



INDIAN SCHOOL SOHAR
SECONDTERM EXAM 2017-2018
SUBJECT:ENTREPRENEURSHIP(066)

Printed pages: 4

Date: 26/11/2017

Marks: 70

STD: XII

Time:3hrs

General Instructions:-

- (i) Answers to questions carrying 1 mark each should not exceed 15 words.
- (ii) Answers to questions carrying 2marks each should not exceed 50 words.
- (iii) Answers to questions carrying 3marks each should not exceed 75 words.
- (iv) Answers to questions carrying 4 marks each should not exceed 150 words.
- (v) Answers to questions carrying 6marks each should not exceed 250 words.

1. Raman Arora of Punjab had an idea of producing non-stick pan made from clay and a clay refrigerator that works without electricity. He went through the process of studying the pros and cons of manufacturing the product before he launched it. Name the stage in 'The Creative Process' described in the above lines. 1
2. What is abatement cost? 1
3. An entrepreneur launches a new product in the market with high price. Identify the type of pricing. 1
4. Amit, an orange grower from Nagpur, wants to start a small juice producing factory using the oranges grown by him as well as by his fellow villagers. Name the financial institution he should contact for starting his factory. 1
5. Pareto's law has given the basis for a control technique. Name it. 1
6. What is inventive entrepreneurship? 2
7. Chacko Ltd. has been manufacturing umbrellas since 1980.They are the market leaders in manufacturing small hand size umbrellas. They have their production unit in Kochi. The MD's son- Abraham Chacko took over the family business in 2010.He had finished graduation from USA .Using his educational and networking skills, he was able to take up an export order. He also decided to operate an exclusive export oriented unit in Chemanura.The production work for this unit began in 2014. A dedicated team framed an operational plan for the entire process. Abraham visited the plan to evaluate and take appraisal of the work performed in the unit. State any two ways as to how it will help Abraham. 2
8. 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. What could have Rohan done to save his work?

- a. Identify and explain it. 2
9. Name the four possible reasons for merger and acquisition. 2
10. Define Budgetary Control. 2
11. Airline revenues are very sensitive to business traffic. Identify the environment highlighted in this statement. Name some aspects of this environment. 3
12. Differentiate between standardized and customized product. Which channel of distribution is best suited for customized product or goods? 3
13. Reena makes special 'Gajakladdoos' which is liked very much by her local customers. She is planning to sell them in other states also to expand her market area. For this she has to decide her marketing strategy to increase the sales and to reach the product to right people, at right time at reasonable price. What factors would Reena keep in her mind for the distribution of a seasonal good in market? 3
14. For the smooth and orderly functioning of corporate sector in a free market economy, stock exchanges are indispensable because of different roles played by them for different groups'. Explain the importance of stock exchange to investors in the light of this statement. 3
15. 'The shop' a readymade garments retail shop sold 5000 shirts at ₹ 200 per shirt during the year ended 31st March, 2014. Cost of placing an order and receiving goods is ₹ 1000 per order. Inventory holding cost is ₹ 250 per year. Calculate the 'Economic Order' for 'The Shop'. 3
16. Nitin after completing his M.Tech in Nano Technology wanted to start his own business. He thought to manufacture sophisticated instruments used in surgery. He knew that his knowledge of Nano Technology will help the surgeons to operate upon the patients with accuracy, with minimum blood loss and quick post operation recovery. Such types of instruments are used in advanced countries only and there was a risk in marketing the same. The cost price of machinery required, for manufacturing such instruments was very high and more research was required in this field of Nano Technology. For seed funding, Nitin approached, 'Himani Capital Ltd'. The finance such types of projects.
'Himani Capital Ltd.' after analyzing the proposal agreed to provide seed capital to Nitin.
Explain the different stages of 'Early Stage Financing' seek venture capital finance after the one discussed above. 3

17. Rohit who has done LLB from a renewed Law College wanted to open her own legal consultancy firm with her friend who has completed LLM recently. Rohit discussed the different information of the business plan with her friend stating the authority-responsibility of each member, management team and salary to be given dress code etc.
- Identify the type of business plan mentioned above.
 - Also state the other contents of such part of business plan. 3
18. Sensitivity to environmental factors is crucial for an entrepreneur. With an appropriate example explain the relevance of the statement. 4
19. 'Sona Exports' a leading exports house wants to diversify its business from cotton ladies dress, suits to bed sheets, handicraft items ,etc because of demand in foreign countries. For this she required capital of ₹ 1 crore. She decided to take this amount as loan from Bank of Baroda for a period of 10 years. In order to avoid any kind of risk, it conducted a market survey to have an edge over the competitors and to maximize its profits, capturing foreign markets.
- Identify the type of a plan Sona export has to make to analyze her business situation.
 - Also explain the various steps in preparing such plan. 4
20. 'Employee relationship management is a process that a company uses to effectively manage interactions with employees to achieve the goals of the organization'. In the light of the statement;
- Explain any three factors that lead to effective employee relationship.
 - State any two values that the company may communicate when it tries to maintain healthy relationship with their employees. 4
21. Explain four types of Acquisitions. 4
22. Subhajit, a fitness freak NRI, had done his masters in nutritional sciences from U.K., during his vacations, he was disappointed to see that no Gymnasium in Delhi had a workout module to suit his requirement. Anyhow, fitness fine Gymnasium of his friend offered him freedom to exercise the way he wanted. In short times, Subhajit became popular amongst the other members because of his knowledge,experience,competency,tactics and tips on exercising.
- He now explored deeply his curiosity of starting a Gymnasium in Greater Kailash 2, having a fusion of both diet and exercise under one roof. He conducted a market research and

subconsciously assimilated a whole data bank of information pertaining to lifestyle, interested of people in and around the area. He approached his father for financial help of ₹ 25 lacs as he had ₹ 20 lacs only. The ground floor of his flat was to be converted into Gymnasium. He started networking and negotiating with the manufacturers who could provide him with customized machines of his choice.

“One of the first tasks demanded of an entrepreneur is to manifest creative ability through the conceiving of new product-market propositions”.

a. Identify and explain the other steps involved in this process being initiated by Subhajit. 6

23. Simran has started a restaurant on a National Highway in the name of ‘ApnaDhaba’ by spending ₹ 2000000. He invested ₹ 800000 of this own and took a loan of ₹ 1200000 from SBI @6% per annum. His monthly sales revenue is ₹ 1200000 and cost of goods sold is ₹ 700000. He pays monthly salary of ₹ 200000 to his employees. The tax rate is 25%.

Calculate (a) Return on Investments and (b) Return on Equity for Simran on annual and monthly basis. 6

24. Nadhu, 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 his entrepreneurial inclination he always tried to find out the opportunities. People of the village are very poor as they mostly dependent on fishing. Nadhu thought of starting a ‘Holiday Resort’ with cultural centre, restaurant and other facilities in the village. All the villagers agreed and supported Nadhu for this project. They agreed to co-operate to make this project a success. Nadhu needed capital of ₹ 2 crores for this project.

- a) Name the specialized financial institution which Nadhu should approach to meet his requirements.
- b) When this institution was incorporated as a public limited company and became operational?
- c) What is the main function of this institution?
- d) State any one value which Nadhu wants to communicate to the society. 6

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