

Question Paper 2010 Outside Delhi
CBSE Class 12th Entrepreneurship

General Instructions:

- All the questions are compulsory.
 - Marks are indicated against each question.
 - Questions Nos. 1 to 5 are very short answer questions carrying 1 mark each. Answer to each of these should not exceed 15 words.
 - Questions Nos. 6 to 10 are short answer questions carrying 2 marks each. Answer to each of these should not exceed 50 words.
 - Questions Nos. 11 to 17 are short answer questions carrying 3 marks each. Answer to each of these should not exceed 75 words.
 - Questions Nos. 18 to 21 are short answer questions carrying 4 marks each. Answer to each of these should not exceed 150 words.
 - Questions Nos. 22 to 24 are long answer questions carrying 6 marks each.
-

1. Name the process of perceiving the needs and problems of people and society in arriving at creative solutions. (1)

Ans. Sensing entrepreneurial opportunity

2. Name the process of changing raw material into finished products with value addition. (1)

Ans. Operation / manufacturing process

3. Give any two examples of opportunity costs. (1)

Ans. Two examples of opportunity costs:

1. A building where certain part remains unutilized which could have been rented mark
2. The machinery remains underutilized for certain period which could have been leased.

(or any other correct example)

4. Define 'cost'. (1)

Ans. Cost refers to the amount of expenditure (actual or notional) incurred on or attributable to a given thing.

5. Deepak, a businessman, generally withdraws up to Rs. 50,000 more than the balance in his current account, as the bank has given him this permission for a period of one year. Name the two ways under which bank can give such permission to its customers. (1)

Ans. Bank overdraft and cash credit

6. An entrepreneur has decided to open a retail outlet to sell fast food items like pizza, noodles etc. in the rural areas. Do you think his decision is correct? Give anyone reason identifying the environmental factor helpful in taking this decision. (2)

Ans. No, his decision is not correct. Because rural areas culture is not compatible with these types of products and socio-cultural factor is helpful in taking this decision.

7. Explain 'Technical feasibility' as an element of a Project Report (2)

Ans. Technical feasibility: This part of the project report indicates the manufacturing process, product design and drawings, the details of the machinery required, equipment and raw materials, man power requirements, etc.

8. Explain the role of 'Financial Resources' for an entrepreneur. (2)

Ans. Finance is regarded as the lifeblood of business. Finance is required to buy machinery, raw materials and other inputs necessary to carry on the operation in the enterprise.

9. What is meant by 'seed capital'? (2)

Ans. Seed capital: is defined as the financing of the internal product development or the capital provided to an entrepreneur to prove the feasibility of a project and quality for start-up capital.

10. Distinguish between 'fixed capital' and 'working capital'. (2)

Ans. Fixed Capital Working Capital

1. It is invested in fixed assets Invested in current assets marks

2. Used for the purpose of Is needed for meeting the short term meeting the permanent long needs of the business term needs of the business

11. Explain ‘ability to harness different sources of knowledge and information’ and ‘vision and creativity’ as important factors in sensing opportunities. (3)

Ans. Ability to harness different sources of knowledge and information: the information gathered from different sources has to be analyzed and utilized for the identification of the right opportunity.

Vision and creativity: The creativity of an entrepreneur makes him different from others. The vision to foresee the future and creativity helps him to convert the ideas or problems into a successful venture.

12. Explain any two decisions to be taken under ‘Material Resource’ while setting up a small-scale enterprise. (3)

Ans. Decisions to be taken under material resources: (explain any two)

1. Size and location
2. Manufacturing process
3. Identifying and purchasing machinery
4. Obtaining electricity power

13. What is a ‘Project Report’? Explain. (3)

Ans. A project report is basically a business plan which describes all necessary inputs to the enterprise, explains the mode of utilization of the resources, details the strategy for the execution of the project and outlines the desired goal.

14. What should an entrepreneur do to mobilize the resources? (3)

Ans. To mobilize the resources the entrepreneur should: (any six points)

1. Be able to sense the need for resources marks
2. Identify the type of resources
3. Be able to locate the resources
4. Be able to identify the bottlenecks in mobilizing the resources
5. Effectively communicate with the people who would provide them the resources

6. Be able to assess the quality of the resources and their use in the enterprise

7. Be able to organize the finances for obtaining the resources

(or any other correct reason)

15. List any six factors that should be kept in mind by any manufacturing enterprise as a part of its 'Production Plan', (3)

Ans. Factors to be kept in mind by any manufacturing or service enterprise as a part of production plan; (any six) marks

1. Supply of raw material

2. Work schedule

3. Maintenance

4. Quality assurance

5. Capacity utilization

6. Sales forecasting

7. Product storage and maintenance

16. Explain 'Care to Ecology and Environment' and 'Concern for Workers' as social responsibilities of an entrepreneur. (3)

Ans. Care to Ecology and Environment: The entrepreneur should take care to keep pollution under control, to provide devices to prevent polluting materials from affecting public health.

Concern for Workers: The entrepreneurs have to discipline themselves to curb all tendencies causing labour exploitation, like employing child labour, different rate of wage payment for male and female workers, etc.

17. Differentiate between 'Preference Shares' and 'Equity Shares' on the basis of (3)

(a) Voting Rights,

(b) Payment of Dividend, and

(c) Repayment of Capital.

Ans.

Basis	Preference shares	Equity shares
Voting rights	Do not enjoy any voting rights except at their	Generally enjoy voting a rights
Payment of dividend	Preferential right as to the payment of dividend	Get dividend only after payment to preference share holders
Repayment of capital	Preferential right as to the repayment of preference share capital	Repayment of capital is made after making repayment of preference share

18. Explain how ‘Political factors’ and ‘Economic factors’ help in scanning the environment. (4)

Ans. Political Factors: The rules and regulations and the laws that monitor and regulate the market forces are framed by the Govt. policies of the Govt. in power have to marks be examined while taking business decisions.

Economic Factors: Important variables like supply and demand have to be Studied closely. Details of consumer trends, economic preference, costing, discounting etc are all economic decisions.

19. A factory is engaged in manufacturing shirts. The following information is available to you: (4)

Sales - Rs. 4,00,000

Direct Labour Cost (2,000 units) - Rs. 40,000

Direct Material Cost (2,000 units) - Rs. 1,00,000

Direct Expenses (2,000 units) - Rs. 20,000

Fixed Cost - Rs. 1,20,000

Find out: 4

(a) Variable cost per unit

(b) Total cost

(c) Quantity to be sold at Break-Even Point

Ans. 1. Variable cost per unit = Direct labour cost + Direct material cost + Direct expenses/no of units = 40,000 + 1,00,000 + 20,000 = Rs. 1,60,000, 1,60,000/2000 = Rs 80 per unit

2. Total cost = Fixed cost + Variable cost

= 1,20,000 + 1,60,000 = Rs 2,80,000

3. Sales at BEP = Fixed cost/Selling price – Variable cost per unit

1,20,000/200-80 = 1,20,000/120 = 1000 units

20. State any two advantages and any two limitations of owner's funds. (4)

Ans. Advantages of owner's fund: (any two)

1. Provides permanent capital marks
2. Provides the right to control over management
3. Provides risk capital

Limitations of owner's fund

1. Difficult to raise if profit earning capacity is not high
2. The amount of owner's fund depends upon the no of persons who are ready to take the risk of investing their personal savings

21. Explain the various inputs that will help into designing a sales budget. (4)

Ans. Inputs that will help in designing a sales budget:

1. Analysis of past trends of sales
2. Understanding the market trends
3. Understanding the trend of the orders

4. Understanding the market sales reports

22. Explain any four important aspects to be considered while doing market assessment by an entrepreneur. (6)

OR

Explain any six ways in which ideas can be generated.

Ans. Four important aspects to be considered while doing market assessment by a entrepreneur:

1. Demand
2. Supply and nature of competition
3. Cost and price of products
4. Project innovation and changes

OR

Ways to generate ideas: (any six)

1. Brainstorming
2. Doing market research
3. Gathering information from publications
4. Seeking assistance from entrepreneurs
5. Using hobbies to generate ideas
6. Talking and listening to people
7. Day dreaming and fantasizing

23. State any six features of a feasibility plan. (6)

OR

State the six major objectives of preparing the Project Report.

Ans. Features of a feasibility plan: (any six)

1. Executive summary
2. Objectives of the business
3. Attributes of the product of service
4. Market survey and analysis
5. Operational plan
6. Marketing strategy
7. Human resource and management
8. Financial profile
9. Futuristic projection
10. Providing scope for participation in the management

OR

Six major objectives of preparing the project report

1. Identifying the requirement of resources (technical, financial, commercial, marks managerial and operational
2. To assess the scope and range of the success of the enterprise before its actual commencement
3. To obtain the opinions of experts from various fields, viz. technical, financial, marketing, etc.
4. To enable the licensing of the enterprise
5. For financial appraisal of the project
6. To find the critical component of the project idea.

24. Sonu, an entrepreneur, introduced a new hair oil which will help in reducing hair-fall.

In spite of heavy advertisement and publicity he is not able to boost the sales.

Suggest any six techniques to Sonu which will help him in boosting the sales. (6)

OR

“An enterprise that does not grow will eventually die.” Explain this statement with suitable examples.

Ans. Techniques to help boost sales:

1. Price off
2. Samples
3. Premiums
4. Quantity plus
5. Coupons
6. Contests
7. Buying allowance
8. Display of goods

(any six techniques with brief explanation)

OR

Growth sustaining activities:

1. Modernization
2. Expansion
3. Diversification
4. Substitution