

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) A worker as well owner (1)
- Q2. (b) Direction and quantity of business. (1)
- Q3. (b) Marketing plan (1)
- Q4. (d) Company name combined with individual name (1)
- Q5. (c) Reverse Acquisition. (1)
- Q6. (c) SEBI (1)
- Q7. Development (1)
- Q8. Vender Management (1)
- Q9. Economic (1)
- Q10. Innovation — Innovation is the application of creative solution to problems or opportunities, to enhance or to enrich people's lives. In simple words, application of new inventions is called innovation. (1)
- Q11. PAN — Permanent Account Number (PAN) is a ten digit alphanumeric number, issued by income tax department. It enables the department to link all the transactions of the person with the department. (1)
- Q12. Royalty — A royalty is a legally binding payment made to an individual or company for the ongoing use of their assets Including copyrighted works, franchises, and natural- resources. (1)
- Q13 (D) (1)
- Q14. (A) (1)
- Q15. (D) (1)

Section-B

- Q16. Society is the base of a business. Businessman must known about the taste and preferences of the people living in the society. The businessman can not overlook the components of social-environment as these components may not have immediate impact on the business but in the long run the social environment has great impact on the business. (2)

Or

Opportunity is an idea or a set of circumstances that make it possible to create or develop a profitable and sustainable business.

Q17. Trend Spotting — Trend spotting means identification of new trends. This will help the entrepreneur to understand the market and produce the goods or services as per new trends. (2)

Q18. Components of Financial plan:— (Explain any two point.) (2)

- (i) Break even analysis
- (ii) Fixed capital requirement
- (iii) Working capital requirement

Q19. Logo :— Logo is a kind of brand mark with which product is recognized. Examples- blue & red base for Pepsi. Logos may include some words also along with graphics. (2)

Or

Market Extension Merger :— A market extension merger takes place between two companies that deal with same products but in separate market. Its main purpose is to capture bigger market.

Q20. Inventory Control :— Inventory control is a process of deciding what and how much of various items to be kept in stock. The basic objective of inventory control is to find out idle level of inventory. So that there is no extra inventory and production level, does not suffer due to lack of inventories. (2)

$$\begin{aligned} \text{Q21. ROI} &= \frac{\text{Net Profit before int. \& taxes}}{\text{Capital employed}} \times 100 && (2) \\ &= \frac{90000}{450000} \times 100 = 20\% \end{aligned}$$

Section-C

Q22. Legal Environment Factors :— Legal environment constitutes the laws and various legislations passed in the parliament. The businessman can not overlook the legislations because he has to perform his business- transactions within the framework of the legal environment. (3)

Various aspects of Legal Environment :—

- (i) Various laws and legislative acts
- (ii) Legal policies related to licensing
- (iii) Foreign exchange management Act
- (iv) Legal policies related to foreign trade.

Q23. Generation of ideas refers to the conscious Endeavour to collect ideas from different sources for the purpose of finding a creative answer to a problem. Under brain storming a group of people is stimulated to creative thinking. A problem is posed and to solve it, ideas are invited from them. Later these ideas are critically examined and the best ideas are selected. (3)

Q24. Features of Co-operative Societies — (Explain any three) (3)

- 1. Voluntary Association
- 2. Legal Status

3. Limited Liability
4. Control
5. Service Motive
6. Equal Voting Rights

Q25. Qualities of Good Salesman :— (Explain any three) (3)

1. Physical qualities
2. Social qualities
3. Mental qualities
4. Technical qualities

Or

Sales Strategy :— Sales strategy consists of a plan which is made by company to get competitive advantage good sales strategy forces the company to focus on target market and make plan to communicate and convince the target market for successful sales.

Significance — (i) Looks at long term sales goals.

(ii) Analyse the business sales cycle

(iii) Help the managers know the reason change and motivate the sales team.

Q26. Features of franchise :— (3)

- (i) The franchisor owns a trade service mark and allows a franchise to use it
- (ii) The franchisees pay for license and become a part of the network.
- (iii) The franchisees make an initial payment called license fees.

Q27. Net working capital :— This refers to excess of current assets over current liabilities. Example of current assets cash, B/R, Prepaid exp, inventors etc. (3)

Or

Methods of flotation of Securities in Primary Market :— (Explain any three)

1. Public issue through Prospectus
2. Offer for sale
3. Private placement
4. Right issue
5. E-IPOS

Section-D

Q28. Idea Field — The sources of spotting trends are termed as Idea-fields. By analyzing the idea fields, the entrepreneur can enlarge his scope of thinking. (5)

Types of Idea Fields:— (Explain any five)

1. Natural Resources
2. Existing products and services
3. Market driven or demand driven ideas
4. Trading related ideas

5. Service sector ideas
6. Creative efforts

Or

Marketing Plan :— The marketing plan is written after conducting a market analysis. This section provides information on assessing the market size, growth, target market.

Steps in preparing the Marketing Plan:— (Explain these points)

1. Business situation Analysis
2. Identify the Target Market
3. Conduct Swot Analysis
4. Establish Goals
5. Define Marketing strategy.
6. Implementation and monitoring of the plan

Q29. Negotiation :— Negotiation is nothing but a discussion among individuals to find out an alternative which takes into account benefit of all and nobody is at loss. Negotiation is essential in corporate to avoid conflicts and improve relationships. (5)

Methods of Negotiations :—

1. Integrative / Distributive Negotiation
2. Inductive / Deductive / Mixed Negotiation.
3. Soft / Hard Negotiation.

Or

Franchising — Franchising is an agreement between franchisee and franchisor, where franchisor allows franchisee to sell or distribute the branded products in a specific geographical are of the franchisor in consideration of payment made by franchisee called royalty.

Merits :— (Explain any five points)

1. Established Brand
2. Quality Product
3. Advertisement
4. Financing
5. Training
6. Technological Up gradation
7. Better Start
8. Expansion
9. Direct Feedback

Demerits :—

1. High Royalty Payment
2. No Independence
3. Limited Variety

Q30. Factors affecting working capital:— (Explain any ten point) (5)

1. Length of Operating cycle
2. Nature of Business

3. Scale of operation
4. Business cycle fluctuation
5. Seasonal Factors
6. Technology and Production Cycle
7. Credit Allowed
8. Credit Avail
9. Operating efficiency
10. Availability of Raw Materials.
11. Level of Competition
12. Inflation
13. Growth Prospects

Or

Difference between Capital Market and Money Market

Basis	Capital Market	Money Market
1. Participants	Financial Institution, Banks, public & private bank etc. Foreign investors & ordinary retail investors from public	Fin. Inst., banks, etc but foreign and ordinary retail investors do not participate in money market.
2. Duration	Medium and long term	Short term
3. Instruments	Equitustar, Debentures, pref share, bonds etc.	Treasury bills, Trade bills, CD, CP etc
4. Investment outlay	Does not require huge-financial investment	Require Huge fine investment
5. Type of Capital	Fixed capital requirements	Working capital requirements