

SAMPLE PAPER
ENTREPRENEURSHIP (066)
CLASS XII

Time 3 Hrs

Max Marks: 70

General instructions:		
<ul style="list-style-type: none"> • <i>There is no overall choice, though internal choice is given.</i> • <i>Read the question carefully before attempting.</i> 		
Q.1	<p>Sudha started her small-scale business of making Pickles along with few of her neighbors using their free time at home. They named their venture 'Home Sweet Home'. They were able to supply the entire district. One of the members suggested that they should expand and start selling to other states. When she discussed the same to her husband, he suggested that they have to properly look into the environment analysing the competitors. He suggested Sudha to</p> <p>A. formulate policies B. Tap useful resources C. Environment scanning D. Image building</p>	1 mark
Q.2	<p>Anant and Anandi together took over their family business of furniture. They understood that the present competitors were using online means to sell their products. They decided on a new idea of providing furniture on a rental basis to offices and households and to also start making furniture using the traditional method which caught the attention of the new generation. They opened stores in various cities and started selling through online mode also. They both are using the service-related idea field.</p> <p>Mention whether the idea field identified is true or false.</p>	1 mark
Q.3	<p>Vikrant was always interested in technology driven products. After finishing his engineering degree, he started working on a new walking stick which will help blind people. The stick will be Bluetooth and wi-fi enabled which will be connected through an app on the phone which will guide the blind persons about the objects in front of their walking path. He has started testing the walking stick and found that the stakeholders were satisfied and it had a great value to the customers. Vikrant is in stage of innovation process.</p>	1 mark
Q.4	<p>Hemant approached his father seeking Rs.5,00,000 for his new venture. He had planned to start a computer assembling unit. Though his father was in a position to give him the money he still insisted that he should take a loan from the bank which will make him more responsible. When Hemant approached the bankers, they asked for a business plan. Hemant was not sure as to who can help him in preparation of the business plan. Who among the following can prepare the business plan?</p>	1 mark

	<p>A. Lawyers B. Accountants C. Marketing consultants D. All of the above</p>	
Q.5	<p>Varun along with his friends had a brilliant idea to manufacture an air conditioner which will also act as an air purifier. The idea was new and the market did not have such a successful product. For starting the unit, they were in need of huge funds, so they decided to approach Shankar, a successful businessman and who is also a venture capitalist. However, Shankar said that he was very busy and if they could pitch their idea within a span of 3 minutes, he was ready to hear it. Which format of Business plan will Varun and his friends would have to use?</p> <p>A. Elevator Pitch B. A pitch deck with oral narrative C. A written presentation for external stakeholders D. An internal operational plan</p>	1 mark
	OR	
	<p>Ab ltd. was into manufacturing security cameras for household and commercial buildings. Their Research and development team came up with a new idea of manufacturing drones as security cameras which will give a 360-degree view of the entire building. They needed huge finance for the same. The company MD Sharath heard of this group of venture capitalists who are ready to invest in new ideas. He seeked an appointment with them and started preparation of a business plan to be presented before them. His plan was to make an informative power point presentation showing key graphs of financial trends. It was meant to trigger discussion among the members. Which format of business plan is Sharath using?</p> <p>A. Elevator Pitch B. A pitch deck with oral narrative C. A written presentation for external stakeholders D. An internal operational plan</p>	1 mark
Q.6	<p>Mallika was selling vegetables in her cart along with her mother. They were able to earn a profit of around Rs.200 every day. Even though the amount was not substantial it was sufficient for a decent living. Mallika often noticed that nuclear families where both husband and wife go to work find it difficult to cook as cleaning and cutting vegetables took a lot of time, so an entrepreneur she started gathering information regularly and developed a new product line of selling cut vegetables in hygienic packaging. Mallika usedtrend to spot this idea.</p>	1 mark
Q.7	<p>Vinita, Bhavana, Rani and Nandini are all good friends in the age group of 15-17</p>	1 mark

	<p>years of age. All of them decided together to start a business venture of making soaps at home using natural ingredients. They decided to name their venture as ‘O&HM’ meaning Organic and Home Made. They spoke about their venture to their parents and asked them if their business could be registered so that it will be easy to divide the profits. Vinita suggested that they should register it as a Partnership firm. Can they form a partnership firm?</p> <p>A. No, they cannot form a partnership firm since all of them are minors B. Yes, they can form a partnership firm C. No, since minimum number of people required to form a partnership is 10 D. None of the above</p>	
Q.8	<p>Arvind planned to start a small fast-food joint in his area after finishing his degree in hospitality management. His plan was to combine and use healthy ingredients like whole wheat flour to make the burger buns. He knew that he had to start collecting information from different sources which will help him to identify the right opportunity to start his business. From where will Arvind get the necessary information?</p> <p>A. Magazines B. Shows C. Family Members D. All of the above</p>	1 mark
	OR	
	<p>Victor industries has been one of the leading companies in Mobile phone industry in India. The company decided to launch a new Model AI 1 which will have inbuilt latest software to encourage hands free use and enhance the customer experience through 3D photos. They are also looking into ideas to use ecofriendly recyclable materials for the body of the phone which will cause less environmental damage. Identify the two factors of PESTEL model from the above case study.</p> <p>A. Economic, Social B. Ecological, Technological C. Legal, Economic D. Social, Political</p>	1 mark
Q.9	<p>Which of the following is not a component of Brand?</p> <p>A. Brand name B. Brand Mark</p>	1 mark

	<p>C. Logo D. Trademark</p>	
	OR	
	<p>'Maharaja' of Air India is</p> <p>A. Brand name B. Brand Mark C. Brand D. Trademark</p>	1 mark
Q.10	<p>Advertising is?</p> <p>A. A paid form of communication B. Selling products personally C. A deliberate effort done to establish and maintain mutual understanding between organization and public D. It relates to short term incentives</p>	1 mark
	OR	
	<p>Which of the following are the four rules when planning any advertising activity?</p> <p>A. Aim B. Competitors C. Media D. All of the above</p>	1 mark
Q.11	<p>'Umbrella branding' is?</p> <p>A. Entrepreneur opts to use a common or successful family name for their several products. B. Entrepreneurs choose to utilise their corporate name or logo together with some brand names of individual products. C. Entrepreneur uses alpha-numeric names to signify physical characteristics of the product. D. Entrepreneur chooses distinct names for each of his offerings.</p>	1 mark

<p>Q.12</p>	<p>Given below are types of mergers with examples of each. Match them correctly.</p> <table border="1" data-bbox="235 317 1263 928"> <thead> <tr> <th data-bbox="235 317 748 447">Column A- Types of Mergers</th> <th data-bbox="748 317 1263 447">Column B- Examples</th> </tr> </thead> <tbody> <tr> <td data-bbox="235 447 748 552">i. Vertical Merger</td> <td data-bbox="748 447 1263 552">a. A watch manufacturer acquiring a cement manufacturer</td> </tr> <tr> <td data-bbox="235 552 748 657">ii. Market Extension merger</td> <td data-bbox="748 552 1263 657">b. Bank of Madura merged with ICICI Bank</td> </tr> <tr> <td data-bbox="235 657 748 762">iii. Conglomerate</td> <td data-bbox="748 657 1263 762">c. A textile company acquires a cotton yarn manufacturer</td> </tr> <tr> <td data-bbox="235 762 748 928">iv. Horizontal Merger</td> <td data-bbox="748 762 1263 928">d. Hindustan Unilever Company acquired Lakme, it helped HUL to enter the cosmetics market</td> </tr> </tbody> </table> <p data-bbox="235 961 521 1220"> 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 </p>	Column A- Types of Mergers	Column B- Examples	i. Vertical Merger	a. A watch manufacturer acquiring a cement manufacturer	ii. Market Extension merger	b. Bank of Madura merged with ICICI Bank	iii. Conglomerate	c. A textile company acquires a cotton yarn manufacturer	iv. Horizontal Merger	d. Hindustan Unilever Company acquired Lakme, it helped HUL to enter the cosmetics market	<p>1 mark</p>
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<p>Q.13</p>	<p>What is common among McDonalds, Goli vada pav, Naturals Ice-creams and Ferns-and-petals?</p> <p data-bbox="280 1398 1016 1539"> A. All are Multinational corporations working in India. B. All have adopted franchising as their growth strategy. C. All have merged with big companies. D. All of the above </p>	<p>1 mark</p>										
<p>Q.14</p>	<p>Both mergers and acquisitions are enterprise growth strategies but how they come into existence makes them different from each other. Which of the given statements below justifies the given statement?</p> <p data-bbox="280 1703 1276 1881"> A. Merger is always friendly, whereas acquisition is always hostile. B. Merger may be friendly, whereas acquisition is always hostile. C. Merger is always depending on synergy, whereas acquisition is never based on synergy. D. Merger is consensual, whereas acquisition is forced. </p>	<p>1 mark</p>										

<p>Q.15</p>	<div data-bbox="591 216 902 552" data-label="Image"> </div> <p>Identify the promotion strategy shown in the image above.</p> <p>A. Below-the line B. Above -the-line C. Through-the-line D. Both Below-the-line and Above-the-line</p>	<p>1 mark</p>
	<p>OR</p>	
	<div data-bbox="233 894 776 1163" data-label="Image"> </div> <p>Identify the type of Advertising depicted in the given image.</p> <p>A. Point of Sale B. Ambient C. Outdoors D. Direct mail</p>	<p>1 mark</p>
<p>Q.16</p>	<p>Priyam composed a music piece for a song and the lyrics were written by him. He wishes to legally protect his creation. He can get a</p> <p>A. Patent for lyrics and music piece B. Copyright for lyrics and music piece C. Copyright of the lyrics and patent for the music piece D. Trademark for the complete song.</p>	<p>1 mark</p>
	<p>OR</p>	
	<p>Vinit innovated a new pen which can read any text when placed on top of a page</p>	<p>1 mark</p>

	<p>or newspaper which definitely helps blind and old people who are unable to read, He wishes to legally protect his product. He can get a</p> <p>A. Patent B. Copyright C. Trademark D. Geographical Indication</p>													
Q.17	<p>When total current assets exceed total current liabilities, it refers to.</p> <p>A. Gross Working Capital B. Temporary Working Capital C. Both A and B D. Net Working Capital</p>	1 mark												
	OR													
	<p>Gross margin and gross profit are one and the same. Is the given statement 'True' or 'False'?</p>	1 mark												
Q.18	<p>Harshdeep is the stock keeper of Neha Textiles Ltd. The company is into converting cotton yarn into fabric and then further computerised printing on the same to add value to the fabric. He wants to know the ideal quantity of yarn to be ordered so that the production process does not stop. How can he know the correct time to place an order?</p> <p>A. By calculating Break-even point B. By calculating Re-order point C. By calculating Economic order quantity D. By calculating lead time</p>	1 mark												
Q.19	<p>MM ltd. is a renowned name in manufacturing hand puppets for children. Its two most selling varieties are Alphabets and Domestic animals. The fixed expenses of MM Ltd.in the manufacturing of these two varieties is Rs. 75,000.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Alphabets</th> <th>Domestic Animals</th> </tr> </thead> <tbody> <tr> <td>Sales Price/unit (in Rs.)</td> <td>210</td> <td>360</td> </tr> <tr> <td>Variable cost/ unit (in Rs.)</td> <td>140</td> <td>190</td> </tr> <tr> <td>Sales mix %</td> <td>40</td> <td>60</td> </tr> </tbody> </table>		Alphabets	Domestic Animals	Sales Price/unit (in Rs.)	210	360	Variable cost/ unit (in Rs.)	140	190	Sales mix %	40	60	1 mark
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	<p>The weighted contribution for the two products will be</p> <p>A. Rs.70 B. Rs. 170 C. Rs. 130 D. Rs. 102</p>	
Q.20	<p>In a subsidiary of Sugar mill in U.P, cane juice is converted into organic jaggery. The mill owner wants to know whether to continue with this subsidiary or close it down. On an average, the monthly output of the subsidiary is 2,500 Kg., Sales price / kg- Rs. 100, Variable cost/ kg- Rs.30, Fixed expenses- Rs. 70,000. The breakeven point in units will be?</p> <p>A. 1000 units B. 1500 units C. 10000 units D. 7500 units</p>	1 mark
Q.21	<p>A firm has Capital of Rs. 10,00,000; Sales of Rs. 5,00,000; Gross Profit of Rs. 2,00,000 and Expenses of Rs. 1,00,000. Return on investment for the firm will be?</p> <p>A.50% B.20% C.10% D.30%</p>	1 mark
	OR	
	<p>A firm has Capital of Rs. 10,00,000 of which Rs. 6,00,000 is debt fund; Sales of Rs. 5,00,000; Gross Profit of Rs. 2,00,000 and Expenses of Rs. 1,00,000. Return on Equity for the firm will be?</p> <p>A.50% B.25% C.150% D.30%</p>	1 mark
Q.22	<p>State any two factors while assessing the market</p> <p>OR</p> <p>Enlist any two uses of problem identification.</p>	2 marks
Q.23	<p>Enlist two points as to why a private company is more desirable than a public company.</p>	2 marks

Q.24	What is a sales strategy? Differentiate between its types.	2 marks
Q.25	Give reasons for the following situations in business 1. Operating cycle is shorter in trading business than in manufacturing business. 2. Shelf life has an impact on the inventory.	2 marks
Q.26	<p>Source based question</p> <p>Source - Entrepreneur magazine - August, 2020</p> <p>‘A recent survey conducted jointly by FICCI and Indian Angel Network revealed that 70 percent of startups across the country have been impacted by COVID-19 while as many as 12 per cent have had to halt operations altogether.</p> <p>These are difficult times that no one was prepared to deal with. The prolonged lockdown had a massive impact on the startup ecosystem. Given that they rely largely on a constant flow of capital and investments, which due to the pandemic came to a complete standstill.</p> <p>With the ongoing crisis, to keep startups afloat has become quite a challenge. However, this challenge can be eliminated if entrepreneurs adapt to the current times, adopt new strategies, and are open to experiments and pivot their business plans. That’s because the pandemic has not only affected our present but also our future.’</p> <p>Keeping in mind this article, state any two things which should be written by startup companies in their manpower planning component of business plan?</p>	2 marks
Q.27	You are Ravi and you have planned to start manufacturing a new brand of chocolates aiming at teenagers. Your company ‘Delight’ has already been manufacturing and selling biscuits since 2010. The success of biscuits has encouraged you to move ahead into the chocolate industry. Keeping in mind the steps involved in preparation of the marketing plan draft a marketing plan explaining the first three steps.	3 marks
Q.28	Explain any three characteristics of partnership. OR Explain any three characteristics of sole proprietorship.	3 marks
Q.29	Break even analysis has a major impact on the business decision making. Comment.	3 marks

Q.30	<p>AB Ltd., manufacturing light bulbs decided to start manufacturing of ceiling fans. They formed a sister concern by the name 'Cool Air Ltd'. The new company was in need of some investment and for the same they had approached a bank. They had submitted a business plan to the bank stating all the necessary details. They had mentioned very clearly in the plan that they will be manufacturing the blades and have decided to outsource the required motor parts. The plan spoke about the reason for outsourcing along with the contracts with subcontractors.</p> <ol style="list-style-type: none"> Explain the Component of the business plan along with it's related sub part The business plan further gave details about the money which will be invested by the owners and how much they are expecting to borrow. Explain the component of the business plan along with it's related sub part. <p>OR</p> <p>This document is valuable to the entrepreneur, potential investors, venture capitalists, banks, financial institutions, new personnel's suppliers, customers, advisors and others who are trying to familiarize themselves with the business venture, its goals, and objectives. State any four reasons for the importance of this document.</p>	4 marks																		
Q.31	<p>Number of people who took their meals and the total billing for each of the 5 weeks is in the following table.</p> <table border="1" data-bbox="315 1129 1149 1732"> <thead> <tr> <th>Week</th> <th>No. of people taking meals</th> <th>Average amount billed (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>120</td> <td>150</td> </tr> <tr> <td>2</td> <td>60</td> <td>205</td> </tr> <tr> <td>3</td> <td>70</td> <td>146</td> </tr> <tr> <td>4</td> <td>80</td> <td>221</td> </tr> <tr> <td>5</td> <td>90</td> <td>240</td> </tr> </tbody> </table> <p>Based on the given information, answer the questions given below:</p> <ol style="list-style-type: none"> Calculate the Unit Price 	Week	No. of people taking meals	Average amount billed (in Rs.)	1	120	150	2	60	205	3	70	146	4	80	221	5	90	240	4 marks
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	b. If the variable cost is 60% of the sale price, the Gross Margin per Unit of Sale.	
Q. 32	<p>M/S. Ramlal & Sons started manufacturing oximeters which has a great demand in this time of Covid 19 for domestic use and otherwise also it is an equipment in demand by the medical professionals. While fixing the selling price for the same Ramlal want to adopt a method where he can just cover the cost and earn a nominal amount of profit. His sons advised him to fix the price initially at a higher rate and then reduce the price when the demand has reduced. According to them this method would help them earn a good profit. He hired an agent, Satish, who advised him to initially keep the prices low to attract the market and then he can slowly and gradually increase the price.</p> <p>In the given context answer the following questions;</p> <p>a. Identify and explain the method that Ramlal is planning to adopt.</p> <p>b. Explain the method of pricing suggested by Ramlal's sons and his agent respectively?</p>	4 marks
Q.33	<p>Why is creativity important and explain the creative process?</p> <p>OR</p> <p>Explain any six characteristics of company</p>	6 marks
Q.34	Evaluate the different options available for an entrepreneur to raise funds from the primary markets.	6 marks
Q.35	<p>Source based question</p> <p>Source: Economic Times, January 31, 2020</p> <p>‘Memes have emerged as a lucrative profession for its creators.</p> <p>Last week, when Zomato acquired UberEats, competitors took no time to engage with users through this new-age content marketing tool, which had become an instant hit when it began life on social media a few years ago.</p> <p>However, generating memes on Instagram, TikTok and Facebook is now starting to become an integral part of marketing budgets for brands that want to stay relevant and topical online. These brands are using popular meme pages such as Laughing Colours, Confused Atma and Sarcastic Indian across social media.</p> <p>A consumer brand spends Rs 1,000-50,000 on a meme. A page with a million</p>	6 marks

	<p>likes charges Rs 1,000-Rs 1,500 for visibility on Facebook and around Rs 3,000 for Instagram, creators said. And, depending on the category of influencers, TikTok charges between Rs 5,000 and Rs 3 lakh.</p> <p>Earlier, meme pages used to make money mainly through Google advertisements, videos or cross promotions. Today, they rack up anywhere between Rs 10 lakh and Rs 4-6 crore in yearly turnover.</p> <p>Some brands that have been active with meme marketing include OnePlus, Truecaller, Dream11, LG and Big Bazaar, apart from big players in the e-commerce and soft-drinks space.</p> <p>Brands use memes for promotions, taking a dig at competition, and for product launches. The demand for memes as a marketing tool increases ahead of festive seasons and occasions like the Cricket World Cup or Indian Premier League matches. Usually, a brand engages with meme creators for two-three memes a week.’</p> <p>In context of the above article, answer the following questions:</p> <ol style="list-style-type: none">1. Identify and explain the component of marketing mix enumerated in the above article.2. Explain in detail the elements of the component of marketing mix identified in (1) above.	
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