



**INDIAN SCHOOL AL WADI AL KABIR**

**DEPARTMENT OF COMMERCE**

**TERM 2- SAMPLE PAPER- 2021-22**


**ENTREPRENEURSHIP (066) SAMPLE PAPER 2**

**MAX. MARKS:35**

**TIME: 2 HOURS**

General Instructions:

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

Q. No.	Questions	Marks
<b>SECTION -A</b>		
1.	Name and define the type of brand name depicted in the picture: 	2
2.	PHE Ltd. has Stock – Rs.3,000, Creditors- Rs.1,200, Debtors- Rs.1,500, Bank overdraft- Rs.100 and Cash Balance- Rs.700. Calculate the amount of Gross Working Capital and Net Working Capital.	2
3.	Victory Ltd., set up their small manufacturing unit producing bucket seat covers in the name of 'Comfy'. The product was a great hit. After sometime, SMW-	2

	<p>market leaders in luxury car manufacturing planned to join hands with Victory Ltd. Such a deal will allow SMW to obtain better pricing and control over the manufacturing process.</p> <p>Identify and define this type of growth strategy.</p>	
4.	<p>In the capital market, transactions go through three phases – trading, clearing, and settlement. SEBI has designed processes to ensure that at every stage there is a minimal chance of a fraud or a scam by including the above-mentioned intermediaries to increase transparency and reduce risk. While the process flow is not very complex, the role of intermediaries in the capital market is defined to make investors feel secure and boost the securities market in India. Capital Markets play a very vital role of a financial intermediary.</p> <p>State the role of capital market as an intermediary.</p>	2
5.	<p>Aditya Bearings Ltd. are the manufacturers and suppliers of ball bearings to fan manufacturing companies. The company requires 900 kg of wrought iron for its production process. The cost of placing each order is ₹50 and carrying cost is ₹100. Calculate Economic Order Quantity.</p>	2
6.	<p>They may invest in one in four hundred opportunities presented to it and looks for an "exit" in the time frame of typically 3-7 years.</p> <p>(a) Identify the source of fund.</p> <p>(b) State any other feature of the source identified in (a)</p>	2
<b>SECTION – B</b>		
7.	<p>Bhushan and Vinay were pursuing Electrical Engineering from a prestigious engineering college. During their third year they developed a solar LED bulb which can be used indoors. The bulb had a small panel which had to be charged at a stretch for 10 hours in the sun and it would last for 200 hours of usage. The idea was risky as there was a possibility that the market might not accept such a product, but if they do so, then, there would be a revolution in the power industry as it would lead to saving of power in every household. The prototype was made but to manufacture and distribute the same, they required around 5 crores. Both Bhushan and Vinay approached some affluent individuals who were ready to invest in their business in exchange for a convertible debt. Identify the type of investors and state any two features of the same.</p>	3
8.	<p>Rohan a budding musician created a lot of musical notes for his upcoming video. He was extremely thrilled to listen to his compositions. He presented his compositions to his friend Victor. The release of musical video of Rohan was getting delayed for a few months due to shortage of cash. Meanwhile Victor used most of the musical compositions of Rohan in his video. Rohan was extremely upset to know that his friend had cheated him and used all his work.</p>	3

	(a)Identify and define the Intellectual Property Right that Rohan should have applied to protect his work? (b)Define another Intellectual Property Right apart from the one named in (a)																																		
9.	Slurppy is a new mixed fruit juice introduced by Amit Beverages Ltd. The mixed fruit juice has been fortified using various vitamins and minerals. The company designed a unique package for the product which made it very attractive. Their sales figures were an indication of their success. In order to capture huge market share, they decided to give exclusive rights to retailers to manufacture and sell the product to the public. (a) Identify the concept of business growth strategy explained above. (b) State two factors which would help start – ups.	3																																	
10.	It is the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation (or individual) and its (or their) public. (a)Identify the Promotion Mix defined above. (b)State any four tools of the Promotion Mix identified in (a)	3																																	
11.	Aptech Private limited decided to raising of funds directly from the public through the issue of prospectus, therefore had to undergo the process of preparing a prospectus. When Aptech offers shares to the public for subscription, they are required to comply with all the restrictions and formalities pertaining to the initial issues, prospectus drafting and launch. One of the most difficult problems in the new venture creation process is obtaining finance. When an organization decides to go public and become a public company, it tends to be in advantageous positions because of reaping certain benefits. Explain the six benefits that Aptech will enjoy by using the above method of floatation of new issues.	3																																	
<b>SECTION-C</b>																																			
12.	Raman is a potential investor who wishes to be a part of Equity Linked Saving Scheme (ELSS). He has given the particulars of two companies to seek your advice on investment. Compare the Return on Equity of the two companies and suggest Raman where should he invest. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Particulars</th> <th>Alpha Ltd. (Rs.)</th> <th>Beta Ltd.(Rs.)</th> </tr> </thead> <tbody> <tr> <td>Total Investment</td> <td>20,00,000</td> <td>20,00,000</td> </tr> <tr> <td>Owners Fund</td> <td>10,00,000</td> <td>8,00,000</td> </tr> <tr> <td>Borrowed Fund</td> <td>10,00,000</td> <td>12,00,000</td> </tr> <tr> <td>Interest on loan</td> <td>60,000</td> <td>48,000</td> </tr> <tr> <td>Annual Sales</td> <td>10,00,000</td> <td>15,00,000</td> </tr> <tr> <td>Cost of goods sold</td> <td>7,00,000</td> <td>8,50,000</td> </tr> <tr> <td>Salaries</td> <td>24,000</td> <td>36,000</td> </tr> <tr> <td>Utilities</td> <td>75,000</td> <td>1,00,000</td> </tr> <tr> <td>Depreciation</td> <td>5,500</td> <td>6,000</td> </tr> <tr> <td>Tax rate</td> <td>20%</td> <td>20%</td> </tr> </tbody> </table>	Particulars	Alpha Ltd. (Rs.)	Beta Ltd.(Rs.)	Total Investment	20,00,000	20,00,000	Owners Fund	10,00,000	8,00,000	Borrowed Fund	10,00,000	12,00,000	Interest on loan	60,000	48,000	Annual Sales	10,00,000	15,00,000	Cost of goods sold	7,00,000	8,50,000	Salaries	24,000	36,000	Utilities	75,000	1,00,000	Depreciation	5,500	6,000	Tax rate	20%	20%	5
Particulars	Alpha Ltd. (Rs.)	Beta Ltd.(Rs.)																																	
Total Investment	20,00,000	20,00,000																																	
Owners Fund	10,00,000	8,00,000																																	
Borrowed Fund	10,00,000	12,00,000																																	
Interest on loan	60,000	48,000																																	
Annual Sales	10,00,000	15,00,000																																	
Cost of goods sold	7,00,000	8,50,000																																	
Salaries	24,000	36,000																																	
Utilities	75,000	1,00,000																																	
Depreciation	5,500	6,000																																	
Tax rate	20%	20%																																	

13.	What are the different types of acquisition? Explain with examples.	5
14.	<p>Arushi finished her graduation course on designing from a reputed university. She wanted to pursue higher studies from a foreign university. Her father felt that she should work for some time, gain some experience and then proceed to further study. Taking his advice she joined a top advertising firm ‘Crypton Ltd’. The company was very famous and they had several important clients. As her first assignment, Arushi had to design an advertisement for print media for one of their major clients ‘Amoridilla Soaps’. They were introducing new ayurvedic soap and they wanted Crypton to design an advertisement which was unique. Arushi started researching on the various rules of designing advertisement. She learnt that all good advertisements should elicit responses.</p> <p>(a) State the responses and rules to be followed while designing an advertisement.</p> <p>(b) Also, Identify and explain the promotion strategy followed by ‘Amoridilla Soaps’.</p>	5
15.	<p>We often hear CEOs saying that Mergers &amp; Acquisitions are inspired by a desire to diversify or achieve higher growth, though the reasons can be varied.</p> <p>In the light of above statement, discuss the common reasons for M&amp;A.</p>	5