



INDIAN SCHOOL AL WADI AL KABIR

Class: XII	Department: Commerce
Subject:	Entrepreneurship - 2024
Worksheet: 01	Chapter 6: Resource Mobilization

QT NO		BOARD PAPER
1	<p>Assertion (A): Public issue is the most popular method of raising capital these days by the entrepreneurs.</p> <p>Reason (R): The capital does not have to be repaid and does not involve an interest charge.</p> <ul style="list-style-type: none">a. Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).c. Assertion (A) is true, but Reason (R) is false.d. Assertion (A) is false, but Reason (R) is true.	BP 2023-24
2	<p>Assertion (A): Offer to employees means sale of its securities by a company to a limited number of sophisticated investors</p> <p>Reason (R): Offer to employees enables employees to become the shareholders and share the profits of the company.</p> <ul style="list-style-type: none">a. Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).c. Assertion (A) is true, but Reason (R) is false.d. Assertion (A) is false, but Reason (R) is true.	
3	<p>Assertion (A): Seed capital refers to the capital required by the entrepreneur for conducting research at pre-commercialization stage.</p> <p>Reason (R): At this stage the idea is transformed into a product and is being produced and sold.</p> <ul style="list-style-type: none">a. Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).c. Assertion (A) is true, but Reason (R) is false.d. Assertion (A) is false, but Reason (R) is true.	
4	<p>Vinsmoke Ltd, a company manufacturing smartphone, plans to enter the wearable technology business in the coming months. To fund this expansion,</p>	BP 2023-24

	<p>the company requires additional capital. In order to speed up the financing process, Vinsmoke Ltd has decided to sell a portion of its shares to institutional investors. However, the company does not wish to disclose this information to the open market.</p> <p>From the following, identify the method of flotation of new issues used by the company.</p> <p>(a) Public issue (b) Rights issue (c) Private placement (d) Offer to employees</p>	
5	<p>'Vision Ltd.' offers stock options to its employees. This enables employees to become shareholders of the company leading to higher efficiency and lower labour turnover. The method of flotation of new issues being used by 'Vision Ltd.' is:</p> <p>(a) Public issue (b) Rights issue (c) Private placement (d) Offer to employees</p>	BP 2023-24
6	<p>Which among the following is NOT a method of raising the required capital in the primary market?</p> <p>a. Konoha Ltd raised additional finance from existing shareholders by offering securities to them in proportion to the shares they are holding</p> <p>b. U.A. High Ltd raised funds by selling its shares mainly to the General Insurance Corporation of India and Army Group Insurance.</p> <p>c. To increase the efficiency of the employees and reduce the labour turnover, the management of Shinigami Ltd made employees the shareholders and enabled them to share the profits of the company.</p> <p>d. Phantom Troupe Ltd raised funds from Mr. Leorio, an affluent individual in exchange for ownership equity.</p>	
7	<p>Yagami Ltd decided to raise funds by issuing shares. The finance department felt that the company should offer shares to the existing shareholders on pro-rata basis.</p> <p>From the following identify the method of raising the funds being suggested by the finance department.</p> <p>a. Public issue b. Rights issue c. Private placement d. Offer to employees</p>	
8	<p>Identify the place where transaction happens in shares or debentures subsequent to its primary offering.</p> <p>a. Primary market b. Secondary market c. Capital market d. Securities and Exchange Board of India</p>	

9	Which method involves the direct sale of securities to institutional investors without a public offering? a. Private placement b. Rights issue c. Book building d. Preferential allotment	
10	Venture capitalists typically invest in exchange for: a. Ownership stake in the company b. Monthly interest payments c. Promissory notes d. Fixed rate dividends	
11	What is the primary focus of venture capital firms? a. Investing in well-established companies b. Providing loans to small businesses c. Funding startups and high growth potential companies d. Investing in government bonds	
12	In primary market securities are: a. Bought and sold among investors b. Traded on stock exchange c. Issued and sold for the first time d. Repurchased by the issuing company	
13	Capital market is a marketplace for buying and selling: a. Goods and services b. Financial instruments like shares c. Real estate properties d. Agricultural products	
14	What is the typical investment stage for an Angel investor? a. Early stage b. Last stage c. IPO d. In case of loss	
15	Who is an Angel investor? a. An individual who invests in real estate b. An investor with a focus on angelic beings c. A high-net-worth individual who provides funding to startups d. A government sponsored investment fund.	
16	Identify the reward IPO investors seek as an appreciation of their investment.	
17	Identify the method of raising additional finance from existing shareholders by offering securities to them on pro-rata basis.	
18	When the right issue are proposed to the existing shareholders and if they are not ready to subscribe what is the next step taken by an entrepreneur?	
19	Name the method which enables employees to become shareholders and share the profits of the company.	
20	An entrepreneur is a person who bears risks, unites various factors of production, and drives creative innovation. To achieve this, what is the basic	

	requirement that must be met?	
21	Eren (Finance) and Armin (HR) are pursuing an MBA at the University of Trost. While reading the newspaper, Armin saw the headline, “Sensex goes up.” However, last week the headline read, “Sensex goes down,” which left Armin feeling confused. Immediately, he asked his friend Eren for clarification. How do you think Eren will clear Armin’s confusion? Explain.	
22	State three functions of SEBI rolled into one body.	
23	Humorously, they were once given the acronym FFF for Angel Investors”. What does FFF stand for?	
24	Assuming that you wish to start a small-scale industry for manufacturing and selling detergent powder, discuss how would you seek support of financial institutions.	