

**CBSE Class 12<sup>th</sup> ENTREPRENEURSHIP**  
**Outside Delhi Set 4 2017**

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**General Instructions:**

1. All questions are compulsory.
  2. There are 24 questions in all.
  3. Marks for each question are indicated against it.
  4. Questions No. 1 to 5 are Very Short Answer type questions, carrying 1 mark each.
  5. Questions No. 6 to 10 are Short Answer type questions, carrying 2 marks each.
  6. Questions No. 11 to 17 are Long Answer – I type questions, carrying 3 marks each.
  7. Questions No. 18 to 21 are Long Answer – II type questions, carrying 4 marks each.
  8. Questions No. 22 to 24 are Essay type questions, carrying 6 marks each.
  9. Answers should be brief and to the point.
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1. Vipin Taneja has completed his Masters degree in Computer Science from IIT, Delhi. He thought of an attractive economic idea which could be implemented to create a business, earn profits and ensure further growth. The idea was to link the different restaurants with the Indian railway network so that while travelling, the railway passengers can order food as per their liking.

List any two elements of the concept discussed above.

2. Air India is planning to expand its flights to Pakistan and Afghanistan over the next five years. Enumerate any two political factors that it should consider as per the 'PESTEL Model' for the same.

3. Distinguish between 'Partnership' and 'Private Limited Company' on the basis of 'maximum number of members'.

4. "It is a process which involves the translation of a useful idea into an application which has commercial value. It takes persistent effort to work out analytically the details of the enterprise or service, to develop marketing strategies, to organise finances and strategize operations."

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Identify the process.

5. Define 'business'.

6. Nayan has just passed his Senior Secondary Examination from a CBSE affiliated school. He wanted to start his own business but was undecided about the nature of the business to be started. One day, during the morning walk, his grandfather fell down in the park and was injured. He observed that his grandfather often forgot to take his medicines. He thought that the same problem may be faced by other old people. He thought to develop a walking stick for old people that could be fitted with some electronic devices connected to the mobile phones of the members of their families which could indicate the location of the old people when they go outside their homes. He also thought to fit a timer in the stick that could remind them about the time of taking their medicines.

Identify and state the meaning of the concept described in the above para that helped Nayan in structuring his idea of solving the problem.

7. State any two types of utilities created by business activities.

8. Komal has started a herbal toothpaste manufacturing unit. She has decided about the logo, packaging format and labelling of the product.

Her friend Neha asked her whether she has taken care of the legally recognised exclusive rights of other manufacturers in the industry before taking the above stated decisions?

Identify and give the meaning of the concept about which Neha asked Komal.

10. 'Ayush Generic Medicines,' a chemist shop sells generic medicines. On 15.2.2016 medicines as per the details given below were sold:

No. of customers	Customer billed amount <
15	370
20	430
45	500

25	1000
95	1200

Calculate the average amount of medicines sold per customer.98 6

11. 'Janata Foods Ltd.' is a restaurant situated on a national highway near Hyderabad. The following figures have been extracted from the books of

Janata Foods Ltd.:

Stock of Raw Material 1,50,000

Short-Term Loans 1,83,000

Trade Creditors 96,000

Trade Debtors 2,25,000

Dividend Payable 1,50,000

Tax Payable 1,32,000

Short-Term Investments 2,28,000

From the above information, calculate the following:

(a) Gross Working Capital (b) Net Working Capital

12. Harsha started her herbal beauty products shop in Chandigarh with a capital of ₹ 9,00,000. She took a loan of ₹ 5,00,000 from the State Bank of India at 9% p.a. interest. During the year ended 31<sup>st</sup> March, 2016 her sales were ₹ 20,90,000 and the cost of goods sold was ₹ 15,30,000. She paid monthly rent of the shop ₹ 11,000 and a monthly salary of ₹ 25,000 to the employees. The tax rate is 30%.

Calculate the Return on Equity.

13. Mahesh is a young man of 20 years. He has completed a tailoring course from an industrial training institute. He wants to start a big-size tailoring shop in a modern locality where young men and women working in various multinational companies live. He went to

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one of his friends who had completed a diploma course in textile designing to discuss about the opening of the tailoring shop. His friend advised him to prepare a written document describing formally all the relevant external and internal elements involved in starting a new venture. It will not only help in understanding the feasibility and viability of the proposed venture but also facilitate in assessing and making provisions for the bottlenecks in the progress and implementation of the idea.

State any six points of importance of the concept discussed by Mahesh with his friend.

14. Two years ago Gopal started manufacturing low fat, sugar-free ice-cream on a small scale basis in his home town, Vishakhapatnam. After some time his ice-cream became popular among health conscious young customers and old persons specially those having diabetes or some heart ailment. Because of the popularity of the ice-cream the demand has increased manyfold. Gopal is unable to meet the same, because of his limited managerial ability and limited capital. Gopal also felt that whenever he fell sick his business was temporarily closed. To overcome this problem he decided to admit in the business his friend Mohan who has recently completed his MBA and is ready to invest money for the expansion of the business. Mohan advised Gopal to get their firm registered.

(a) State three limitations indicated in the above para from which Gopal's business suffered.

(b) Why did Mohan advise Gopal to get the firm registered?

15. List any six factors that may affect the selection of a form of business enterprise.

16. "Establishment of short or long term objectives and incorporating deadlines in quantifiable measures requires some rules."

After identifying the concept described in the above lines explain its rules.

17. Alpha Ltd., a multinational restaurant chain company, gives an exclusive right to four Indian companies to set up the restaurants in metropolitan cities in India in return for their payment of royalties and conformance to standardized operating procedures. Indian companies decided to employ local workers and to distribute left-over food amongst the needy as a provision in the agreement with Alpha Ltd.

(a) Identify and give the meaning of the concept discussed in the above para.

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(b) List the main ingredients of the agreement that Alpha Ltd. will enter into with the Indian companies.

(c) Also, identify any one value which the Indian companies want to communicate to the society through the agreement.

18. Describe briefly the ways in which an entrepreneur spots trends.

19. Explain any four factors that lead to effective employee relationships.

20. Kamal started a gym named as 'Strong Muscles Gym'. He installed large number of machines and equipments of different types and appointed trained trainers to help the customers in the use of machines. Initially he kept a low fee per hour so that the boys and girls belonging to poor families may also avail the facilities of the gym. Very soon his gym became popular and he started operating in three shifts. For this, he appointed additional trainers. He also installed extra machines so that more customers could be enrolled. In two years, he started earning good

profits. He took a nearby building on rent and started a 'Recreation and Health Club' for the senior citizens of the locality on very nominal charges. He also encouraged young boys and girls to participate in the cleanliness drive started by the Prime Minister. They agreed and started

giving one hour daily for the cleanliness of the nearby areas, before the opening of the 'Strong Muscles Gym' and the 'Recreation and Health Club'.

(a) Identify and explain the type of business expansion that took place under the entrepreneurship of Kamal.

(b) Also, identify any two values that Kamal tried to propagate.

21. Geeta has completed her B.Tech. in Chemical Engineering from a famous Indian Institute of Technology. She wants to start a chemical production unit wherein such chemicals will be produced which are used in automobile colouring and are being imported from other countries now a days. The technology to be used by Geeta is new and untried involving high risk factors along with high growth potential. She wants to raise funds for her project from such a source that provides private equity capital as seed funding to early stage, to give



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shape to her ideas.

(a) Suggest Geeta the source of finance from where she can fund her project.

(b) Give the meaning of the source suggested in (a) above and state any four features of this source.

22. In order to distinguish their products from that of their competitors, the marketers give some names to their products. After identifying the concept, name and give two examples each of its different types.

23. Kavita has observed that there can be a good market for hand-knitted cotton and woollen trendy garments for small kids up to the age of three years. She thought of starting a small enterprise for the same. She also ensured that the enterprise will require 10 – 15 trained workers and an investment of rupees two lakhs. This will give 40% annual return on investment.

(a) Quoting lines from the above para, identify and give the meaning of the entrepreneurship concept being stated in the above para.

(b) Also, state the elements of the concept identified in (a) above.

24. “It is an organised mechanism meant for effective and smooth transfer of financial resources from the investors to the entrepreneurs.”

(a) Identify the mechanism and list its different types.

(b) Name the association of persons established under the mechanism identified in (a) above. Also, explain any four points of its importance to investors.

