**SINDHI HIGH SCHOOL, HEBBAL**

**II PRE BOARD EXAMINATION [2024-25]**

**SUBJECT: ENTREPRENEURSHIP (066)**

**SET II**

**Class: XII Max. Marks: 70**

**Date 11.1.2025 Reading Time: 8:30 to 8:45am  
No. of sides: 04 Writing Time: 8:45 to 11:45 am**

***General Instructions*:-**

•The question paper contains 4 sections A, B, C and D.

• Sections A- Multiple choice questions. (1mark)

• Section B- 2 marks.

• Section C- 3 marks.

• Section D- 5 marks.

• All parts of a question should be answered in one place.

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|  | **SECTION A** |  |
| **1**. | Arvind started his manufacturing unit in Jammu and Kashmir, scarf, both woolen and silk. His business was not picking up in the markets as desired. He found out the reasons his scarves were not selling was due to their color. What could be the best source of this information?  a. Manufacturer b. Retailer c. Competitors d. Government Bureau | **1** |
| **2**. | Which of the following statements correctly explains the concept of creative efforts?  1. Develop and improve an existing or new product or service 2. Compete with an existing product or service 3. Find a new process or resource for manufacturing a product.  a. Both 1,3 b. All 1, 2, 3 c. Both 2, 3 d. Only 1 | **1** |
| **3**. | Harjot is planning to set up a unit for manufacturing biodegradable bags of different sizes by processing the sugarcane bagasse. She also plans to be fully relieved of the problem of distribution and thus decides to handover her entire output to the selling agents. The channel of distribution used by Harjot is:  a. Zero level b. One level c. Two level d. Three level | **1** |
| **4.** | Match the following:-   |  |  | | --- | --- | | Column A Types of Merger | Column B Examples | | i) Vertical Merger | a) A watch manufacturer acquiring a cement company | | ii) Market extension Merger | b) Bank of Madura with ICICI Bank | | iii) Conglomerate | c) A textile company acquires a cotton yarn manufacturer | | iv) OHHorizontal Merger | d) Hindustan Unilever Company acquired Lakme, it helped HUL to enter the cosmetic market. |   a. i-a ,ii-b ,iii-c ,iv-d b. i-c ,ii-d ,iii-a ,iv-b  c. i-a ,ii-c ,iii-b ,iv-d d. i-c ,ii-b ,iii-a ,iv-d | **1** |
| **5.** | Assertion (A):- Usefulness of Break-even analysis continues to be the same whether a business is operating a single or multiple product.  Reason(R):- Break –even analysis helps in setting profit goals and sales target.  a) Both Assertion (A) and Reason (R) are true and Reason R is the correct explanation of A.  b) Both Assertion (A) and Reason (R) are true and 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 | **1** |
| **6.** | Carpet Market where only buying of securities is possible as securities can’t be sold here.’’ Identify the type of capital market started in the above line.  a. Primary Market b. Secondary Market c. Stock Exchange d. Money Market | **1** |
| **7.** | Identify the third stage in Opportunity Project Interface:-  a. Scanning of environment b. Spotting of opportunity  c. Starting a project d. Identification of product /service | **1** |
| **8.** | Which of the following is not a disadvantage of sole proprietorship form of business organization?  a. Limited capital b. Quick decision- making c. Limited managerial ability d. Limited continuity | **1** |
| **9.** | 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?  a. Television b. Point of sale c. Ambient d. Cinema | **1** |
| **10.** | The term chosen to describe the merger depends on the:-  a. economic function b. purpose of the business transaction  c. relationship between the merging companies d. all of the above | **1** |
| **11.** | Reorder point is a level; at which a new order must be placed so that the inventory is renewed before the stock reaches zero level. So the things that should be taken care in a reorder point are:-  a Lead time b. Demand during lead time c. Both (a) and (b) d. None of these | **1** |
| **12.** | Which among the following is NOT a method of raising the required capital in the Primary market?  a. .Xma Ltd. raised additional finance from existing shareholders by offering securities to them in proportion to the shares they are holding.  b. Prabhat Luminous Ltd. Raised funds by selling its shares mainly to the General Insurance Corporation of India and Army Group Insurance.  c. To increase the efficiency of the employees and reduce the labor turnover, the management of CVK Ltd. made employees the shareholders and enabled them to share the profit of the company.  d. Sujata AI Ltd. Raised funds from Mr Bansal an affluent individual in exchange for ownership equity. | **1** |
| **13** | Which of the following is not an economic environment factor?  a. Increase in oil price because of increase in crude oil price in the international market.  b. Increase in unemployment.  c. Increase in pollution because of use of old machinery.  d. Increase in interest rate by banks. | **1** |
| **14** | There are four rules to remember while planning any advertisement activity which are :  a. Action, target, Media , Competitors  b. Aim, target, media , Competitors  c. Sponsorship , Media, Target, Competitors  d. Sponsorship, Aim , Target , Competitors | **1** |
| **15** | Identify the promotion strategy shown in the picture below:-  Emergence of TTL marketing, Demarcation between ATL & BTL ...  a. Below the line b. Above the line c. Through the line d. Both a and b. | **1** |
| **16** | Assertion (A): For a trading organization the operating cycle will be shorter.  Reasoning (R): There is no manufacturing in a trading organization  a. Both Assertion(A) and Reasoning (R) is the correct explanation.  b. Both Assertion(A) and Reasoning (R) are true but Reason(R) is not the correct explanation of Assertion(A).  c. Assertion (A) is True and Reason (R) is False.  d. Assertion (A) is False but Reason (R) Is True. | **1** |
| **17** | Sahiba has a boutique in Nagpur which she started in 2020. She had invested Rs.. 2, 00,000 from her savings and borrowed Rs.3, 00,000 from the bank @ 10% p.a. She made a net profit of Rs. 50,000 in the year 21-22. In the above case the Return of Equity is:-  a. 10% b. 20% c. 25% d. 40% | **1** |
| **18** | Venture Capitalists are typically very selective in deciding what to invest in and as a rule of thumb:  a. They may invest in one in four hundred opportunities presented to it.  b. Looks for the extremely rare, yet sought after qualities.  c. Both (a) and (b).  d. None of the above. | **1** |
|  | **SECTION B** |  |
| **19** | List the uses of problem identification.  **OR**  Before selecting an opportunity, the entrepreneur has to ensure which two things. | **2** |
| **20** | Explain SWOT analysis as a step preparing a marketing plan.  **OR**  Preparing a good business plan can’t guarantee success, but it can go a long way towards reducing the odds of failure. Explain. | **2** |
| **21** | In the year 2012, the social media application “ Chowpal” acquired Socialite at a purchase value of $1 billion. Both the entities operated in the social media industry and offered similar products as a part of their photo sharing services. However, Chowpal intended to further bolster its market position in the social media space, and the acquisition of Socialite exactly fitted in its market share, eliminating competition and gaining access to a wider audience. Identify the type of merger and explain. | **2** |
| **22** | The stationary shop sells 25,000 copies per year. The cost price of the copy is Rs.20 per copy and carrying out cost is 20% of the cost price .Cost of placing an order is Rs. 20. Calculate EOQ for copies of the stationary shop. | **2** |
| **23** | A popular brand of mobile phones has used repurposed fishing nets in its latest model of smartphones. Fishing nets are made of Nylon which has the basic property of absorbing moisture and water. Use of this material would make the phones waterproof and dust resistant. Every year around 6, 40,000 tons of fishing nets end up in oceans, posing a serious threat to the marine ecosystem. According to the managing Director, Research and Development Department, they are working to replace fossil based raw material with bio-based raw materials which are renewable. The company has been researching and developing sustainable materials. Identify and explain the two elements of PESTEL model which have been presented in this article. | **2** |
| **24** | State any two reasons for capital markets being the most important source of raising finance for entrepreneurs? | **2** |
|  | **SECTION C** |  |
| **25** | Some important factors are involved in the process of sensing entrepreneurial opportunities. State these factors.  OR  Selection of a product or service will depend upon many factors. Analyse any three factors an entrepreneur has to keep in mind while assessing the market. | **3** |
| **26** | Fizz and Lime is an established beverage company which started bottling Wheat Grass Juice ; Bitter Gourd with Jamun and Amla with Aloe vera. It is planning to expand externally without compromising on the unique taste of these drinks. Belligio Juices got exclusive rights to manufacture and sell Wheat Grass and Amla, Aloe under the name Fizz and Lime. Belligio Juice had to use only the ingredients supplied by Fizz and Lime, to produce bottle and distribute the two drinks.  a. Identify and explain the form of External expansion adopted by Fizz and Lime.  b. State any one feature of this form of expansion. | **3** |
| **27** | Sanjir was developing a Business Plan for his organization. While working on the financial plan he realized that his financial requirements will be for fixed assets and their installations, preliminary expenses, working capital, expenses on research and development and investment in short term assets viz raw material, level of cash etc. To decide on the sources of funds for the venture, he tried to ensure the selection of the best overall mix of financing for the enterprise.  a. Identify the elements of Financial Plan discussed .  b. Why it is important for an entrepreneur to ensure the selection of the best overall mix of financing for the enterprise?  OR  Explain the consequences of Non Registration of Partnership Firm. | **3** |
| **28** | What is the most essential component of mergers? Explain two forms of this component | **3** |
| **29** | Picturing ahead every step in a long series to separate operations, each step to be taken in the right place, of the right degree and at the right time. Each operation is to be done at maximum efficiency. This is the objective of one of the component of a business plan.  a. Identify the component.  b. There are three situations before the venture under the component. Explain any two. | **3** |
|  | **SECTION D** |  |
| **30** | Explain the first five steps involved in idea and opportunity assessment  **OR**  It takes persistent effort to work out analytically the details of the enterprise or service, to develop marketing strategies, to organize finances and strategies operations. Identify the concept and explain the elements. | **5** |
| **31** | The Covid 19 pandemic has ushered an era of business opportunity for many businesses. Rajat an entrepreneur, designed a unique N-95 face mask which could not only filter the air inhaled but also changed its color when the mask is no longer good for use. Not only this, it would also send an alert incase the user of the mask comes in contact with any virus in the air. The idea sounds good and marketable, but Rajat needs to impress the investors to find his idea. Rajat prepared a three minute summary of the business plan executive summary to awaken the interest of the potential funders, customers or strategic partners.  a. Give the meaning of business plan.  b. Identify the format of business plan used by Rajat.  c. Explain three formats of Business Plan other than one identified in (a) above. | **5** |
| **32** | Explain five common types of Intellectual Property Rights. | **5** |
| **33** | The Goodwill Electronics Ltd. Manufactures three products- Mobile covers, tampered glass and  chargers. The valuable expenses and sales prices of all these products are given below.   |  |  |  |  | | --- | --- | --- | --- | | Particulars | Mobile Covers | Tampered Glass | Charger | | Sales price(p.u) | Rs. 75 | Rs.100 | Rs.200 | | Variable Cost(pu) | Rs.25 | Rs.60 | Rs.100 | | Sales mix (%) | 30% | 50% | 20% |   The total fixed expenses of the company are Rs 55,000 per month. Compute the Break-even point in units and Rupees for the month. | **5** |
| **34** | What do you understand by venture capital? Explain its feature.  **OR**  Explain Public Issue as a method of Flotation. Explain any two advantages and Disadvantages. | **5** |

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