

CBSE Class 12 Entrepreneurship 2022 - Set 98

Question Paper

Conducted by the Central Board of Secondary Education (CBSE)



Time Allowed: 2 Hours

Maximum Marks: 35

General Instructions

- (i) This question paper contains 15 questions. Marks are indicated against each question.
- (ii) All questions are compulsory, subject to the section-wise overall choices given below.
- (iii) The question paper is divided into three sections: A, B and C.
- (iv) Section A: Questions 1–6 carry 2 marks each. Attempt any 4 questions out of 6.
- (v) Section B: Questions 7–11 carry 3 marks each. Attempt any 4 questions out of 5.
- (vi) Section C: Questions 12–15 carry 5 marks each. Attempt any 3 questions out of 4.

Section A

Attempt any 4 questions out of 6 questions from this section.

1. Kquality Stores is famous for its woollen garments sourced from Ludhiana. Its most popular selling item is its sweat-shirt which is sold at ₹ 1,000 per piece. The cost of placing an order and receiving goods is ₹ 500 per order. Its holding cost is ₹ 300 p.a. Economic order quantity for Kquality Stores is 200 sweat-shirts.

Calculate the annual demand of the sweat-shirts.

2. What is the job of Angel investors ? State any one feature of Angel investors.

3. What is meant by 'Personal Selling' ? State any two roles of a salesperson.

4. Give the meaning of a 'Franchise Agreement'.

5. Give the meaning of 'Variable Price Method' of pricing.

6. Oorja and KTC Wifi are two broadband provider companies operating in South-East Delhi. Both are close competitors and have developed their strong customer base over the years. The COVID-19 pandemic made the offices and schools switch their customer base online. Just then a multinational service provider company, Storex BB, entered the market and launched its services at a much cheaper price with better connectivity. To counter the threat posed by the company Storex BB, both companies Oorja and KTC Wifi decided to consolidate their business.

(a) Identify the enterprise growth strategy adopted by Oorja and KTC Wifi.

(b) State the type of growth strategy identified in part (a) above.

(c) Give the goal of the type of growth strategy as stated in part (b) above.

Section B

Attempt any 4 questions out of 5 questions from this section.

7. (a) Give the meaning of Cash Conversion Cycle (CCC).

(b) State the relationship between the Cash Conversion Cycle (CCC) and the quantum of working capital required by a business.

(c) Calculate the Gross working capital for Ojas Ltd. from the details given below :

		(₹)
i.	Stock	1,00,000
ii.	Debtors	2,50,000
iii.	Creditors	82,600
iv.	Cash	38,000
v.	Short-term Investments	2,00,000
vi.	Short-term Loan	1,42,000
vii.	Long-term Investments	3,00,000
viii.	Outstanding expenses	50,000

8. Calculate the Return on Equity (ROE) for Neerja International, for the year 2020 – 2021 from the details given below :

	Details	Amount (₹)
i.	Investments	10,00,000
ii.	12% Loan from State Bank of India	2,00,000
iii.	8% Debentures	2,00,000
iv.	Fixed expenses per month	
	– Salary	1,50,000
	– Rent	50,000
	– Electricity & Utilities	10,000
v.	Depreciation	35,000
vi.	Tax Rate	30%

Monthly Sales revenue was ₹ 10,00,000 and Cost of goods sold was ₹ 4,00,000.

9. Explain the three components of a Brand.

10. Explain 'Synergy' as a reason for 'Mergers' and 'Acquisitions'.

11. Rupali intends to start an enterprise that will produce healthy alternatives for chocolates and sugar cravings. In order to assess the taste preferences of people and possible options for flavours she conducted an online survey. Based on the information collected she analysed the market and decided to launch coconut, jaggery and sesame based chocolates under the brand name 'Coco Demerara'. She decided to fix the price of chocolates at a relatively lower level in the beginning and later on as the demand picks up she may revise the price.

(a) Identify the pricing strategy used by Rupali for her chocolates.

(b) State the marketing objective of the pricing strategy opted by Rupali.

(c) Mention any two advantages of the pricing strategy to the firm, identified in part (a) above.

Section C

Attempt any 3 questions out of 4 questions from this section.

12. What is meant by 'Venture Capital' ? State any four features of venture capital finance.

13. Give the meaning of 'channel of distribution'. Explain any four factors affecting channels of distribution with relation to the nature and quality of the product being distributed.

14. 'Kapoor Merrytime Ltd.' is a renowned name in naturally flavoured ice-creams made from fresh fruits and edible vegetables. The company has its presence in Maharashtra and Goa. Its ice-creams sell under the brand name 'Satvika'. The company has a strong foothold in Maharashtra but is struggling for success in the Goa market. The reason is the presence of a successful local brand by 'Pastle Ice-creams Ltd.' in the market. 'Pastle Ice-creams Ltd.' is selling natural ice-creams with locally preferred flavours.

'Kapoor Merrytime Ltd.' tried to negotiate its way but because of the goodwill of 'Pastle Ice-creams Ltd.', it could not succeed in its efforts. Frustrated, 'Kapoor Merrytime Ltd.' started buying the shares of 'Pastle Ice-creams Ltd.' to gain control over the management of 'Pastle Ice-creams Ltd.'

(a) Identify and explain the type of business combination adopted by 'Kapoor Merrytime Ltd.' as its growth strategy in the Goa market.

(b) Explain any two advantages which 'Kapoor Merrytime Ltd.' would have by adopting its designed strategy.

15. 'Pratap Furnitures Ltd.' is the market leader in moulded furniture. Now, it is planning to enter into a new product line, that is, furniture made of wood and bamboo.

To start production it needs new machines and skilled labour along with good quality wood. For all this it needs ₹ 2 crore. 'Pratap Furnitures Ltd.' is planning to raise funds by issue of prospectus. But its Board of Directors decided to honour the existing shareholders by offering them the shares on pro-rata basis, before going for issue through prospectus.

(a) Identify and explain the type of capital market from which 'Pratap Furnitures Ltd.' is going to raise funds.

(b) Explain the two methods of raising funds discussed in the above case.

(c) What reward do the investors get when shares are issued through prospectus ?

- End of Question Paper -