

Entrepreneurship

Class XII

Time- 3Hours

M.M.-60

General Instructions-

- The Question paper is divided into parts. There is no overall choice, though the internal choice is given in selected sections.
- Section A has 15 Objective questions carrying 1 mark each.
- Section B has 6 questions carrying 2 marks each. Answers may be with in 50 to 75 words
- Section C has 6 questions carrying 3 marks each answers may be about 100 words
- Section D has 3 questions carrying 5 marks each. Answer may be about 150 words.

Section-A

- Q1. (c) Legal Factor (1)
- Q2. (c) Price Skimming (1)
- Q3. (c) Skills, knowledge and competencies (1)
- Q4. (b) Capital Market (1)
- Q5. (d) Promotion (1)
- Q6. (c) Rs 420 (1)
- Q7. Vision (1)
- Q8. Demand driven idea (1)
- Q9. Acquisition (1)
- Q10. Tax deduction/ collection Account Number (1)
- Q11. Direct channel (1)
- Q12.e_IPOs _ :— Electronic Initial Public offers It is the new method of issuing securities through on line system of stock exchange. (1)
- Q13. (A) (1)
- Q14. (A) (1)
- Q15. (B) (1)

Section-B

- Q16. Trend Spotting :— It means identification of new trends. This will helps entrepreneur to understand the market and produce the goods or services as per new trends. (2)
- Q17. Business Plan :— Business plan is the written representation of an entrepreneur's vision for his/her business. A business plan is not just for a start up company but also for those which are growing. (2)
- Q18. Human Resource Planning :— Human Resource planning includes various policies of recruitment, selection of employees, man power-planning, training policies, career planning, promotion strategies and compensation-polices. (2)
- Q19. Techniques of Sales Promotion :— (Explain any two point) (2)

1. Rebate
2. Discounts
3. Refunds
4. Premium or gifts
5. Quantity deals

Or

Acquisition :— Acquisition is a general term which includes :—

- (a) Acquisition of Control
- (b) Acquisition of tangible assets and intangible assets
- (c) Acquisition of rights and other kind of obligations.

Q20. Break Even analysis :— Break even analysis is the effort of composing income from sales to the fixed cost of doing business. It is a financial calculation for determining the number of products or services a company should sell to cover its costs. (2)

Q21. ROI:— Return on Investment ROI is a ratio that reflects the overall- profitability of business. It is also known as rate of return or return on capital employed or yield on capital.

$$\text{Return on Investment} = \frac{\text{Profit before Interest and taxes}}{\text{Capital Employed}} \times 100$$

Or

Angel Investor :— Angel investors are wealthy investors who invest in entrepreneurial firms usually during start up. They provide cash to young investors and take equity in return.

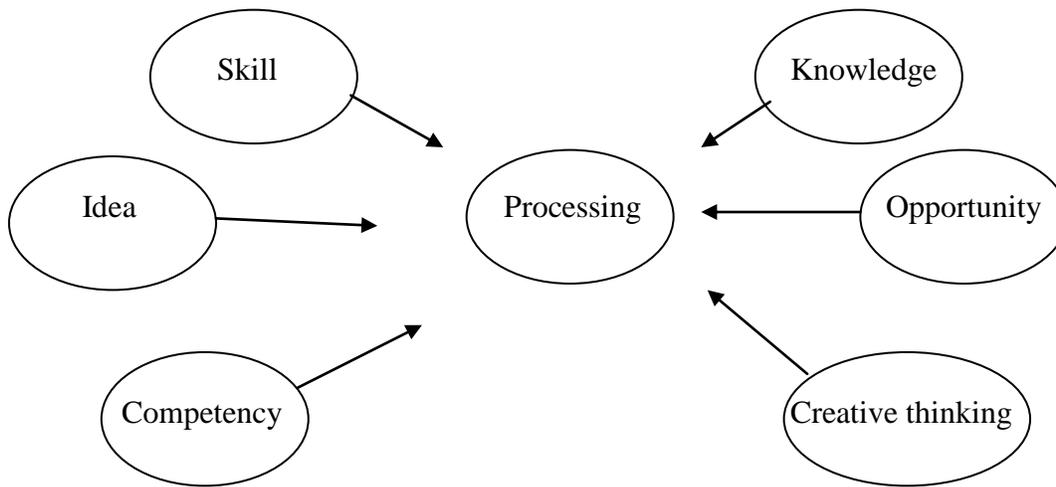
Section-C

Q22. No, entrepreneur and employee are not synonymous with each other. (3)

Difference between entrepreneur & employee

Entrepreneur	Employee
1. Entrepreneur conceives the idea to start the business.	1. Employee help in implementing the idea of entrepreneur.
2. Entrepreneur earns income by selling goods and services for himself.	2. Employee sells goods and services for someone else.
3. The reward for entrepreneur is profit.	3. Reward for an employee is salary or wages.

Q23. By scanning the idea, the basic idea gets converted into opportunity. Strategic thinking is required to convert an idea into opportunity. When basic idea is backed by knowledge, skill, competency, creativity then only an opportunity is born. This process can be shown by the following diagram. (3)



Q24. Components of Financial Plan :— (Explain any three) (3)

- (i) Break even Analysis
- (ii) Fixed capital requirements
- (iii) Working capital Requirements
- (iv) Sources of Capital
- (v) Schedule for procurement of Capital
- (vi) Cash flow projections

Q25. EOQ :— Eoq is the quantity at which the ordering cost is equal to the inventory cost, At this level, total cost of inventory would be minimum and most favorable to buyer. (3)

$$EOQ = \sqrt{\frac{2 \times \text{Annual usage of unit} \times \text{ordering cost}}{\text{Price of Material per unit} \times \text{storage cost}}}$$

Or

$$\begin{aligned}
 EOQ &= \sqrt{\frac{2AS}{PC}} \\
 &= \sqrt{\frac{2 \times 600 \times 48}{20 \times 20\%}} \\
 &= \sqrt{\frac{57600}{4}} = \sqrt{14400} \\
 &= 120 \text{ units}
 \end{aligned}$$

Q26. Difference between Advertising and Personal: —

(3)

Bases	Advertising	Personal Selling
1. Form	Impersonal form of communication	Personal form of communication
2. Flexibility	Less Flexible	More Flexible
3. Cost	Cost per person is less	Cost per person is high

Or

Logo :— Logo is a kind of brand mark with which the product is recognized. It is a graphic mark or emblem used by cos.

Tagline :— Taglines are simple but powerful messages that help to communicate enterprises, goal, mission. It helps the customers to memories number of products. Taglines can come in the form of Questions, statements, Exclamations

Q27. Types of Intergrations in Merger :— (Explain these three)

(3)

1. Horizontal Intergrations
2. Vertical Integrations
3. Conglomerate

Section-D

Q28. Process of creativity :— (Explain these points in detail)

(5)

1. Idea Generation
2. Preparation
3. Incubation
4. Illumination
5. Verification

Or

It helps the entrepreneur to frame a formal statement enlisting a set of business goals, the reasons as to why they believe that it is attainable and the plan for reaching those goals along with the background information about the organization or/and team attempting to reach those goals.

Formats of business plan :—

- (i) Elevator pitch :— It is a three minutes summary of the business plan's executive summary. This is often used as a teaser to awaken the interest of potential funders, customers or strategic partners.
- (ii) A pitch deck with oral narrative :— A hopeful, entertaining slide show and oral narrative that is meant to trigger discussion and interest potential investors in reading

- the written presentation i.e. the executive summary and a few key graphs showing financial trends and key decision making bench mark.
- (iii) A written presentation for external stakeholders :— A detailed, well written, and pleasingly formatted plan targeted at external stakeholders.
 - (iv) An internal operational plan :— A detailed plan describing planning details that are needed by management but may not be of interest to external stakeholders.

Q29. Advantages / Merits to the Franchises :— (Explain any five in details) (5)

The main advantages for the Franchises are :—

1. Established Brand
2. Quality product
3. Advertisement
4. Financing
5. Training
6. Technological up gradation
7. Uniform Control system
8. Better Start

Or

Types of Intellectual Property Rights :— (Explain these points in details)

1. Patents
2. Copyright
3. Industrial design
4. Trade mark
5. Trade secret

Q30. Reasons for Failure of Merger and Acquisition :— (Explain any five points) (5)

1. Unrealistic price paid for wages
2. Difficulties in cultural intergration
3. Overstated synergies
4. Integration difficulties
5. Poor business fit
6. Inadequate due diligence
7. High leverage
8. Boardroom split
9. Regulatory Issues
10. Human resources issues

Or

Partnership :— According to the Indian Partnership Act, 1932 “Partnership is the relation between two or more persons who have agreed to share the profits of the business carried on by all or any of them acting for all.”

Features :— (Explain any five)

1. Formation
2. Liability
3. Risk Bearing
4. Decision Making
5. Continuity
6. Number of Partners
7. Mutual Agency relationship