organic fruit juice corners in prominent malls in Delhi. Now he needs a 'Road map' for himself to start the venture.

- a. Identify the term used for 'road map' by Vikram.
- b. Why this ' road map' is required?
- c. Name the different components outlined by this identified concept.

24 What are the factors to be kept in mind while fixing the price of a commodity or service? 6

OR

Explain the factors for effective employee relationship management.
