



INDIAN SCHOOL AL WADI AL KABIR

PRACTICE TEST- TERM 1

SUB: ENTREPRENEURSHIP

DATE: 11/11/2021

TIME: 90 Minutes

MARKS:40

General Instructions:

- 1. The Question Paper contains three sections.***
- 2. Section A has 24 questions. Attempt any 20 questions.***
- 3. Section B has 24 questions. Attempt any 20 questions.***
- 4. Section C has 12 questions. Attempt any 10 questions.***
- 5. All questions carry equal marks.***
- 6. There is NO negative marking.***

Q. No.	Section A
1.	<p>The idea of forming a company is conceived either by a person or by a group of persons known as -----</p> <p>(A) Promoters (B)Entrepreneurs (C) Partners (D)Public</p>
2.	<p>The sole proprietor is said to have limited liability because</p> <p>(A)He is entitled to all the profits and losses in the business (B)With the sole proprietor's death, the business too dies (C) All investment into the business is made by the proprietor (D)The proprietor is responsible for all losses arising from the business and his personal properties are also at a risk.</p>
3.	<p>“Two heads being better than one.” Statement holds true for _____ form of business organisation.</p> <p>(A) Public Company (B)Private Company (C) Partnership (D)Sole Proprietor</p>

4.	<p>The sole proprietorship form of business is suitable when</p> <ol style="list-style-type: none"> 1. The goods are of artistic nature or demands customized approach. 2. Market is local. 3. Capital requirement is unlimited. 4. Confidentiality of business can be maintained <p>Choose the correct option.</p> <p>(A) 1 and 2 (B) 2 and 3 (C) 2, 3 and 4 (D) 1, 2 and 4</p>
5.	<p>The entrepreneur's biodata, industry's profile, constitution and organisation, and product details comprise the _____ section of the business plan.</p> <p>(A) Introductory profile (B) Description of the business venture (C) Production plan (D) Operational plan</p>
6.	<p>The four Cs of credit are:</p> <p>(A) Character, Credit flow, Collateral, Cooperation (B) Consumers, Character, Credit flow, Contribution (C) Competition, Cash flow, Credit flow, Collateral (D) Character, Collateral, Contribution, Cash flow</p>
7.	<p>Nilesh wanted to launch a new type of air-conditioner which would itself regulate the temperature according to the weather. He thought of first assessing the trend in the market for the design of the air conditioner. For this he appointed Sharon. Sharon, to study the market, surveyed a lot of people in the market by asking them about their preference of specification in the air conditioner.</p> <p>Identify the type of trend spotting used by Sharon:</p> <p>(A) Read trend (B) Talk trend (C) Watch trend (D) None of these</p>
8.	<p>The entrepreneur has to initiate production in accordance with pre-conceived production plan. This includes issuing necessary orders, instructions, guidelines and information to work pertaining to giving practical shape to the production plan. Which element of operational plan is highlighted here?</p> <p>(A) Inspection (B) Dispatching (C) Follow-up (D) Shipping</p>
9.	<p>Which of the following is not a factor involved in the sensing opportunities?</p> <p>(A) Vision and creativity (B) Ability to harness different sources of information</p>

	<p>(C) Ability to obtain necessary finances to start and continue a business</p> <p>(D) Ability to perceive and preserve basic ideas that could be used commercially</p>
10.	<p>Naveen has just completed his B. Tech. and wants to start his own business. He knew that the demand for electricity in India was increasing day by day, whereas its generation was not sufficient. Naveen shared his views with some of his friends and they all decided to start the business of electricity generation. They experimented various methods and ultimately succeed in electricity generation through garbage. They all were happy as India is also facing the problem of garbage disposal. The source of idea field from where the idea has been generated by Naveen and his friends is:</p> <p>(A) Natural resources</p> <p>(B) Creative efforts</p> <p>(C) Service sector</p> <p>(D) Existing products</p>
11.	<p>Assertion (A): Elevator pitch is a well-known format for a business plan. It is a three-minute summary of the business plan's executive summary.</p> <p>Reason (R): Elevator Pitch format is used as a teaser to awaken the interest of potential funders, customers, or strategic partners.</p> <p>Choose the Correct Option:</p> <p>(A) Both Assertion and Reason are correct and Reason is correct explanation of the Assertion</p> <p>(B) Both Assertion and Reason are correct but Reason is not the correct explanation of the Assertion</p> <p>(C) Only Assertion is correct</p> <p>(D) Only Reason is correct</p>
12.	<p>Which of the following elements in the innovation process refers to applying the resources in order to accomplish the plans and delivering results?</p> <p>(A) Analytical planning</p> <p>(B) Resource organisation</p> <p>(C) Implementation</p> <p>(D) Commercial application</p>
13.	<p>Which of the following are the sources which lead to the emergence of basic ideas?</p> <ol style="list-style-type: none"> 1. Strategy 2. Inventions 3. Competition 4. Problems <p>Choose the Correct Option:</p> <p>(A) 1, 2 and 4</p> <p>(B) 2 and 4</p> <p>(C) 2, 3 and 4</p> <p>(D) 1, 2, 3, 4</p>
14.	<p>Saurav plans to start a mobile repair shop in Wazipur with an investment of ₹1,00,000/-. Which of the following is not part of the market assessment he undertakes before starting his venture?</p> <p>(A) Annual turnover and profit margin</p> <p>(B) Cost and price of the product</p> <p>(C) Product innovation and changes</p> <p>(D) Demand for the service</p>

15.	<p>Following information is related to sales price, variable cost and sales mix of product P, Q and R.</p> <table border="1" data-bbox="225 230 1046 495"> <thead> <tr> <th>Products</th> <th>P</th> <th>Q</th> <th>R</th> </tr> </thead> <tbody> <tr> <td>Sales price per unit</td> <td>₹ 20</td> <td>₹ 32</td> <td>₹ 50</td> </tr> <tr> <td>Variable cost per unit</td> <td>₹ 10</td> <td>₹ 12</td> <td>₹ 20</td> </tr> <tr> <td>Sales Mix percentage</td> <td>20%</td> <td>20%</td> <td>60%</td> </tr> </tbody> </table> <p>Calculate the total weighted average contribution per unit: (A) ₹6 (B) ₹18 (C) ₹20 (D) ₹24</p>	Products	P	Q	R	Sales price per unit	₹ 20	₹ 32	₹ 50	Variable cost per unit	₹ 10	₹ 12	₹ 20	Sales Mix percentage	20%	20%	60%
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16.	<p>Match the following by choosing the correct option.</p> <table border="1" data-bbox="225 750 1398 981"> <tbody> <tr> <td>(i) Life style and values</td> <td>(a) Economic environment</td> </tr> <tr> <td>(ii) Payment through e-wallets</td> <td>(b) Political environment</td> </tr> <tr> <td>(iii) Rise in inflation</td> <td>(c) Legal environment</td> </tr> <tr> <td>(iv) Attitude of government towards business</td> <td>(d) Technological environment</td> </tr> <tr> <td>(v) Statutory warning on advertisement</td> <td>(e) Social environment</td> </tr> </tbody> </table> <p>(A) (i)-(e); (ii)-(b); (iii)-(a); (iv)-(d); (v)-(c) (B) (i)-(b); (ii)-(e); (iii)-(d); (iv)-(c); (v)-(a) (C) (i)-(e); (ii)-(d); (iii)-(a); (iv)-(b); (v)-(c) (D) (i)-(d); (ii)-(a); (iii)-(b); (iv)-(c); (v)-(e)</p>	(i) Life style and values	(a) Economic environment	(ii) Payment through e-wallets	(b) Political environment	(iii) Rise in inflation	(c) Legal environment	(iv) Attitude of government towards business	(d) Technological environment	(v) Statutory warning on advertisement	(e) Social environment						
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17.	<p>Jonny saw that people were having less time to shop for their daily needs. He thought of launching an app-based delivery system where anyone could order anything and get delivery within few hours or at the time they choose. He wanted this idea to be creative. For this, he decided to hire Priyanka as her creative manager. Priyanka needs to follow different steps to develop a creative idea for his app which are as (i) Idea Germination (ii) illumination (iii) Incubation (iv) Preparation (v) Verification</p> <p>Arrange the steps in correct order: (A) (i)-(iv)-(iii)-(ii)-(v) (B) (ii)-(iv)-(i)-(iii)-(v) (C) (iv)-(ii)-(iii)-(i)-(v) (D) (ii)-(iii)-(iv)-(i)-(v)</p>																
18.	<p>Paras Electronics scanned the environment every six months to keep the products that it produces of the latest taste. Whenever there is a slack in the business, it introduces various offers which grabs the attention of the customers and helps them to boost their sales. The business has been growing ever since it was set up and has now become a number one choice of the people to buy any type of electronics items. Identify the benefit that Paras Electronics gained from scanning the environment. (A) Formulation of strategies and policies (B) Better performance (C) Image building (D) All of the above</p>																

19.	<p>The fixed cost of ABC Limited is ₹ 6,50,000. The selling price per unit is ₹ 240 and the variable cost is ₹ 110 per unit. The break-even quantity will be----- units.</p> <p>(A) 7000 (B) 5000 (C) 6500 (D) 7500</p>
20.	<p>Assertion (A): Under the concept of Business Plan, a detailed plan describing planning details that are needed by management is called internal operational plan. Reason (R): An internal operational plan may not be of interest to external stakeholders because it is mainly related to the decision making by the management. Choose the Correct Option:</p> <p>(A) Both Assertion and Reason are correct and Reason is correct explanation of the Assertion. (B) Both Assertion and Reason are correct but Reason is not the correct explanation of the Assertion. (C) Only Assertion is correct and Reason is incorrect. (D) Only Reason is correct.</p>
21.	<p>Which amongst the following is/are the elements of operational plan?</p> <p>(A) Follow-up, business situation analysis, Cash flow statement (B) Routing, Scheduling, Follow-up (C) Scheduling, inspection, investment decision (D) All of these</p>
22.	<p>Sumit, a mechanic was working in Delhi. But due to the ill health of his parents, he was compelled to shift to his village. The village was approximately 4 km away from the nearest highway. He noticed that the vehicles which broke down had no repair facility in that area. This gave him an idea to open an auto service center for earning his livelihood. He motivated some young boys of his village to join him in providing this service. He trained them and employed them in his workshop. Identify the category of source under which Sumit's idea emerges.</p> <p>(A) Problems (B) Experience (C) Change (D) Opportunity</p>
23.	<p>The flowchart of opportunity project interface includes</p> <p>(A) Needs and problems – Innovation – Creative Solution – Entrepreneurial opportunity (B) Spotting Opportunity – Scanning of environment – information collection - Starting project (C) Spotting Opportunity – Scanning of environment – Identification of product – Starting project (D) Spotting opportunity – Creative ideas – Innovative project – project business</p>
24.	<p>Break-even point is useful for the entrepreneur as it helps in assessing</p> <p>(A) The minimum level of output to be produced (B) The selling price of the product (C) The effect of change in quantity of output upon the profits (D) All of the above</p>

Section B

25.	<p>Baby Land ltd. is a renowned name in manufacturing toys for kids. The fixed expenses of Baby Land Ltd.in the manufacturing of these three varieties is Rs. 15,20,000.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">Dolls</th> <th style="text-align: center;">Cars</th> <th style="text-align: center;">Skates</th> </tr> </thead> <tbody> <tr> <td>Sales price (per unit)</td> <td style="text-align: center;">₹800</td> <td style="text-align: center;">₹450</td> <td style="text-align: center;">₹600</td> </tr> <tr> <td>Variable price (per unit)</td> <td style="text-align: center;">₹400</td> <td style="text-align: center;">₹150</td> <td style="text-align: center;">₹200</td> </tr> <tr> <td>Sales mix %</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">30%</td> </tr> </tbody> </table> <p>How many units of Dolls must be sold to break-even?</p> <p>(A) 800 units (B) 1200 units (C) 2000 units (D) 4000 units</p>	Particulars	Dolls	Cars	Skates	Sales price (per unit)	₹800	₹450	₹600	Variable price (per unit)	₹400	₹150	₹200	Sales mix %	50%	20%	30%
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26.	<p>Transporting apples from the Orchid of Kashmir to the markets of Delhi is an example of _____.</p> <p>(A) Form utility (B) Place utility (C) Time utility (D) None of these</p>																
27.	<p>Sonal sells an automatic hand sanitizer machine for ₹2,100. If the purchase price of the product is 80% of its selling price, the profit earned by Sonal is:</p> <p>(A) ₹1,700 (B) ₹1,680 (C) ₹420 (D) ₹400</p>																
28.	<p>Which of the statement is incorrect in respect to private company?</p> <p>(A) Minimum Paid up capital is Rs 100,000 (B) Minimum no of directors are 2. (C) prohibits an invitation to the public to subscribe for any shares or debentures of the company, or accept any deposits from persons other than its directors, members or relatives. (D) No restriction on Transferability of shares.</p>																
29.	<p>Assertion (A) : The ultimate objective of any partnership firm is to earn profits and distribute amongst the partners. Reason (R) : Any association initiated to do charity work is not partnership.</p> <p>(A) Both A and R are true. R is the correct explanation of A (B) Both A and R are true, but R is not the correct explanation of A (C) A is correct, but R is incorrect (D) A is incorrect, but R is correct</p>																

30.	<p>Adhirat plans to start a factory for manufacturing plastic items in Daman. It would certainly be causing some level of environmental damage. They also plan to install a water waste treatment plant within the premises of the manufacturing unit.</p> <p>Kindly advise which additional component / subcomponent of Business Plan he needs to lay stress on.</p> <p>(A) Description of venture/business venture - Physical Structure (B) Operational Plan -- Scheduling (C) Financial Plan – Economic & Social Variables (D) Description of venture/business venture – Site</p>
31.	<p>The scope a company is determined by certain provisions/documents as any work done beyond what is stated in these documents can lead to winding up of the process of the company. Identify these 'provisions/documents' referred to in the above statement.</p> <p>(A) The Indian Companies Act , Memorandum of Association and Articles of Association (B) Memorandum of Association and Articles of Association (C) The Indian Companies Act and Articles of Association (D) The Indian Companies Act and Memorandum of Association</p>
32.	<p>Gopal, an IT graduate, observed that a large number of school students were using mobile phones. He also observed that many parents of such students were concerned about the content being viewed by their children on mobile phones and were not able to control them. Being a talented and an intelligent student he decided to develop an app that may help the parents to watch and control children regarding the content being viewed. From the following identify the " idea field " used by Gopal to develop the app:</p> <p>(A) Creative efforts (B) Trading related ideas (C) Market driven ideas (D) Natural resource</p>
33.	<p>Vikrant was always interested in technology driven products. After finishing his engineering degree, he started working on a new walking stick which will help blind people. The stick will be Bluetooth and Wi-Fi enabled which will be connected through an app on the phone which will guide the blind persons about the objects in front of their walking path. He has started testing the walking stick and found that the stakeholders were satisfied and it had a great value to the customers. Vikrant is in stage of innovation process.</p> <p>(A) Organising Resources (B) Analytical planning (C) Commercial Application (D) Idea germination</p>
34.	<p>External analysis of SWOT consist of:</p> <p>(A) Weakness and Opportunity (B) Opportunity and Threat (C) Threat and Strength (D) Strength and Weakness</p>

35.	<p>Assertion (A): Production, the most important activity of an enterprise, because it is here that transformation of raw material into finished product takes place with the help of energy, capital, manpower and machinery.</p> <p>Reason (R): Production plan is to be mandatorily prepared by all business enterprises.</p> <p>(A) Both A and R are true. R is the correct explanation of A (B) Both A and R are true, but R is not the correct explanation of A (C) A is correct, but R is incorrect (D) A is incorrect, but R is correct</p>												
36.	<p>Vinod, a 23 year old, completed his graduation in banking. He decided to start a private banking business joining hands with his friends. They wanted to enter into a contract to form partnership and to share the profits and losses amongst them. In case of the above context what will be the maximum number of partners who can form this partnership?</p> <p>(A) 20 (B) 50 (C) 100 (D) 200</p>												
37.	<p>Gopal is a young man of 23 years. He has completed a tailoring course from an industrial training institute. He wants to start a big size tailoring shop in a posh colony. He went to one of his friends who had completed a B.Tech. course in textile designing to discuss about the opening of the tailoring shop. His friend advised him to prepare a written document describing formally all the relevant external and internal elements involving in starting a new venture. It will not only help in understanding the feasibility and viability of the proposed venture but also facilitate in assessing and making provisions for the bottlenecks in the progress and implementation of the idea.</p> <p>Identify the concept discussed by Gopal with his friend.</p> <p>(A) Feasibility Study (B) Business Plan (C) Market Survey (D) Marketing Plan</p>												
38.	<p>In the first week of October, medicines as per details given below were sold by H.L. Chemist.</p> <table border="1" data-bbox="225 1554 932 1783"> <thead> <tr> <th>No. of Customers</th> <th>Total billed amount (₹)</th> </tr> </thead> <tbody> <tr> <td>50</td> <td>15,000</td> </tr> <tr> <td>45</td> <td>18,000</td> </tr> <tr> <td>35</td> <td>21,000</td> </tr> <tr> <td>50</td> <td>40,000</td> </tr> <tr> <td>20</td> <td>18,000</td> </tr> </tbody> </table> <p>Calculate the average amount of medicines sold per customer.</p> <p>(A) ₹560 (B) ₹185 (C) ₹975 (D) ₹450</p>	No. of Customers	Total billed amount (₹)	50	15,000	45	18,000	35	21,000	50	40,000	20	18,000
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39.	<p>Nadim is a budding entrepreneur. He is always in touch with the changes in the external environment which helps him to identify opportunities and find strategies to capitalise on the opportunities at the earliest. Sensing the growing demand for fine furniture, he started the first online furniture mart, which helped him to capture more than 80% of the market share in a short span. This is an example of:</p> <p>(A) Tapping useful resources (B) Image building (C) Formulation of strategies and policies (D) First mover advantage</p>												
40.	<p>Meghna Nayak, Founder of Lata-Sita, a fashion brand that up-cycles old saris into beautiful unique and ethnic pieces, states, “I felt inspired and confident enough to start Lata-Sita in India where we already have a long history of upcycling and jugaad woven into the culture. I wanted to update it and infuse it with some style and colour!” . Meghna has sensed an opportunity. Name the factor which is involved in sensing this opportunity.</p> <p>(A) Ability to harness different sources of information (B) Vision and creativity (C) Ability to perceive and preserve the basic idea. (D) Idea Field</p>												
41.	<p>Aloma Ayurvedic Limited is a well-established name in the market for ayurvedic medicine. It has entered into the market of immunity booster drinks and has introduced Immunity Shots in special packaging, in two flavours. Total fixed cost incurred in the entire operation is ₹5, 60,000. Based on the Break-even point analysis, will it be economically viable for Aloma Ayurvedic Limited to continue with the production of these immunity shots?</p> <table border="1" data-bbox="225 1256 1198 1451"> <thead> <tr> <th>Product</th> <th>Alo-Turm</th> <th>Alo-Amla</th> </tr> </thead> <tbody> <tr> <td>Selling price per shot(in ₹)</td> <td>50</td> <td>75</td> </tr> <tr> <td>Variable cost per shot (in ₹)</td> <td>25</td> <td>45</td> </tr> <tr> <td>Sales Mix in the year</td> <td>4,000 units</td> <td>6,000 units</td> </tr> </tbody> </table> <p>Calculate the Break-even units for Alo-Amla: (A) 8,000 units (B) 12,000 units (C) 20,000 units (D) 40,000 units</p>	Product	Alo-Turm	Alo-Amla	Selling price per shot(in ₹)	50	75	Variable cost per shot (in ₹)	25	45	Sales Mix in the year	4,000 units	6,000 units
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42.	<p>There are two businessmen with the same qualification or same product but the first one has an edge over the other businessmen due to his skill and ability to think, imagine and do the things differently. Out of the following, identify the quality of the entrepreneur discussed here:</p> <p>(A) Creativity (B) Honesty (C) Leadership (D) Reliability</p>												

43.	<p>Assertion (A): A company which is suffering huge losses can be shut down only by following the procedures laid down in Companies Act. Reason (R): A company can be born as well as liquidated only by law.</p> <p>(A) A is true but R is false. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true and R is the correct explanation of A. (D) Both A and R are false.</p>
44.	<p>Rishabh lives in Vijay Nagar, a residential colony near Delhi University (DU). Being close to DU this area is a hub for students who come from outside Delhi to study here as they find good accommodation with Tiffin service readily available. Rishabh has a vacant residential building there. He found it to be an attractive economic idea to start a paying Guest House. He knows that he has a good market because of the location of his building. Identify the other requirement and he has to ensure before opting for this opportunity.</p> <p>(A) An attractive and acceptable rate of return on investment (B) Assured market scope (C) Practicability of idea (D) Potential of future growth</p>
45.	<p>Entrepreneurs should take advantage of social networking tools like social network sites, i.e. Facebook, Instagram , twitter etc. to identify new trends. This is an example of :</p> <p>(A) Read trends (B) Talk trends (C) Think trends (D) Watch trends</p>
46.	<p>The operational plan organizes for the movement of material, performance of machines and operations of labour, sub-divided, into a defined direction, co-ordinating for the desired manufacturing results in terms of: i) Quantity; ii) Quality; iii) Time; iv) Place and v) _____.</p> <p>Identify the component missing above.</p> <p>(A) Goal (B) Distance (C) Cost (D) Demand</p>
47.	<p>Which amongst the following is/are the demerits of sole proprietorship?</p> <ol style="list-style-type: none"> 1.Limited life of business concern 2.Quick-decision making 3.Limited scope for expansion 4.Ease of Formation <p>(A) 1 and 2 (B) 3 and 4 (C) 1 and 3 (D) 2 and 4</p>

48.	<p>Product Details are mentioned under General Introduction in a Business Plan. Which one of the following is not a component of Product Details?</p> <p>(A) Product Utility (B) Production Method (C) Product Design (D) Precise USP of the product</p>
<h3>Section C</h3>	
49.	<p>At late 60s, Ram Shekhar opened a poultry farm in his town, but it was a failure because he failed to consider the fact that around 75% of the population in his town was vegetarian. Which external environment led to failure?</p> <p>(A) Legal environment (B) Technological environment (C) Social environment (D) Economic environment</p>
50.	<p>GL Ltd., is a company engaged in the manufacturing of air- conditioners. The company has four main departments Purchase, Marketing & Sales, Finance and Warehousing. As the demand for the product grew, the company decided to recruit more employees in the Finance department and Marketing & Sales departments. Identify the component of the business plan which will help the Human Resource Manager to decide and recruit the required number of persons for each department.</p> <p>(A) Marketing Plan (B) Organisational Plan (C) Manpower Plan (D) Financial Plan</p>
51.	<p>ME Stores sells Mobile phones of different brands Konia, Vivi and Hamhung. The sales Mix ratio is 4:4:2. The total fixed cost for the business is ₹2,40,000. The store is at break even by selling 4,000 phones. What is the total average contribution per unit?</p> <p>(A) ₹60 (B) ₹50 (C) ₹65 (D) ₹70</p>
52.	<p>Rajiv and Ramesh entered into a verbal agreement to form a firm and don't get their firm registered. They agreed to share its profits. Their business was running smoothly. One day a dispute arose between Rajiv and Ramesh regarding the profit-sharing ratio. Rajiv decided to move to the court and enforce his rights against the firm and Ramesh. Lawyer told him that he could not file a case against the firm and Ramesh. Why was Rajiv not able to file a case against the firm and Rajiv?</p> <p>(A) Because their firm is not registered (B) Because they don't have partnership deed (C) Because their business is illegal (D) Because they are not fulfilling the requirement of minimum partners by Partnership Act, 1912</p>

53.	<p>Dhriti Raj Chaudhary is into the business of manufacturing low-cost diesel cars in Germany. He is earning good profits and ambitiously considering overseas expansion. He scans the environment for finding out the opportunities and threats that may influence his current and future plans. He zeroes down on India as a potential place for his business expansion as Indian Government has announced favorable trade regulations. On selling the first lot of cars in India, the Indian Government noticed that the emissions from these cars were above the permissible limit. The government asked him to make necessary modifications in his cars if he wanted to continue business in India. He readily agreed to meet the emission norms set by the Indian Government.</p> <p>From the above paragraph identify any three environmental factors.</p> <p>(A) Technological, Political and Social (B) Economic, Ecological and Legal (C) Ecological, Political and Social (D) Political, Ecological and Legal</p>
54.	<p>If you provide services or products in an industry that is constantly changing, it's important to stay aware of the latest in industry trends so you can continue to be competitive; for example, you own a skin product supply store that sells organic creams for healthy and glowing skin. More and more places are selling customized skin creams as per demand of customers. In this case, it would be advantageous to update the products to reflect the latest demand in the market. As per the above lines, the case study is related to one of the idea fields</p> <p>(A) Trading related ideas (B) Existing product or services (C) Natural Resources (D) Market Driven Ideas</p>
55.	<p>Rahul runs a grocery shop in the local market. He buys goods from the wholesale market and sells it to the customers as per their requirement. By doing so he earns some profit. He had started his business two years ago by investing Rs.2 lakhs, which he had borrowed from his relatives. Today, he is running his business successfully, earning a good profit, and has been able to pay back the borrowed money. He has also employed two persons to help him in the shop.</p> <p>A textile factory is going to be started area nearby where Rahul is carrying on his business. As a businessman, he now in a delighted mood and wants to expand his business. He is thinking that once the textile factory is set up, he will get more customers; the sales will increase and he will earn more profit. But, for all these, he will have to expand his business, and for this he needs more money. The major problem is how to arrange the additional funds. He has the option of getting loans from the banks. But the fear of loss comes to his mind again and again. He does not want to take that risk. Another option is that he may join hands with some other person. By doing so, more resources can be raised, work can be shared, and business can be run in a better way. The risk of loss will also be shared.</p> <p>Identify the form of business organization Rahul is planning to have in order to expand his business.</p> <p>(A) Sole Proprietorship (B) Partnership (C) Private company (D) Public Limited Company</p>

56.	<p>Karan finished his graduation from Polytechnic college in the year 2018. He had specialized in repairing of electronic goods. After few months of his graduation, he met his uncle who has a small factory manufacturing electronic circuits used in Television. His uncle informed Karan that he could no longer run the unit so Karan decided to take over the factory. His uncle had two workers. Karan was able to get a huge order of supplying 10,000 units of electronic circuits every month from a popular TV manufacturing company in India. He knew that to meet the orders timely he has to employ more people. In order to do so he decided to formulate Manpower planning.</p> <p>Which factor/s Karan has to keep in mind while formulating manpower plan.</p> <p>(A) Analysing kind of people required. (B) Quantity of personnel the enterprise needs. (C) Procure personnel through different sources. (D) All of the above.</p>									
57.	<p>Icy ice cream Ltd., was the market leader in the ice cream industry in 2010. The company was well, known for its affordable and unique flavours. In 2017, a new company launched new fruit and veggie flavours and captured the market. Icy ice cream Ltd., did not expect this and lost the entire market share and had to close their operations. Which of the following aspect of SWOT analysis framework does Icy ice cream Ltd. failed to do?</p> <p>(A) Strength (B) Weakness (C) Opportunity (D) Threats</p>									
58.	<p>Best Electronics Ltd., are the manufacturers of 'Washing Machine ' and 'Microwave Oven'. Their fixed costs are Rs.16,000 per year. The sales price and variable cost per unit of 'Air conditioners' and 'Air purifiers' are given below:</p> <table border="1" data-bbox="225 1256 1321 1375"> <thead> <tr> <th></th> <th>Washing Machine</th> <th>Microwave Oven</th> </tr> </thead> <tbody> <tr> <td>Selling Price</td> <td>Rs. 2,000</td> <td>Rs. 500</td> </tr> <tr> <td>Variable cost</td> <td>Rs. 1,500</td> <td>Rs. 300</td> </tr> </tbody> </table> <p>The Air conditioners and Air purifiers were sold in the percentage 40% and 60% respectively throughout the year.</p> <p>Calculate total Break Even Point in units for the business</p> <p>(A) 20 units (B) 50 units (C) 40 units (D) 25units</p>		Washing Machine	Microwave Oven	Selling Price	Rs. 2,000	Rs. 500	Variable cost	Rs. 1,500	Rs. 300
	Washing Machine	Microwave Oven								
Selling Price	Rs. 2,000	Rs. 500								
Variable cost	Rs. 1,500	Rs. 300								
59.	<p>Assertion (A): Operational plan is the soul of business plan. Reason (R) : An activity in which an individual works regularly for others and get remuneration in return, undertaking personal services as per the agreement is called non- economic activities. Choose the correct option</p> <p>(A) Both Assertion and Reason is true and reason is correct explanation of Assertion. (B) Both statements are false. (C) Assertion 1 is true, Reason is false. (D) Both Assertion and Reason is true but reason is not the correct explanation of Assertion.</p>									

60.	<p>Sole proprietorship form of business organization is suitable:</p> <ol style="list-style-type: none">1. Where the market for the product is small and local.2. Where customers are given personal attention.3. Where capital requirement is small. <p>Choose the correct option</p> <p>(A) 1, 2 and 3 (B) 1 and 2 (C) 2 and 3 (D) 1 and 3</p>
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