

**ENTREPRENEURSHIP XII (066)**  
**SAMPLE QUESTION PAPER**  
**TERM II- SUBJECTIVE**

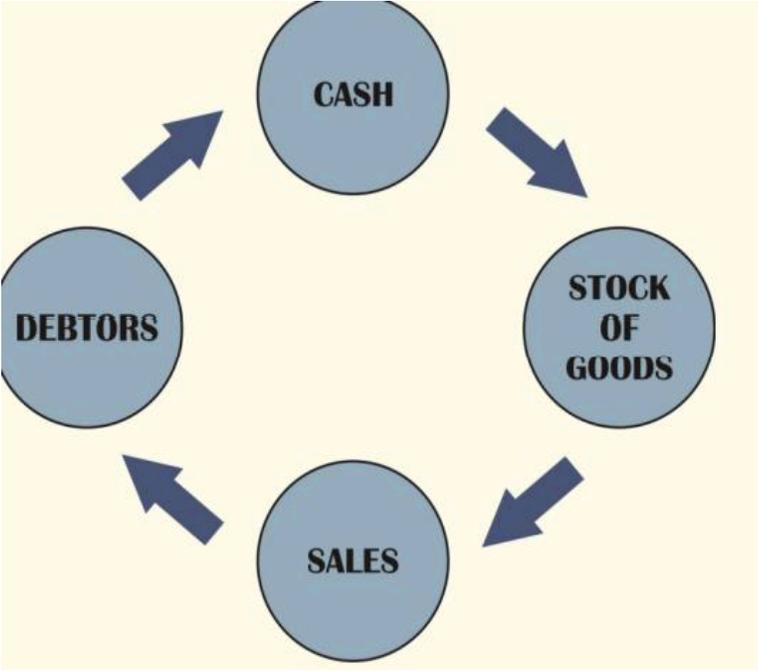
Maximum Marks: 35

Duration of Exam: 2 hours

General Instructions:

- a. The paper is divided into 3 Sections
- b. Section-wise overall choice is given to the students.
- c. Section A (2 markers) has 6 questions. Attempt any 4 out of 6.
- d. Section B (3 markers) has 5 questions. Attempt any 4 out of 5.
- e. Section C (5 markers) has 4 questions. Attempt any 3 out of 4.

| Q.no.            | Question  | Marks |
|------------------|---|-------|
| <b>SECTION A</b> |   |       |
| 1                | The annual quantity of Jackets sold by Meghana Wool Mart is 12,000 at the rate of Rs. 1000/- per jacket. The cost of placing an order and receiving goods is Rs.500/- per order. Inventory holding cost is Rs. 300/- per annum. What is the Economic Order Quantity for Meghana Wool Mart?  | 2     |
| 2                | State any two reasons for capital markets being the most important source of raising finance for entrepreneurs?   | 2     |
| 3                | Anil signed a contract with Phelari group to bottle and distribute their soft drink brand 'Kickapo'. The taste of this soft drink was unique and it became the most preferred soft drink consumed by teenagers. The agreement stated that Anil should use the same ingredients used by Phelari group while bottling the product. Identify and give the meaning of this type of enterprise growth opportunity. | 2     |
| 4                | Evaluate the two approaches used in sales strategy by a company while retaining it's present customers and when attracting new customers.   | 2     |
| 5                | What is operating synergy? How is it different from financial synergy?  | 2     |
| 6                | Enlist any four main public relation tools?   | 2     |
| <b>SECTION B</b> |   |       |

|    |   |   |
|----|---|---|
| 7  |  <p>(a) Identify the type of business whose operating cycle is represented above?<br/> (b) Analyze the working capital requirement for the type of business identified in (a)</p>   | 3 |
| 8  | <p>Calculate the Return on Equity (ROE) for Malti International Limited manufacturing pre mix for instant shakes and smoothies from the details given below</p> <ul style="list-style-type: none"> <li>● Investment- Rs. 10,00,000/-</li> <li>● Borrowed Funds- Rs.6,00,000/-</li> <li>● Interest rate per annum is 10%.</li> <li>● Monthly sales revenue is Rs. 6,00,000/- and Cost of goods sold is Rs.3,00,000/-.</li> <li>● Fixed expenses per month Rs. 2,00,000/- (salary Rs.1,50,000/-, rent and utility Rs.50,000/-)</li> <li>● Depreciation Rs.10,000/-</li> <li>● Tax @ 20%.</li> </ul> <p>If Malti international Limited wishes to know how their own money is being used, which parameter for performance evaluation, ROE or ROI, should be used?</p> | 3 |
| 9  | Explain the various approaches used in promotion strategy.  | 3 |
| 10 | Elaborate on any three types of mergers?  | 3 |

|           |   |   |
|-----------|---|---|
| 11        | <p>Identify and explain the type of pricing method used by the following companies.</p> <p>A. Toothcare, a new brand in the field of toothpastes decided to launch their small packs at a cost of Rs. 5 only which will be sold in the rural market to capture more market share.</p> <p>B. Drinko Ltd., decided to sell their new energy drink initially only in the urban market. The Marketing and Finance team decided together that 200 ml tetra pack will be sold at Rs. 10 and 1000 ml will be sold at Rs. 40.</p> <p>C. Bukno, a startup firm in the field of Artificial Intelligence decided to sell their voice enabled vacuum cleaner in the market for Rs.1,00,000 for a limited time period to cover the initial research and development costs.</p>   | 3 |
| SECTION C |   |   |
| 12        | Who are Angel Investors? State any four features of Angel Investors.  | 5 |
| 13        | <p>‘Ganpati Steel Ltd.’ is a large and creditworthy company manufacturing steel for the Indian market. It now wants to cater to the Asian market and decides to invest in new hi-tech machines. Since the investment is large, it requires long-term finance. The company decided to raise funds through the capital market.</p> <p>40% of the funds will be raised directly from the public through the issue of prospectus.<br/>40% of the shares will be directly sold to a limited number of sophisticated investors.<br/>20% of the shares will be offered to the employees.</p> <p>Identify the methods of flotation of new issues used by the company. Also state one benefit of each method. The issue was very well accepted by the investors.</p> <p>Mr. Raman, an investor could not get shares allotted when the offer was made to the public. He wishes to invest in the company. State the option available to him now and how will it benefit Raman?</p> | 5 |
| 14        | <p>Read the following article from a Business Newspaper and answer:</p> <p>“Fone India Ltd. is the second largest mobile network operator in India by subscriber base, after Virel. Huber Evel Ltd (HEL) was another leading mobile operator in India. In the year 2007, Fone India Ltd., acquired a 52 % stake in HEL. Fone India’s main motive in going in for the deal was its strategy of expanding into emerging and high growth markets which will lead to improved profitability in the business.”</p>   | 5 |

|    |   |   |
|----|---|---|
|    | <ul style="list-style-type: none"><li>a. Quoting the lines from the passage identify and explain reasons for taking up a stake by Fone India Ltd.,</li><li>b. Also explain any three reasons apart from the one identified in part (a).</li></ul> |   |
| 15 | Explain the factors affecting channels of distribution with relation to market considerations   | 5 |