

**CBSE Class 12th ENTREPRENEURSHIP**  
**Compartment Outside Delhi SET-1 2017**

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**General Instructions:**

1. All questions are compulsory.
  2. There are total 24 questions in all.
  3. Marks for each question are indicated against it.
  4. Questions 1 to 5 are Very Short Answer type, carrying 1 mark each.
  5. Questions 6 to 10 are Short Answer-I Type questions carrying 2 marks each.
  6. Questions 11 to 17 are Long Answer-I Type questions carrying 3 marks each.
  7. Questions 18 to 21 are Long Answer-II Type questions carrying 4 marks each.
  8. Questions 22 to 24 are Essay Answer Type questions carrying 6 marks each.
  9. Answers should be brief and to the point.
  10. Please write down the serial number of the question before attempting it.
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1. Naveen belongs to a farmer family. One day he was viewing 'Kirshi Darshan' programme of 'Doordarshan' on his television. The heading of the programme was on 'How to grow honey-bees and produce honey' ? In the same programme the methods of marketing honey through marketing cooperative societies were also being discussed. Naveen decided to grow honey-bees and market the honey produced. Identify the idea field. which helped Naveen in generating the idea of growing honeybees and marketing the honey.

2. What is meant by 'Environment Scanning'?

3. List the two documents other than 'The Companies Act' on the basis of which the scope of a company is determined.

4. The first three steps in the process of creativity are : idea germination, preparation and incubation. List the remaining two steps in the order in which they are followed.

5. What is meant by 'marketing strategy'?

6. One of the keys to business success is to anticipate what the market will want or need before the entrepreneurs are aware of it themselves. Name and give the meaning of the



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concept with the help of which they can see into the future.

7. Name and give the meaning of the economic activity that is performed by lawyers, doctors, chartered accountants and company secretaries.

8. Explain any two rules for goal setting.

9. Ravi started an organic food processing unit in his village situated on National Highway Number 8 in Alwar district of Rajasthan with an initial investment of Rs. 10 lakhs. He also took a loan of Rs. 5,00,000 from his father and a loan of Rs. 3,00,000 from his friend Naresh. After six months, for the expansion of his business he again felt that business required more funds. So he contacted Harish, who was a retired executive and had expertise and experience in similar type of business besides his good industry connections. Harish also knew that because of high-risk involved in the business there was a possibility of high return. Therefore, he agreed to invest Rs. 7 lakhs in Ravi's business with a condition that the amount invested by him will be converted into equity after two years. Name and explain the source of raising finance used by Ravi.

10. The net profit of a business before interest and tax but after depreciation and amortization was Rs. 2,00,000. The firm paid interest of Rs. 5,000 and tax of Rs. 6,000. The depreciation charged during the year was Rs. 3,000 and the value of good will amortized was Rs. 1,000. Calculate EBITDA.

11. What is meant by financial management ? State its objectives.

12. From the following information calculate Return on Equity: Capital Rs. 3,00,000  
10% Loan Rs. 1,00,000, Net profit before interest Rs. 70,000.  
Also state the return on rupees per lakh of equity.

13. Singh and Gupta decided to start a leather bags manufacturing unit. They entered into an agreement stipulating the different aspects of business. Now they want to register the organization they have formed. Identify the form of organization formed by them and describe the procedure of its registration.

14. Suraj and Chandni are a young couple having a three years old daughter Roshni. Suraj is employed with a multinational company and is posted in Spain. Chandni is also working as an executive with an IT firm in Gurugram and is staying with her in-laws in a locality of



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South Delhi. She wants to admit her daughter in a reputed day boarding school, but is unable to visit the schools and identify one where she could admit Roshni. She discussed the problem with Suraj. Suraj identified the problem and advised Chandni to hire a computer operator who could collect data related to admission in nursery class visiting the websites of different schools located in Delhi and NCR. He also advised Chandni to launch her own website [www.nurseryadmission.com](http://www.nurseryadmission.com) and upload the data so collected on it so that the same could be used by other parents like them for admission of their wards. Chandni followed the advice of Suraj and appointed a computer operator. She provided all facilities to him in the basement of her home. Large number of parents visited the website started by Chandni on an online payment of ` 100 per visit.

- (a) Identify the entrepreneurship concept discussed in the above para.
- (b) State how this concept is helped Chandni.
- (c) State any one value that Suraj and Chandni tried to emulate.

15. Briefly explain any three characteristics of ‘trading’.

16. State the circumstances under which the sole-proprietorship form of business organization is suitable.

17. ‘Shudh Mishthan Bhandar’ was a partnership firm owned by Ram and Madhur. ‘Bengali Rasgoola’ was another partnership firm owned by Das and Sengupta. Ram and Madhur were sharing profits in the ratio of 3:2 and Das and Sengupta used to share profits in 1:4 ratio. Both the firms were situated in a famous market of Kolkatta and were doing competitive business. Ram, the partner of Shudh Misthan Bhandar observed that many of their customers were from far off areas and if branches of Shudh Misthan Bhandar are also opened in other parts of the city the firm will be able to earn huge profits. Similar was the situation of Bangali Rasgoola. Their customers were also from the different and far off places of the city. One day in a function at a common friends house the partners of both the firms met. The partners of both firms knew that the internal expansion of their respective firms will be costly. Hence, they discussed about acquisition of one of firms by another on friendly terms. For this purpose they agreed to meet once again to finalizethe formalities. Finally, on 1-1-2016 ‘Shudh Mishthan Bhandar’ acquired business of ‘Bengali Rasgoola’ on mutually agreed terms and conditions.

- (a) Give the meaning of ‘Acquisition’ as a growth strategy.



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(b) State any other two ways which can be used for acquisition.

18. What is meant by an operational plan ? Briefly explain its elements.

19. What is meant by 'distribution mix' ? Describe briefly any three types of channels of distribution.

20. The promotion team of 'Good Health Products Ltd' was discussing the strategy for the promotion of their newly introduced sugar free organic fruit juices. They were discussing 'above-the-line', 'below-the-line' and 'through-the-line' approaches in the presence of the chief executive of the company. The chief executive was not aware about the difference between these approaches. He asked one of the team members Nameeta to explain him the difference between 'above-the-line' and 'below-the-line' approaches of promotion. Nameeta explained the difference between these two approaches on the basis of target, promotions, measurability and examples. The chief executive understood clearly the difference between the two approaches and appreciated the efforts of Nameeta. Narrate how Nameeta could have differentiated between the two approaches.

21. John and Jeev were running a partnership firm. The firm is engaged in the production and marketing of fruit juice. John was looking after the production and Jeev used to look after the remaining operations of the business. The firm was doing good business and earning profits more than the rate of profit of the industry. They used to be fair in their dealings with the customers and other stakeholders of the business. They used to do their budgeting very meticulously. They also used to discharge their social responsibilities effectively.

(a) Explain any one type of budget prepared each by John and Jeev.

(b) Identify any two values observed by John and Jeev.

22. Jaishree started a readymade garments shop for ladies in a residential area where mostly government servants live. In spite of her best efforts she could not succeed in her business. Explain any six causes that could have been the reason for the failure of Jaishree's business.

23. Suresh wanted to start a sole-proprietorship form of business. He expects that his annual turnover is likely to be more than Rs. 15 lakhs. His friend Anil advised him to obtain a PAN number from Income Tax Department. Suresh wanted to know the meaning and importance



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of PAN and also parties who must have a PAN card. Anil explained him meaning and importance of PAN and also explained different parties who must have PAN card. In light of above:

- (a) Give the meaning and importance of PAN as described by Anil with Suresh.
- (b) Also, state the various parties that must have a PAN card.

24. It is a specialized financial institution which was established as a statutory corporation on 1st July, 1948, by a Special Act of Parliament. On 1st July, 1993 it was converted into a public limited company. Its main object is to provide medium and long term credit to eligible industrial enterprises in corporate sector of the economy, particularly in those industries in which banking facilities are not available.

- (a) Identify the financial institution described in the above para.
- (b) Can a partnership firm engaged in manufacturing obtain loan from the financial institution identified in (a) above? Give reason in support of your answer.
- (c) State any two objectives and any two main functions of the institution identified.

