

Self Assessment Paper

General Instructions :

- (i) There is no overall choice, though internal choice is given.
- (ii) Read the question carefully before attempting.

1. Two years ago Gopal started manufacturing low fat, sugar – free ice – cream on a small scale basis in his home town, Vishakhapatnam. After some time his ice – cream became popular among health conscious young customers and old persons specially those having diabetes or some heart ailment. Because of the popularity of the ice – cream the demand has increased many fold. Gopal is unable to meet the same, because of his limited managerial ability and limited capital. Gopal also felt that whenever he fell sick his business was temporarily closed. To overcome this problem he decided to admit in the business his friend Mohan who has recently completed his MBA and is ready to invest money for the expansion of the business. Mohan advised Gopal to get their firm registered.

Which form of business organization has been opted by Gopal after identifying limitations in previous one?

- (a) Sole proprietorship
 - (b) Partnership
 - (c) Joint Stock Company
 - (d) Cooperative
- 1

2. Abhiraj 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 zeros down on India as a potential place for his business expansion as Indian Government has announced favourable 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.

From the above para identify any three environmental factors.

- (a) Political, Ecological and Legal
 - (b) Economic, Ecological and Legal
 - (c) Ecological, Political and Social
 - (d) Technological, Political and Social
- 1

3. Suman joined a catering college after finishing her schooling. She specialised in baking cakes. After finishing her course, she along with her two friends started a bakery shop in Lucknow. Her shop was an instant success as the cakes were produced with high quality ingredients. In the month of November, Suman's sister's birthday approached and her mother requested her to bake a cake for the

birthday. Suman baked a cake for her sister at their home for her sister's birthday. Identify the nature of activity performed by Suman for her sister and at her shop.

- (a) Economic activity (b) Non-economic activity
(c) Employment (d) Profession 1

AI 4. Saurabh wants to start a new business. He is not sure of the type of business he should start. His friend suggested him to seek the help of professionals. He contacted a professional who asked Saurabh to pay a big amount for providing the reports and industry updates. Therefore, he decided to search for the reports and industry updates himself. He scanned the relevant information from various national and international websites. Identify the way that Saurabh is using for spotting the trend.

- (a) Talk Trend (b) Watch Trend
(c) Read Trend (d) Think Trend 1

5. Vishnu started his factory for manufacturing plastic items in Daman. As per the advice of his Manager, he appointed 'Bizmadeeasy' company to formulate a business plan for his manufacturing unit. The company in its business plan, mentioned the cost of installing a water waste treatment plant within the premises of the manufacturing unit. Which of the following is the socio-economic benefit expected to acquire from the proposed investment.

- (a) Employment generation (b) Import substitution
(c) Ancillarisation (d) All of the above 1

AI 6. Paranshu was working with Hitesh, a new entrepreneur, as a Production Manager. To achieve the objectives, he issues necessary orders and guidelines to his subordinates pertaining to work and they give practical shape to the production plan. Identify the element being discussed above which is related to one of the components of a 'Business Plan'.

- (a) Dispatching (b) Inspection
(c) Scheduling (d) Routing 1

7. Nayan has just passed his Senior Secondary Examination from CBSE affiliated school. He wanted to start his own business but was undecided about the nature of the business to be started. One day, during the morning walk, his grandfather fell down in the park and was injured. He observed that his grandfather often forgot to take his medicines. He thought that the same problem may be faced by other old people. He thought to develop a walking stick for old people that could be fitted with some electric devices connected to the mobile phones of the members of their families which could indicate the location of the old people when they go outside their homes. He also thought to fit a timer in the stick that could remind them about the time of taking their medicines. Identify the concept described in the above para that helped Nayan in structuring his idea of solving the problem.

- (a) Problem identification
(b) Environment scanning
(c) Sensing Entrepreneurial Opportunities
(d) Trend Spotting 1

OR

'Safe Wheelers' is an upcoming cab service. The promoters knew that they are entering a highly competitive market. They gathered information on existing cab services and changing customer preferences and incorporated those observations into their operations. In order to reach the customers promptly, they developed an 'app' to book, track and trace the cabs 24×7. To create an environment of trust all drivers were grouped into two shifts: 6 a.m. – 6 p.m. for female drivers and 6 p.m. – 6 a.m. for male drivers. GPS systems were installed in all cabs to monitor their movements. The fare payment was either by an e-wallet or through the 'Safe Wheelers' Smart Card. As soon as the services were launched, they were a grand success.

Identify the concept that helped the company to succeed.

- (a) Problem identification
(b) Environment scanning
(c) Sensing Entrepreneurial Opportunities
(d) Trend Spotting 1

Q8. Kapish an unemployed graduate got training for automobile repairing and allied services under PMKVY (Pradhan Mantri Kaushal Vikas Yojana) for skill development. He is planning to start a digital workshop for which he needs ₹ 25 Lakh. Though through MUDRA (Micro Units Development and Refinance Agency) he is able to get a loan of ₹ 10 Lakh but still he is falling short of ₹ 15 Lakh. He wants to pitch in his idea to potential investors through his business plan. He prepared an 'entertaining slide show and oral narrative' to trigger discussion and create interest in potential investors for reading the written presentation. Out of the following, identify the format of business plan used by Kapish:

- (a) Elevator's pitch (b) Pitch deck with oral narrative
(c) Operational plan (d) None of these 1

OR

Prabhav is a budding entrepreneur who is about to pitch in his idea to a group of investors. For presenting his business plan he has made a teaser of about three minutes to awaken the interest of the potential investors. Prabhav is using _____ format of presenting a business plan. 1

9. "This mode of expansion allows entrepreneurs to be in business for themselves but not by themselves." Identify the concept stated in given statement.

- (a) Conglomerate (b) Franchise
(c) Merger (d) Acquisition 1

OR

"Big brands make head towards franchising".

Which of the following can be the reason for the above stated statement?

- (a) It considers franchising as an easy mode of expansion.
(b) Chances of success are higher due to high commitment level of the franchisor and the franchisees.
(c) It is a powerful and ideal way to expand business.
(d) All of the above 1

10. _____ outline how the franchise name is to be used. 1

OR

_____ provides an organization with the right to manufacture a product and sale it to the public, using the franchisor's name and trademark.

- 11.** Which of the following is not a quality of a good brand?
(a) It should be long.
(b) Neither obscene, negative, offensive or vulgar.
(c) Pleasing, impressive when uttered.
(d) Linked to product, symbolically eye catching. 1

12. Given below are major sales promotion activities with examples of each. Match them correctly.

Column-A Sales Promotion Activities	Column-B Examples
(i) Consumer Promotion	(a) Commission
(ii) Business Promotion	(b) Loyalty reward programmes
(iii) Trade Promotion	(c) Newsletters
(iv) Sales Force Promotion	(d) Reward incentives linked to purchases or sales

- (a) i-b, ii-d, iii-c, iv-a (b) i-a, ii-c, iii-d, iv-b
(c) i-b, ii-c, iii-d, iv-a (d) i-c, ii-b, iii-d, iv-a 1

13. What is common among Teco bell, Burger King, Hertz, Khadim's?

- (a) All are Multinational corporations working in India.
(b) All have adopted franchising as their growth strategy.
(c) All have merged with big companies.
(d) All of the above. 1

14. Which of the following is the direct result of financial factors such as lower taxes, higher debt capacity or better use of idle cash for which two or more firms merge together.

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- (a) Financial synergy (b) Revenue synergy
(c) Legal environment (d) Political environment

1

ATI 15. Identify the elements of promotion mix depicted in the given image:



- (a) Personal selling (b) Sales promotion
(c) Public relations (d) Advertising

1

OR



Identify the promotion strategy shown in the image above.

- (a) Below-the-line
(b) Above-the-line
(c) Through-the-line
(d) Both Below-the-line and Above-the-line

1

16. Rohan after completing his MBA from IIM Kolkata has joined a multinational company in the capacity of Marketing Manager. The company deals in diversified range of products. It deals with electronic items (like LED bulbs, blenders etc.) engineering goods, along with heavy machinery to be used in chemical industries. He has to decide the channels of distribution best suited for the company's product. Therefore, Rohan decided to use wholesalers and retailers for electronic goods and engineering goods and direct selling for heavy machinery.

The element of marketing mix discussed above is:

- (a) place mix (b) product mix
(c) promotion mix (d) price mix

1

OR

B & H is a leading advertising firm. They recruit new graduates through college placements. During an interview, a student was asked to list the four rules for planning any advertising activity, He replied that the following is required:

Aim, Target, Desire, Competitors.

Mention whether stated rules of advertising are 'True' or 'False'.

1

17. Ram was very thrilled with his new job. He was placed in a small factory manufacturing door knobs as a stock keeper. After a few days, while taking stock he understood that nuts and various small part constituted majority of the cost of production. After some time, the firm went into a loss and the owner decided to look into the various factors that could have constituted the loss. Ram expressed his concern that inventory was not properly maintained and that there are various techniques which are involved and if followed properly the company will not be in a loss. The owner agreed to the suggestion. He also decided to take help from some specialized government institutions that initiate

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steps for technological up gradation and modernization of existing units. Out of the following, which technique was suggested by Ram?

- (a) ABC Analysis (b) EOQ
(c) VED Analysis (d) None of these 1

18. The method of floatation in primary market is:

- (a) IPOs (b) Right Issue
(c) ESOP (d) All of the above 1

OR

A trading firm requires less working capital than manufacturing firm.

Is the given statement 'True' or 'False'?

1

19. Following information is related to Sales-Mix of Pen, Sketch Pen and Geometry Box.

Product	Pen	Sketch Pen	Geometry box
Sales Price per Unit (in ₹)	40	45	75
Variable Cost Per Unit (in ₹)	22	30	40
Sales-Mix Percentage	20%	20%	60%

Total Fixed cost is ₹ 90,000

Calculate the Weighted-Average-Contribution per unit for the Sales-Mix.

- (a) 21.6 (b) 27.6
(c) 30 (d) 25 1

20. A company produces calculators and sells 1,000 units of the same at ₹ 100 each. The variable cost of production is ₹ 60 per unit and fixed cost is ₹ 400 per annum. The break-even point will be :

- (a) ₹ 1,050 (b) ₹ 2,500
(c) ₹ 2,000 (d) ₹ 1,000 1

21. Software Ltd. is a trading concern. It has capital of ₹ 5,00,000. What will be return on investment for the firm if:

- (i) Sales: ₹ 2,50,000
(ii) Gross Profit: ₹ 1,00,000
(iii) Expenses: ₹ 50,000
(a) 50% (b) 20%
(c) 10% (d) 30% 1

OR

21. Bites Ltd. is a manufacturing firm. It has capital of ₹ 5,00,000 of which ₹ 3,00,000 is debt fund. Following are the other information:

- (i) Sales: ₹ 2,50,000
(ii) Gross Profit: ₹ 1,00,000
(iii) Expenses: ₹ 50,000

Return on equity for the firm will be:

- (a) 50% (b) 25%
(c) 100% (d) 30%

22. Why does an entrepreneur need to scan environment? Explain. 2

23. How is target market identified while preparing the marketing plan? State. 2

24. What mode of advertisement will you use to reach remote rural sectors? Why? 2

OR

Why are copyrights and patent important for an entrepreneur?

25. What is ABC analysis? 2

26. Source: Entrepreneur Magazine

"Assume that a sole proprietor borrows money to operate but the business loses its major customer, goes out of business, and is unable to repay the loan. The sole proprietor is liable for the amount of the loan, which can potentially consume all her personal assets.

Imagine an even worse scenario: the sole proprietor (or even one her employees) is involved in a business-related accident in which someone is injured or killed. The resulting negligence case can be brought against the sole proprietor owner and against her personal assets, such as her bank account, her retirement accounts, and even her home.”

Identify and explain the characteristic of sole proprietorship form of business stated in the above article. 2

27. Hemant was engaged in toy manufacturing business and was earning good profits. Out of his profit, he purchased two houses in a good residential locality. Nimesh, Hemant’s friend asked him to sell one of his houses to him as Nimesh was in need of the same. Hemant agreed and sold one of his houses to Nimesh at a good profit. Giving reason in support of your answer, state whether the sale of house by Hemant will be treated as business. State any two essential features of a business. 3

- [AI]** 28. Some important factors are involved in the process of sensing entrepreneurial opportunity. State these factors. 3

OR

Name and define the form of business organization in which liability of its members is limited. Explain any two features of this form of business organisation.

29. Explain any three factors that influence the decisions with regard to order of inventory. 3
30. Ashok was an entrepreneur. He prepared a plan for manufacturing a car with some unique features. He decided to set up the manufacturing unit in a reputed industrial area of Gujarat where labour and the facilities for their training were available at cheap rates. The plan also discussed about issues of long-term social welfare like arrangement for dumping and disposing of waste or emissions. He also decided that some components of the car would be imported from France.

The above information describes an important component of a business plan.

- (i) Identify the component. 4
- (ii) State three elements other than those discussed in the above para to be covered under this component.

OR

- (i) What is meant by a ‘Business Plan’?
- (ii) State any one importance of writing a business plan for each of the given interest groups:
- (a) Investors
- (b) Entrepreneurs 4

- [AI]** 31. A grocery store sold in a day different quantity of different products at the prices indicated against them:

Products	Price per Unit (₹)	Quantity Sold
Dal	40/kg	35 (kgs)
Chilli Powder	40/kg	10 (kgs)
Salt	5/packet	5 (packets)
Chips	15/packet	10 (packets)
Juice pack	5/packet	5 (packets)

The shopkeeper also found, based on the number of bills issued by him, that there were 50 customers. If customer is the unit sale, what is the “Unit Price” in the above case? If the cost of each grocery item is 75% of its selling price, calculate the “gross margin” per unit of sale. 4

32. “Unique Motors Ltd.” was a car dealer. It took over a car manufacturing plant “Speed Cart & Co.” and started a new business in the name of “Unique Cart Ltd.” To synergise and capture a major share of the market like other competitors, they decided to sell their cars through company appointed dealers (retailers) in various parts of the country. This would relieve the company from the burden of selling the cars while at the same time giving them control over the distribution process.
- (i) Name the “Enterprise growth strategy”.

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(ii) Identify the type of strategy identified in (i).

(iii) Identify the channel of distribution used by "Unique Cart Ltd.".

4

33. State how obtaining venture capital is different from raising loan from a lender. Also state any four areas where venture-capitalists decide to invest.

6

OR

With regard to 'public issue' as a source of finance, answer the following questions:

(i) Which type of enterprise can raise funds by 'Public Issue'?

(ii) What is the benefit to an investor while investing in 'Public Issue'?

(iii) Despite many benefits, this source of finance has some additional obligations and reporting requirements. State any four such obligations and requirements.

6

34. Differentiate between 'Penetrating pricing' and 'Skimming pricing'. State the situations when 'Penetrating pricing' and 'Skimming pricing' are useful. Also state any two disadvantages each for Penetrating pricing and Skimming pricing.

6

35. **Source: Forbes Magazine, June 17, 2019**

"Sometimes an opportunity isn't an idea that's completely new to the world.

Most often, it's in making something that already exists better, more convenient or more efficient. Wiivv is a great example of a company that did that. Its founder saw the orthotics industry and realized that he could create better wearables for cheaper than they were already being made by existing players in the market.

What's their secret? 3D printing, which hadn't yet impacted the wearable market. They were able to offer custom orthotics for people at a fraction of the cost of regular custom insoles.

One of the best ways to build a strong business is by finding an idea that already exists, has proven demand and then make it meaningfully better. That's the foundation for many successful businesses, from Uber to Facebook."

(i) Identify and explain the 'Idea fields' discussed in the above article.

(ii) Explain any four idea fields other than the identified above in (i).

6



Finished Solving the Paper ?
Time to evaluate yourself !
<https://qrgo.page.link/8xUpa>

OR

SCAN THE CODE

For elaborate Solutions

OSWAAL COGNITIVE
LEARNING TOOLS