

INDIAN SCHOOL AL WADI AL KABIR
ENTREPRENEURSHIP
MULTIPLE CHOICE QUESTIONS
CHAPTER 2 ENTREPRENEURIAL PLANNING
REVISION QUESTIONS

1. Kapil has decided to start his venture in manufacturing plastic toys. He wants to get a road map for himself as to how to proceed and also wants to avail loan from financial institution. This requires him to prepare a Business Plan.

In order to prepare such plan Kapil needs advice from:

- A. Doctor
- B. Teacher
- C. Lawyer
- D. All of them.

2. Karan was working with Tiya as a production Manager. For smooth flow of work, he had to pay attention towards various elements and to ensure predetermined quality of products; he had to compare the performance with established standards.

The component of business plan discussed above is :

- A. Operational Plan
- B. Manpower planning
- C. Organizational plan
- D. Appendix

3. Ritesh Aggarwal is working as a CEO in a reputed company having head office in Bhubaneswar. The company is following a dynamic approach and thus keeps launching innovative products in the market. He knows that the shares of his company are not freely transferable. The company is also concerned about its employees and is offering them good working conditions along with other non-financial benefits. As the company was able to earn a good profit it has declared a dividend of 10% for its shareholders and transferred residual profits in reserve.

Name the form of business mentioned in the above case.

- A. Sole Proprietorship
- B. Partnership
- C. Private Limited Company
- D. Public Limited Company

4. Anurag started a factory for manufacturing jute bags for shopping and contribute towards environment protection by discouraging the use of plastic bags. He invested Rs.2,00,000 of his own and obtained a loan of Rs.10,00,000 from Bank. He made the instruction plan describing the details that were needed for the operation of machines by the workers.

Identify the format of 'business plan' described in the above para.

- A. Elevator Pitch
- B. Pitch deck with oral narrative
- C. Plan for external stakeholders
- D. Internal Operational Plan

5. After passing his 12th class with entrepreneurship as an elective subject Sahil started his own business. He invested Rs.2,00,000 as capital which was given to him by his father. He obtained a loan of Rs.1,00,000 from his elder brother Ravi, who was working as an assistant

manager in Bank of Baroda. In the first year he incurred a loss of Rs.50,000 and had to pay to his suppliers their outstanding bills. This created a financial problem for him and he had to take a loan of Rs. 1,00,000 from the Bank of Baroda on the personal guarantee by mortgaging his house. He started doing hard work, lowered the prices and informed his customers about the qualities of goods sold by him. Because of this the sales increased four times and he earned a net profit of Rs.75,000 in the second year.

Identify the form of business organisation started by Sahil.

- A. Sole proprietorship.
- B. Partnership
- C. Private Limited Company.
- D. Public Limited company.

6. Routing is a process concerned with determining exact route or path a product/ service has to follow right from raw material till its transformation into finished product. Scheduling means fixation of time, date, day when each operation is to be commenced and completed. These are the two important component of one of the element of business plan.

Identify the element of the plan.

- A. Description of business Venture
- B. Operational Plan
- C. Organisational plan
- D. Marketing plan.

7. Sanjiv was developing a business plan for his organization. While working on the financial plan he realised that his financial requirements will be for fixed assets and their installations, preliminary expenses, working capital, expenses on research and development and investment in short-term assets viz. raw material, level of cash, etc. To decide on the sources of funds for the venture, he tried to ensure the selection of the best overall mix of financing for the enterprise. a. Identify the element of financial plan discussed here.

- A. Proforma investment decisions
- B. Proforma financing decisions
- C. Proforma Income Statement
- D. Both Option A and B

8. Vinod was working with Aryan, a new entrepreneur, as a production Manager. For smooth and coordinated flow of work he had to pay attention towards various elements. To ensure smooth flow of operations Vinod has to fix time, day, date and when each operation is to be commenced and completed.

Identify the component of Operational Plan described above.

- A. Routing
- B. Scheduling
- C. Dispatching
- D. Inspection.

9. Ranjit operates a small coffee shop catering to the local community. He prepares different flavours of coffee and serves it in designer cups developed by him. He also takes customised orders.

Which form of business is best suitable for this type of enterprise?

- A. Sole Proprietorship
- B. Partnership
- C. Joint Stock Company

D. Cooperative

10. The maximum number of members for Bright Pvt Ltd. is _____.

Fill in the blank, choosing the correct option.

- A.50
- B.100
- C.200
- D.Unlimited

11. Dev is preparing a business plan for his new venture power saving LED bulbs with guidance from his uncle who is a lawyer. But his uncle is presently not keeping well and hence Jeet does not know under which heading to the information about site location, physical infrastructure and production process.. He approaches his elder brother Jeevan, an engineer for help.

Identify the component of Business Plan , under which the above items to be mentioned.

- A. Operational Plan.
- B. Organisational Plan
- C. Financial Plan.
- D. Description of Venture.

12. AB ltd. was into manufacturing security cameras for household and commercial buildings. Their Research and development team came up with a new idea of manufacturing drones as security cameras which will give a 360-degree view of the entire building. They needed huge finance for the same. The company MD Sharath heard of this group of venture capitalists who are ready to invest in new ideas. He seeked an appointment with them and started preparation of a business plan to be presented before them. His plan was to make an informative power point presentation showing key graphs of financial trends. It was meant to trigger discussion among the members. Which format of business plan is Sharath using?

- A. Elevator Pitch
- B. A pitch deck with oral narrative
- C. A written presentation for external stakeholders
- D. An internal operational plan

13. Vinita, Bhavana, Rani and Nandini are all good friends in the age group of 15-17 years of age. All of them decided together to start a business venture of making soaps at home using natural ingredients. They decided to name their venture as 'O&HM' meaning Organic and Home Made. They spoke about their venture to their parents and asked them if their business could be registered so that it will be easy to divide the profits. Vinita suggested that they should register it as a Partnership firm. Can they form a partnership firm?

- A. No, they cannot form a partnership firm since all of them are minors
- B. Yes, they can form a partnership firm
- C. No, since minimum number of people required to form a partnership is 10
- D. None of the above

14.

COLUMN A – Meaning	COLUMN B- Terms
i. uses the word 'Ltd.' at the end of its name.	(a) Public company.
ii. has a minimum of two and a maximum of two hundred members excluding its past and present employees.	(b) Continuity

iii. A company is created by law. Though, it has no body and no conscience, it still exists as a person, having a distinct personality of its own.	(c) Private company.
iv. Legally, a firm dissolve on the retirement, death, bankruptcy lunacy, or disability of a partner if not otherwise provided for in the partnership deed.	(d) Artificial person

Identify the correct option to match the above columns:

- A. i- b; ii - d; iii - a; iv - c
- B. i- c; ii - a; iii - d; iv - b
- C. i- a; ii - c; iii - d; iv - b
- D. i- c; ii - a; iii - b; iv - d

15. Marketing plan is a document:

- A.regarding the marketing objectives, strategies and activities to be followed by the new Enterprise.
- B.which describes the flow of goods/services from production point to the customers.
- C. which determines how many units must be sold or how much sales volume must be achieved in order to have break-even-point.
- D. which reflects the projected cash available with the Enterprise.

16.

i.Proforma investment decisions.	(a) It is the projected net profit calculated from projected revenue minus projected costs and expenses.
ii. Proforma income statements	(b) Reflects the cash available with the enterprise
iii. Proforma financing decisions	(c) Estimation of fixed assets and of working capital should be clearly mentioned in this part of business plan.
iv. Proforma cash flow	(d) summarizes all the projected sources of funds available to the venture to raise finance from.

Identify the correct option to match the above columns:

- A. i- b; ii - d; iii - a; iv - c
- B. i- c; ii - a; iii - d; iv - b
- C. i- a; ii - c; iii - d; iv - b
- D. i- c; ii - a; iii - b; iv - d

17. Sanjay was developing a business plan for his organization. While working with the business plan he realized that the business plan generally begins with the "mission statement" by the entrepreneur describing the size, scope and nature of the enterprise.

Identify the component of Business plan discussed here.

- A.General Introduction
- B. Description of venture
- C. Organisational Plan
- D. Appendix