

CBSE Class 12 Entrepreneurship 2020 - Set 98/C - Compartment



Question Paper

Conducted by the Central Board of Secondary Education (CBSE)

Time Allowed: 3 Hours

Maximum Marks: 70

General Instructions

- (i) This question paper comprises five sections – A, B, C, D and E. There are 34 questions in the question paper. All questions are compulsory.
- (ii) Section A – Questions no. 1 to 17 are very short answer type questions, carrying 1 mark each.
- (iii) Section B – Questions no. 18 to 24 are short-answer type-I questions, carrying 2 marks each.
- (iv) Section C – Questions no. 25 to 29 are short-answer type-II questions, carrying 3 marks each.
- (v) Section D – Questions no. 30 to 32 are long-answer type-I questions, carrying 4 marks each.
- (vi) Section E – Questions no. 33 and 34 are long-answer type-II questions, carrying 6 marks each.
- (vii) Answers should be brief and to the point.
- (viii) There is no overall choice in the question paper. However, an internal choice has been provided in two questions of 1 mark, two questions of 2 marks, two questions of 3 marks, one question of 4 marks and one question of 6 marks. You have to attempt only one of the choices in such questions.
- (ix) In addition to this, separate instructions are given with each section and question, wherever necessary.

Section A

1. _____ can be described as an economic idea which can be implemented to create a business enterprise and earn profits.

2. Ramesh is working as a salesman in a company engaged in the marketing of readymade garments. He gets a monthly salary of ₹ 50,000 besides many other benefits. He is doing this work to earn his living and satisfy the materialistic and social requirements. He is not doing this work out of love, care and affection. Ramesh has undertaken _____ activity.

3. Monica and Monisha are working in an organisation that manufactures industrial machines. One day during the lunch time, they were discussing about the form of the organisation in which they were working. Monica described to Monisha the form of her organisation as one which has an independent status, different from its members. She added that her organisation cannot be held liable for the actions of its members. Monisha further added that the organisation is created by law and could be liquidated by law only. Monica and Monisha are discussing about _____ form of organisation.

4. _____ is the only revenue generating element among the four Ps of marketing, the rest being cost centres.

5. A comprehensively written document prepared by an entrepreneur formally describing all the relevant external and internal elements, involved in starting a new venture is called _____ .

6. The role of transferring financial resources from the surplus units to the deficit units is referred to as _____ .

OR

6. _____ shows expected inflows and outflows of cash.

7. LKP Airlines wants to expand its operations. One of the important political factors it should consider is the landing rights of airlines in foreign countries.

8. All businesses guarantee for the return of either principal amount invested in the business or profit.

OR

8. Mutual agency as a characteristic of partnership states that each partner is liable for the acts performed by the other partners.

9. Rights Issue means direct sale of securities by a company to a limited number of sophisticated investors.

10. Distributive negotiations are commonly referred to as 'win-win'.

11. In Fast Moving Consumer Goods Industry, the relationship between unit price and unit cost could be 80% to 85% (Cost as a percentage of selling price).

12. Obsolescence is the increase in demand due to advancement in technology.

13. TAN is a :

- | | |
|----------------------------------|-----------------------------|
| (A) 10-digit Alpha number | (B) 5-digit numeric number |
| (C) 10-digit Alphanumeric number | (D) 10-digit numeric number |

14. The maximum number of members in a private company can be

- | | |
|---------|--------------|
| (A) 50 | (B) 100 |
| (C) 200 | (D) No limit |

15. Which of the following statements is **not** true for National Bank for Agriculture and Rural Development ?

- | | |
|---|---|
| (A) It provides credit for the promotion of Small Scale Industries. | (B) It provides credit to Medium Scale Industries. |
| (C) It provides credit to Cottage and Village Industries. | (D) It provides credit to Handicrafts and other Rural Crafts. |

16. For the calculation of break-even point for sales mix, certain assumptions are to be made. Which of the following assumptions is **not** correct ?

- | | |
|---|--|
| (A) Sales price per unit, variable cost per unit and total fixed cost are constant. | (B) All units produced are sold. |
| (C) The sales mix changes within the relevant time period. | (D) All costs can be categorised as variable cost or fixed cost. |

17. ABC Private Limited are the manufacturers of leather shoes only for specially-abled children up to the age of twelve years. It took over XYZ Ltd who are the manufacturers of shoes for all age groups. Which of the following types of acquisition is this ?

- | | |
|--------------------------|-------------------------|
| (A) Friendly acquisition | (B) Reverse acquisition |
| (C) Backflip acquisition | (D) Hostile acquisition |

Section B

18. Jain invested ₹ 5,00,000 as his capital to start a small scale enterprise. He took a loan of ₹ 2,00,000 from the bank. During the year he earned a net profit of ₹ 70,000. Calculate Jain's 'Return on Investment'.

19. Naveen wants to start an amusement park in a remote area of Andhra Pradesh. This is a highly potential and high risk business plan that has not been tried by anybody so far. For this, he requires professionally qualified persons. Naveen knows that the business has high risk and may not attract investments from public. He approached J.H. Ltd. that provides equity to small and medium growth-oriented businesses in return for minority shareholding.

Identify the type of capital being provided by J.H. Ltd. and state any two features of such type of capital.

20. State any two points of importance of 'goal setting'.

OR

20. Distinguish between a 'brand name' and a 'brand mark'.

21. Sheetal Music India Ltd. has developed a musical composition. The musical composition has become very popular and is known as Sheetal Musical Composition. It is an original composition of Sheetal Music India Ltd. They have legally recognised exclusive intellectual property rights over the composition. Identify the intellectual property right of Sheetal Music India Ltd. and list three other intellectual property rights.

22. Mohan Singh wants to start a dairy products business in his village in Gurdaspur district of Punjab. One day he was discussing this with his friend Makhan Singh. Makhan Singh told him that to start a business, first, he should prepare a good business plan so that he may not face any problem in the future. Mohan Singh requested him to explain the importance of a business plan. State any two points of importance that Makhan Singh might have explained to Mohan Singh.

23. Tony is carrying on a wholesale business of selling fruits and vegetables. His shop is in a local wholesale market. His turnover in the previous year was ₹ 6 lakh. As per rules, he has to quote a ten digit alphanumeric number in all his business transactions. This number enables linking all transactions of the "person" with the department which issues this number.

Identify the number and state any two "persons" who must have this number.

24. List any four uses of 'problem identification.'

OR

24. List any four sources of collection of information for environmental scanning.

Section C

25. X Ltd. has developed a unique television set that has the features of a computer and can be controlled from outside the home using a mobile phone. A lot of research was done for the development of this unique television. The company has fixed the price of the television in such a way that it can reach break-even with fewer sales and could recover the cost of investment and research easily. The price has been fixed keeping in mind the early adopters who have relatively lower price sensitivity.

Identify the pricing method used by X Ltd. and state its any two advantages.

26. Mahindra Stores sells 4000 units of power banks annually. Demand for the product is uniform. Purchase cost per power bank is ₹ 400. Holding cost per annum is 10% of the purchase cost. Ordering cost is ₹ 200 per order.

Calculate the Economic Ordering Quantity for Mahindra Stores for the power banks.

27. (a) What is meant by 'finance' ?

(b) List the two major categories of sources from which an enterprise can raise the required funds.

(c) State any four purposes for which finance is required.

OR

27. (a) When was Securities and Exchange Board of India given statutory powers ?

(b) What was the purpose of establishing Securities and Exchange Board of India ?

(c) State any four powers of Securities and Exchange Board of India.

28. Hemant, after completing his B-Tech from IIT Guwahati, decided to set up an enterprise to manufacture microchips as he had the required knowledge and expertise for the same. To determine the viability of the venture, he decided to prepare a business plan. He prepared an introductory profile and wrote the mission statement describing the size, scope, and nature of the enterprise. What else needs to be mentioned in the second component of the business plan ? State any six.

29. Define creativity. Explain the steps in the process of creativity.

OR

29. Explain any six characteristics of a sole proprietor.

Section D

30. From the following information related to sales mix of products X, Y and Z, calculate breakeven point in units :

Particulars	X	Y	Z
Sale Price Per Unit ₹	30	42	72
Variable Cost Per Unit ₹	18	14	19
Sales Mix Percentage	60%	15%	25%

Total fixed cost is ₹ 2,46,500.

31. Explain the main ingredients of a franchise agreement.

OR

31. Explain the different types of added value that a business can employ to improve its products and services.

32. Describe the ways in which entrepreneurs spot trends.

Section E

33. When a manufacturer selects some channel of distribution, he should take care of factors which are related to the quality and nature of the product ? Explain any four such factors.

34. Explain any six essential characteristics of business.

OR

34. Explain any four components of a financial plan.

- End of Question Paper -