

**SAMPLE QUESTION PAPER**  
**ENTREPRENEURSHIP (2019-20) (Code – 066)**  
**CLASS XII**

**Time 3 Hrs**

**Max Marks: 70**

**General instructions:**

- *The Question Paper is divided into 5 parts. There is no overall choice, though internal choice is given.*
- *Section A has 17 objective questions carrying 1 mark each.*
- *Section B has 7 questions carrying 2 marks each. Answer may be within 50 to 75 words.*
- *Section C has 5 questions carrying 3 marks each. Answers may be about 100 words.*
- *Section D has 3 questions carrying 4 marks each. Answers may be about 150 words.*
- *Section E has 2 questions carrying 6 marks each. Answers may be about 200 words.*

	<b><u>Section A</u></b>	
	Fill in the blank:	
Q1.	Prabhav is a budding entrepreneur who is about to pitch in his idea to a group of investors. For presenting his business plan he has made a teaser of about three minutes to awaken the interest of the potential investors. Prabhav is using _____ format of presenting a business plan.	1
Q2.	The only reward the Initial Public Offer investors seek is _____ of their investment.	1
Q3.	North west Airlines started their operations from India to various parts of the country in the year 2015. The company had been successful in it's operations as more people preferred to travel by air due to change in the lifestyle and attitude towards work and leisure. It is _____ factor as per PESTEL model.	1
Q4.	In April, 1998 the ----- was constituted as the regulator of capital markets in India under a resolution of the Government of India.	1
Q5.	_____ is the first stage in the process of innovation.	1
Q6.	After assuming the future demand, every company needs to determine when to place an order for stock and how much to order. This can be calculated by using the _____ formula.  Or  Gross profit per unit is calculated by using the formula_____	1

	State whether the following statements are 'true' or 'false'.	
Q7.	Environment scanning is required to convert an idea into an opportunity.  Or  Innovation is an indication that will help the entrepreneur to understand the market and produce goods or provide services in sync with the market needs, demand and taste.	1
Q8.	Start up finance is the capital required by an entrepreneur for conducting research at pre commercialization stage.	1
Q9.	Proforma investment decisions relates to how the enterprise funds are required in different assets so that the enterprise is able to earn the highest possible returns on investment.	1
Q10.	The Cash Conversion Cycle is the length of time between a firm's purchase of inventory and the receipt of cash from accounts receivable.	1
Q11.	B & H is a leading advertising firm. They recruit new graduates through college placements. During an interview, a student was asked to list the four rules for planning any advertising activity, he replied that the following is required: Aim, Target, Desire, Competitors.	1
Q12.	During mergers and acquisitions the value of the combined entity is expected to be greater than the sum of the independent values of the merging firms.	1
	Multiple Choice Questions:	
Q13.	Exploring opportunities in the environment is a process involving various steps. Arrange the steps in correct order. i) Evaluating the ideas received from different sources to find a creative solution ii) Identifying a product or service through innovation iii) Opportunity spotting by analysing the needs and problems that exist in the environment iv) Setting up a project and nurturing it to success  a. i-ii-iii-iv b. iii-i-ii-iv c. ii-iii-iv-i d. i-iv-iii-ii	1
Q14.	Which of the following is not a method of 'Negotiation'? a. Each side works towards a solution and everyone wins something. b. One party gets what they want and other party has to give something up. c. This involves starting on small details and working upward until a settlement is reached.	1

	d. It entails all aspects of interaction that a company has with its customer, whether it is sales or service-related.	
Q15.	<p>Priya joined a Publication Company that publishes a monthly magazine “Lifestlye”. It covers articles related to fitness, clothing, gadgets, cooking etc., Priya had joined the clothing division of the magazine. Her divisional head explained her nature of work of the division. She also informed Priya that in addition to visits to local mall she would have to attend ‘Power lunches’ on the first Monday of every month. Out of the following identify the way of spotting trend, the divisional head is talking about?</p> <p>a. Talk trends b. Read trends c. Watch trends d. Think trends</p>	1
Q16.	<p>Varun, a student of class XII, observed that a large number of students of the school were using mobile phones. He also observed that many parents of such students were worried about the content being viewed by their children on mobile phones and were not able to control them. Being a talented and an intelligent student he decided to develop an app that may help the parents to watch and control children regarding the content being viewed. From the following identify the “idea field” used by Varun to develop the app</p> <p>a. Creative efforts b. Trading related ideas c. Market driven idea d. Natural resources</p>	1
Q17.	<p>ABC Ltd., decided to raise funds by issuing shares. The finance department felt that the company should offer the shares to existing shareholders on a pro-rata basis. Out of the following, identify the method of raising the funds being suggested by the finance department?</p> <p>a. Public Issue b. Rights Issue c. Private Placement d. Offer to Employees</p>	1
	<b><u>Section B</u></b>	
Q.18.	<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>	2
Q.19.	<p>Raghav is a very creative person and has always been working on innovating products and services that can make living healthy and hygienic. He developed a design of an air conditioner with an inbuilt air purifier as well. Since he did not get any financial support from any bank, he approached Nirvana Vent (VC), a venture</p>	2

	<p>capitalist firm. Though VC liked the idea but it refused to help Raghav at the seeding stage and asked him to come again if needed during second round financing.</p> <p>Why was seed capital not given by VC when it was ready to fund the second round financing?</p>	
Q.20.	<p>Why are copyrights and patent important for an entrepreneur?</p> <p style="text-align: center;">OR</p> <p>Differentiate between the two types of sales strategy.</p>	2
Q.21.	<p>Vector Ltd., is in the Fast Moving Consumer Goods industry. They introduced a new variety of biscuits in the market. It has high fibre content with different new flavours incorporating various multigrains. Create a tagline for the product and state which promotion strategy should be used by Vector Ltd.,</p>	2
Q.22.	<p>Vishnu started his factory for manufacturing plastic items in Daman. As per the advise of his Manager, he appointed 'Bizmadeeasy' company to formulate a business plan for his manufacturing unit. The company in it's business plan mentioned the cost of installing a water waste treatment plant within the premises of the manufacturing unit. Interpret any two socio-economic benefits expected to acquire from the proposed investment.</p>	2
Q.23.	<p>Rani finished her graduation from Bangalore University. Along with her friends she decided to travel the European countries for 20 days. She faced a lot of problems before and during her visit. While applying for visa, she found the process to be too tedious so she approached a travel agent who helped her but still it turned out to be expensive. After that she visited various websites to book hotels and transportation. It was a long process. After leaving India, she found that language in every European country was different even though English was spoken widely. She could not find a single app which would cover everything from obtaining a visa, places to stay, eat and visit in every city. This roadblock inspired her to come up with a solution.</p> <p>When she came back to India, she developed an app that can be downloaded on any phone. The app acts as a virtual guide for every traveller who wants to visit European countries.</p> <p>State the objectives of developing this app.</p>	2
Q.24.	<p>List the two things that an entrepreneur has to ensure before selecting an opportunity</p> <p style="text-align: center;">OR</p> <p>List any two elements of a business opportunity</p>	2

	<b><u>Section C</u></b>	
Q.25.	<p>Rajesh was a chemical engineer working for a company selling insect killer spray. He was aware how this product could harm the health of the users and was constantly looking for ways to improve the product. Filled with innovative zeal, he worked hard and developed a mosquito repellent which produces sonic waves to drive away mosquitoes. It is non-smoky and does not emit any kind of fragrance or odour. It was safe to use as the sonic waves do not affect human beings or plants. He decided to name his product as 'Dengularia Free'. The product was to be packed in a corrugated box with an extension cord as free gift. Its price was fixed at Rs. 260 per unit. A replacement warranty for one year will be given as an introductory offer. He decided to sell this product through agents who will sell to both, the wholesalers and retailers depending upon the market to be catered.</p> <p>Quoting the lines from the above para, identify any three elements of marketing mix used by Rajesh.</p>	3
Q.26.	<p>Pink &amp; Blue Stores sells 1000 insulated water bottles annually. Demand for the product is uniform. Purchase Cost per bottle is Rs.50. Holding cost per annum is 10% of purchase cost. Ordering cost is Rs. 100 per order.</p> <p>Calculate the Economic Ordering Quantity for bottles?</p>	3
Q.27.	<p>State any six drawbacks of "Public Issue".</p> <p style="text-align: center;">OR</p> <p>State six points of importance of Stock Exchange from the Investors point of view.</p>	3
Q.28.	<p>Karan finished his graduation from Polytechnic college in the year 2018. He had specialised in repairing of electronic goods. After few months of his graduation, he met his uncle who has a small factory manufacturing electronic circuits used in Television. His uncle informed Karan that he could no longer run the unit so Karan decided to take over the factory. His uncle had two workers. Karan was able to get a huge order of supplying 10,000 units of electronic circuits every month from a popular TV manufacturing company in India. He knew that to meet the orders timely he has to employ more people. In order to do so he decided to formulate Manpower planning.</p> <p>Describe the factors that Karan has to keep in mind while formulating manpower plan.</p>	3
Q.29.	<p>Explain the various factors involved in sensing opportunities?</p> <p style="text-align: center;">OR</p> <p>An organisation will have to look into three situations while framing the production plan. Explain these three situations.</p>	3

	<b><u>Section D</u></b>																	
Q.30.	<p>CleAir Pvt. Ltd. started a business of making three varieties of portable air purifiers for vehicles - Vincent, Banish, Exclusive. From the following information calculate Breakeven point in units for the company and suggest which variety is most revenue generating. Fixed costs are Rs. 15,20,000.</p> <table><tr><td></td><td>Vincent</td><td>Banish</td><td>Exclusive</td></tr><tr><td>Sales Price</td><td>800</td><td>450</td><td>600</td></tr><tr><td>Variable Cost</td><td>400</td><td>150</td><td>200</td></tr><tr><td>Sales mix</td><td>50%</td><td>20%</td><td>30%</td></tr></table>		Vincent	Banish	Exclusive	Sales Price	800	450	600	Variable Cost	400	150	200	Sales mix	50%	20%	30%	4
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Sales Price	800	450	600															
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Sales mix	50%	20%	30%															
Q.31.	<p>Why is it important for a business to have an effective sales strategy?</p> <p style="text-align: center;">OR</p> <p>Differentiate between internal expansion and external expansion.</p>	4																
Q.32	<p>Explain the various factors involved in assessing the market while selecting a product or service?</p>	4																
	<b><u>Section E</u></b>																	
Q.33	<p>Why is 'place mix' regarded as an important element of marketing mix? How does the considerations related to market have an impact on the selection of a distribution channel?</p>	6																
Q.34	<p>Explain the various steps involved in preparing a marketing plan?</p> <p style="text-align: center;">OR</p> <p>Explain are the various elements of an Operational plan?</p>	6																