

Time : 3 Hours  
Maximum Marks : 70

# ENTREPRENEURSHIP

CBSE  
Sample Question Paper

## Sample Question Paper (2020)

### General Instructions :

- (i) The Question Paper is divided into 5 parts. There is no overall choice, though internal choice is given in selected parts.
- (ii) Section A has 17 objective questions carrying 1 mark each.
- (iii) Section B has 7 questions carrying 2 marks each. Answer may be within 50 to 75 words.
- (iv) Section C has 5 questions carrying 3 marks each. Answers may be about 100 words.
- (v) Section D has 3 questions carrying 4 marks each. Answers may be about 150 words.
- (vi) Section E has 2 questions carrying 6 marks each. Answers may be about 200 words.

### SECTION-A

#### Fill in the Blanks:

1. Neeru who has done LLB from a renowned Law College wanted to open her own legal consultancy firm with her friend who has completed LLM recently. Neeru discussed the different information of the business plan with her friend stating the authority-responsibility of each member, management team, salary to be given, dress code etc. They are discussing about \_\_\_\_\_ plan. 1
  2. \_\_\_\_\_ investors provide seed funding and formal capital in start-up stage of financing. 1
  3. Deepak Ltd. has been manufacturing cycles since 2010. Their market share in this field is 35%. They decided to introduce new cycles with advanced gear systems in 2020. For the same, they estimated their financial requirements to be ₹ 20 crore. They decided to raise the same through a limited number of sophisticated investors. It is raising fund through \_\_\_\_\_ kind of issue? 1
  4. For an entrepreneur, \_\_\_\_\_ is more important than invention. 1
  5. \_\_\_\_\_ refers to careful monitoring of an organisation's internal and external environments for detecting early signs of opportunities and threats that may influence its current and future plans. 1
  6. Margin of Safety is calculated by using the formula \_\_\_\_\_. 1
- OR
- \_\_\_\_\_ means planning, organizing, directing and controlling the financial activities. 1

#### State whether the following statements are 'true' or 'false'.

7. Incubation is a sub-conscious assimilation of information. 1
- OR
- As an element of innovation process, resource organisation means carefully identifying the product or service features, design as well as the resources needed. 1

8. SEBI was set up with the main purpose of keeping a check on malpractices and protect the interest of brokers. 1
9. If a person wants to know the framework of functional and operational activities of an organization, he must review operational and production plan. 1
10. A trading firm requires less working capital than manufacturing firm. 1
11. Rohan after completing MBA from IIM Kolkata has joined a multinational company in the capacity of Marketing Manager. The company deals in diversified range of products. It deals with electronic items (like LED bulbs, blenders etc.) engineering goods, along with heavy machinery to be used in chemical industries. He has to decide the channels of distribution best suited for the company's product. Therefore, Rohan decided to use wholesalers and retailers for electronic goods and engineering goods and direct selling for heavy machinery.  
The element of marketing mix, discussed above is place mix. 1
12. Financial synergy is the direct result of financial factors such as lower taxes, higher debt capacity or better use of idle cash for which two or more firms merge together. 1

**Multiple Choice Questions:**

13. 'For a viable venture to be born, an entrepreneur is required to apply his knowledge, skill, competencies and creativity strategically to market'. Out of the following, identify the requirement to be complied with by these factors for successful processing of an idea into opportunity.  
(a) Strategic positioning  
(b) Idea fields  
(c) Trends spotting  
(d) None of these 1
14. 'Handiwala' is a biryani delivery chain having franchisee outlets all over the country. They started their operations in the country in the year 2012. Since Biryani is not a new item for Indian Kitchens, they knew that they had to face a lot of challenge from the competitors. Therefore, they decided to maintain highest quality standard to add new customers and retain the old. Their idea was to collect, manage and link customer information with the goal of marketing the products effectively. For this purpose, they started offering lot of discounts when customers ordered online. They offered free home delivery in case the order exceeded ₹ 500. They also offered to supply free-of-cost, the ordered items of biryani in case of a complaint. The company also spent a substantial amount in maintaining the database of all the customers. They were sure that through these initiatives they will be able to gain more market share.  
Out of the following, identify the concept stated above.  
(a) Customer relationship management  
(b) Employee relationship management  
(c) Vendor relationship management  
(d) None of these 1
15. One of the keys to business success is to anticipate what the market will want or need. Since it is not possible for an entrepreneur to see into the future, there is one best way. The best way will help the entrepreneur to understand the market and produce goods or services accordingly. The concept stated in above lines is:  
(a) Trend spotting  
(b) Innovation  
(c) Environment scanning  
(d) All of above 1
16. Kapish an unemployed graduate got training for automobile repairing and allied services under PMKVY (Pradhan Mantri Kaushal Vikas Yojana) for skill development. He is planning to start a digital workshop for which he needs ₹ 25 Lakh. Though through MUDRA (Micro Units Development and Refinance Agency) he is able to get a loan of ₹ 10 Lakh but still he is falling short of ₹ 15 Lakh. He wants to pitch in his idea to potential investors through his business plan. He prepared an 'entertaining slide show and oral narrative' to trigger discussion and create interest in potential investors for reading the written presentation. Out of the following, identify the format of business plan used by Kapish:

## Sample Question Paper

3

- (a) Elevator's pitch
- (b) Pitch deck with oral narrative
- (c) Operational plan
- (d) None of these

1

17. Ram was very thrilled with his new job. He was placed in a small factory manufacturing door knobs as a stock keeper. After a few days, while taking stock he understood that nuts and various small parts constituted majority of the cost of production. After some time, the firm went into a loss and the owner decided to look into the various factors that could have constituted the loss. Ram expressed his concern that inventory was not properly maintained that there are various techniques which are involved and if followed properly the company will not be in a loss. The owner agreed to the suggestion. He also decided to take help from some specialized government institution initiate steps for technological up gradation and modernization of existing units. Out of the following, which technique was suggested by Ram:

- (a) ABC Analysis
- (b) EOQ
- (c) VED Analysis
- (d) None of these

1

**SECTION-B**

18. Following are the balances of current assets and current liabilities of X Ltd., Cash – ₹ 20,000; Outstanding expenses – ₹ 5,000; Creditors – ₹ 15,000; Debtors – ₹ 50,000; Short term loans – ₹ 4000; Short term investments – ₹ 30,000; Long term loans ₹ 1,00,000; Stock – ₹ 70,000. Calculate the gross and net working capital of X Ltd.

2

19. Mr. Raghav retired as CEO of a well reputed IT company after having worked for 40 years in USA. He returned to India with a desire to encourage entrepreneurial returns in IT sector. He was approached by Nitin, a budding entrepreneur in IT sector whose venture was in a start-up stage and was falling short of funds. Apart from investing funds, Mr. Raghav also provided proactive advice, guidance and industry connection and thus, simultaneously helps them in raising high return on investments. Identify and explain the source of raising finance used by Nitin.

2

20. 'Kindercare' is a successful brand name in the field of playschool across the country. They decided to increase the number of branches all throughout the country. For this purpose, they decided to give exclusive rights to individuals in return for a regular payment. The various conditions included were:

- (i) Interested individuals need to have Minimum 2,000 feet area and are ready to invest around 10,00,000.
- (ii) Books and uniform to be procured from Kindercare headquarters only.
- (iii) Content, technical and accounting assistance would be provided.
- (iv) Teacher training for a month.

Identify and explain this type of business opportunity offered by 'Kindercare'.

2

21. Fizz & Lime is an established beverage company which started bottling Wheat Grass Juice; Bitter gourd with Jamun and Amla with Aloevera. 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 & Lime. Belligio Juices had to use only the ingredients supplied by Fizz & Lime to produce, bottle and distribute the two drinks.

- (i) Identify and explain the form of external expansion adopted by Fizz & Lime.
- (ii) State any one feature of this form of expansion.

2

22. Nayan has just passed his Senior Secondary Examination from 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 electric 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. 2

23. Why does an entrepreneur need to scan environment? Explain. 2

OR

How is target market identified while preparing the marketing plan? State. 2

24. Give the meaning of 'Routing' and 'Scheduling' as elements of operational plan. 2

OR

Give the meaning of 'Business situation analysis' and 'Identification of the target market' as steps in preparing the marketing plan. 2

### SECTION-C

25. Shilpi Ltd. started the manufacturing of herbal toothpaste. They researched that large number of established enterprises were also manufacturing the similar type of products. The company fixed the price of their toothpaste on 'cost plus method' of pricing. After sometime the company realized that they were not getting good response regarding their toothpaste from the customers and the market share of their toothpaste was less than 0.5%. Since their product was new, they decide to change the pricing method so that initially they could get more customers.

(i) Identify the new pricing method that was adopted by Shilpi Ltd.

(ii) State any four advantages of the new pricing method identified in (i) above. 3

26. Green Smiles Ltd. sells eco-friendly distemper paint pigment in many colour options. They sell 2,000 units at the rate of ₹ 100 per unit. It spends ₹ 500 for placing one order and the cost of holding the stock is ₹ 50. Calculate Economic Ordering Quantity for Green Smiles Ltd. 3

27. With regards to 'public issue' as a source of finance, answer the following questions:

(i) Which type of enterprise can raise funds by 'Public Issue'?

(ii) What is the benefit to an investor while investing in 'Public Issue'?

(iii) Despite many benefits, this source of finance has some additional obligations and reporting requirements. State any four such obligations and requirements. 3

OR

Explain any three importance of stock market from the view point of investors. 3

28. Kumud is a young woman of 23 years. She has completed a Beautician course from VLCC institute. She wants to start a big size Beauty shop in a modern locality where young men and women working in various multinational companies live. She went to one of her friends who had completed a diploma course in same line to discuss about the opening of the Beauty shop. Her friend advised her 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 idea. State any six points of importance of the concept discussed by Kumud with her friend. 3

29. Explain creative efforts as an idea field and also list the ways in which these ideas can be generated. 3

OR

Some important factors are involved in the process of sensing entrepreneurial opportunity. State these factors. 3

**SECTION-D**

30. Writing Instruments Ltd. is engaged in manufacturing and distribution of Ballpoint Pen, Sketch Pen and Gel Pen.

Product	Ball point Pens	Sketch Pens	Gel Pens
Sales price/unit	40	45	75
Variable cost/unit	20	30	40

The total fixed cost is ₹ 75,000 per month. For the coming month, it expects the sale of three products in the ratio – 2 : 1 : 2.

Compute the break-even point of the company in Rupees for the coming month.

4

31. Explain any four advantages of franchising to franchisee.

4

32. Describe the formats for the business plan that a start-up may have.

4

OR

State any four objectives of operational plan.

4

**SECTION-E**

33. Explain customer relationship management and answer in the following questions in this reference.

(i) How is this concept used in the present day?

(ii) What is the impact of technology on this concept?

(iii) Enlist two benefits of this concept.

6

34. Explain components of Operational Plan.

6

OR

Explain the investment decision under the financial plan. In which areas should the investment be on the basis of priority.

6

□□□



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