

Sample Question Paper

Entrepreneurship (349)

Time: 3 Hours

Maximum Marks: 80

Answer all the questions. Internal choice has been given wherever necessary.

Select the correct option out of the given options for questions 1 to 20. 1x20=20 Marks

1. Which of the following is the first stage in the process of creativity?
 - a) Incubation
 - b) Insight
 - c) Preparation
 - d) Verification
2. SCAMPER is a technique used for
 - a) Enhancing creative thinking
 - b) Conducting Financial Analysis
 - c) Preparing feasibility report
 - d) Mobilizing financial resources
3. Which of the following is a characteristic of entrepreneurship?
 - a) Economic Activity
 - b) Business Opportunity
 - c) Economic Utilization
 - d) All of these
4. The factors that encourage a person to choose self-employment over a job is known as
 - a) Push factors
 - b) Pull factors
 - c) Adaptation
 - d) Appetite for risk
5. Which of the following is the role of entrepreneurship in Balanced Regional Development?
 - a) Environment protection
 - b) To Control Social Evils
 - c) To Defend the Country
 - d) All of these

6. Which of the following is NOT one of the three needs identified in McClelland's Three Needs Theory?

- a) Need for achievement b) Need for affiliation
- c) Need for Power d) Need for Security

7. Which of the following is an important outcome of following business ethics?

- a) Improving consumer confidence b) Encouraging business malpractices
- c) Reducing employee morale d) Damaging the public image of the business

8. A business enterprise can be established in which of the following forms?

- a) Sole Proprietorship b) Partnership
- c) Company d) All of these

9. Minimum number of members required to form a partnership is:

- a) 1 b) 10
- c) 2 d) 6

10. Which one of the following is not a characteristic of Limited Liability Partnership (LLP) ?

- a) Perpetual succession b) Restriction on transfer of ownership
- c) Limited liability d) Limited risk

11. Sole proprietorship is suitable when

- a) Capital requirement is more b) Risk is unlimited
- c) Quick decisions are required d) Requires large-scale operations

12. Which of the following business enterprises does not have a separate legal entity?

- a) Sole Proprietorship b) Partnership
- c) Company d) One person Company

13. Market feasibility study comprises of

- a) Market Conditions b) Operational Requirements
- c) Market demand d) All of these

14. Which one of the following is not a component of the feasibility study of a business plan?

- a) Market Analysis b) Product Analysis
- c) Technical Analysis d) Financial Analysis

15. Which report summarizes the outcomes of different elementary analysis forms part of the feasibility study of various business ideas.

- a) Technical Report b) Financial Report
- c) Feasibility Report d) Business Report

16. Which one of the following an entrepreneur needs to analyze in the market feasibility analysis?

- a) Customer's need b) Demographics
- c) Geographic location d) All of these

17. Which one of the following analyses addresses the concerns related to technical viability of the proposed business idea?

- a) Technical Analysis b) Feasibility Analysis
- c) Financial Analysis d) Market Analysis

18. Number of categories in which industries are classified by CPCB is

- a) 1 b) 3
- c) 4 d) 2

19. PMGDISHA stands for

- a) Pradhan Mantri Gramin Digital Saksharta Abhiyan
- b) Pradhan Mantri Gramin Digital Sankalp Abhiyan
- c) Pradhan Mantri Government Digital Saksharta Abhiyan
- d) Pradhan Matru Gramin Digital Saksharta Abhiyan

20. How many FPOs are there in India?

a) 8000

b) 6000

c) 5500

d) 3000

Follow the instructions for questions 21 to 25.

4x5=20 Marks

21. Fill in the blanks:

- a) _____ code is a prerequisite of MSME to fill the Udyog Aadhar Form.
- b) Industries having PI score including and up to 20 is comes under _____ category
- c) DSC stand for _____
- d) The GST rate of air conditioners is _____

22. Match the following:

Trademark can't be granted for	60 Years
Symbol associated with copyright	Geographical Indication
term of a copyright in case of Cinematographic film	Smell Marks
"Darjeeling Tea" signifies which intellectual property right	©

23. Fill in the blanks:

- a) _____ can be defined as a feature of the product in terms of shape, size, pattern, colours or configuration capable of giving it a divergent look.
- b). _____ type of licensing is more suitable in case parties want to exchange intellectual properties.
- c). _____ is not a head of income in income tax
- d). The application for registration of design can be filed at _____

24. Give one word answer

- a) MSMEs stand for ?
- b) The MSMED Act was enacted in which year?
- c) The maximum investment limit in equipment for a micro service enterprise is?
- d) The main objective of Credit Linked Capital Subsidy Scheme (CLSS) is?

25. Give answers-

- a) The maximum amount of subsidy provided under the Special Marketing Assistance Scheme has been limited to ?
- b). Prime Minister's Employment Generation Programme was started in which year?
- c). The Digital MSMEs for promotion of ICT in the MSME sector has a provision for cloud service. This cloud service will be provided for maximum of ?
- d). Which scheme is the most suitable for increasing the competitiveness of MSMEs through adoption of designs and its various associated aspects?

Answer the questions 26 to 31 in about 40-60 words.

2x6=12

26.What do you understand by brainstorming?

OR

What are the major sources of business finance available to an entrepreneur?

27.“Feasibility study is a systematic analysis that involves finding and documenting potential solutions to a particular business idea”. In the light of the statement, state any points of importance of feasibility study.

28. What are the various reasons due to which organizational crisis may arise?

OR

What are the major characteristics of Micro, Small and Medium Enterprises (MSMEs)?

29. Highlight the difference between Manufacturing and trading in brief.

30. Explain the two main types of business accelerators.

OR

Explain any three important features of venture capital.

31. At first glance, accelerators sound incredibly similar to incubators and they are. But there are a couple of key differences. Enumerate any two differences between accelerators and incubators.

Answer the questions 32 to 37 in about 60-80 words.

3x6=18

32. "Laymen often use the words 'invention' and 'innovation' interchangeably but being an entrepreneur, you shall understand the thin line between the two." In the light of the given statement explain the difference between innovation and invention.

OR

Explain the importance of business ethics for an enterprise.

33. What do you understand by a business idea? State the features of a good business idea?

34. Mention the steps for selecting an appropriate business plan.

OR

Explain the major components of a feasibility study of a business plan.

35. Do you think that it is important to manage crisis? If yes, what are the ways to effectively manage the crisis?

36. Explain the major legal compliances that an entrepreneur needs to follow while establishing a business enterprise.

OR

Explain the different forms of business enterprises.

37. "There comes a critical point in the business life cycle where most incubator programmes end, as the firm is technically ready to spread its wings." In the light of this statement explain the meaning and any two components of business incubation.

Answer the questions 38 & 39 in about 120-150 words.

5x2=10

38. "Motivation is the driving force for any individual. A person needs to be constantly motivated to work efficiently." In the light of this statement, explain Maslow's need hierarchy theory.

OR

Explain the importance of resource mobilisation for an enterprise. Also describe any three types of resources required by a business.

39. "Resource mobilisation is one of the pre-requisites to establish an enterprise. An entrepreneur needs to focus upon mobilisation of resources for bringing the enterprise into existence." in the light of this statement explain any different types of business resources.

Suggestive Marking Scheme

Ques No.	Details	Notes	Marks
1	C	---	1
2	A	---	1
3	D	---	1
4	B	---	1
5	D	---	1
6	D	---	1
7	A	---	1
8	D	---	1
9	C	---	1
10	B	---	1
11	C	---	1
12	A	---	1
13	D	---	1
14	B	---	1
15	C	---	1
16	D	---	1
17	A	---	1
18	C	---	1
19	A	---	1
20	B	---	1
21	NIC White Digital Signature Certificate 28%	---	1x4
22	Trademark can't be granted for	Smell Marks	1x4
	Symbol associated with copyright	©	
	term of a copyright in case of Cinematographic film	60 Years	
	“Darjeeling Tea” signifies which intellectual property right	Geographical Indication	
23	Design Cross Unconventional Incomes ipindia.nic.in	---	1x4
24	micro, small and medium enterprises 2006 10 Lakh to facilitate technology upgradation for MSMEs in India	---	1x4

25	20 Lakh 2008 5,00,000 Design Clinic Scheme	---	1x4
26	- It is the process of uncovering pain which equates with problem points to produce innovations. - Simple template for plotting pain points: Person (P),Activities (A),Insights (I) and Needs (N) OR Business finance can be obtained from internal as well as external sources. Internal finance mainly consists of the owner's own funds or equity. External sources include angel investors, crowdfunding, venture capitalists, specialised financial institutions, capital markets, government schemes, microfinance companies and the unorganised sector. An entrepreneur should select the appropriate source according to the financial requirements, cost and risk of the enterprise.	1+1	2
27	Importance of Feasibility Study - Provides valuable input for a decision to reject/not reject a business idea - Helps narrow down business alternatives - Helps improve the focus of the project team - Identifies weaknesses and threats related to the proposed business idea and workout new opportunities - Enhances chances of success by evaluating various parameters possibly affecting the profitability and endurance of business opportunity - Simplifies decision-making process	Any 2 points	2
28	Organisational crisis can arise due to any of the following reasons - Technological failure and breakdown of machines - Problems with Internet, corruption in the software, errors in passwords - As a result of boycott, strikes and disputes among employees - Violence, thefts and terrorism at the workplace - Illegal behaviour such as accepting bribes, frauds, data or tampering information - Financial aspects such as bankruptcy or cash crunch OR MSMEs are business enterprises that generally require comparatively less capital and manpower and operate on a smaller scale. They may be engaged in manufacturing or	Any 2 points	2

	service activities. MSMEs contribute to employment generation, production and economic development. They are classified into micro, small and medium enterprises based on prescribed investment and turnover criteria. The MSMED Act, 2006 provides the legal framework for their promotion, development and competitiveness.												
29	Manufacturing: Manufacturing is the process of developing useful things by extracting them from the environment and transforming and processing and converting them into other useful products. It uses raw material to convert them into the final product. Trading: Trade, as a kind of business, is completely concerned with the sale, transfer or exchange of goods and services. Trading is not concerned with production of goods or services. It only involves buying and selling goods and services.		1+1										
30	Seed programmes: last two to four months and focus on less mature startups, building up their business fundamentals before giving them the opportunity to pitch their ideas to investors. Second-stage programmes: last up to six months and focus on more mature startups, connecting them to the full range of support and opportunities. OR Three important features of venture capital are: 1. High degree of risk: Venture capital involves investment in businesses with high growth potential but also considerable risk. 2. Equity participation: The venture capitalist provides finance in return for an actual or potential equity participation in the enterprise. 3. Long-term investment: Venture capital is generally a long-term investment and may take several years to generate returns.		1+1										
31	<table><tr><th>Accelerators</th><th>Incubators</th></tr><tr><td>Deal in the large mentor-driven business network</td><td>Deal in small mentor-driven research work</td></tr><tr><td>Offer small seed funding</td><td>Usually have no funding scene</td></tr><tr><td>Apply to lean startup methodology</td><td>Apply to management methodology</td></tr><tr><td>The sectors of accelerators are fundamentally software and software-based areas</td><td>The sectors of incubators are technology platforms, clean energy, healthcare, biotechnology, automotive,</td></tr></table>	Accelerators	Incubators	Deal in the large mentor-driven business network	Deal in small mentor-driven research work	Offer small seed funding	Usually have no funding scene	Apply to lean startup methodology	Apply to management methodology	The sectors of accelerators are fundamentally software and software-based areas	The sectors of incubators are technology platforms, clean energy, healthcare, biotechnology, automotive,	Any 3 points	1+1+1
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		material sciences, and agriculture		
	Focus less on technology as compared to incubators	Focus more on technology as compared to the accelerators		
	Require weekly reality checks	Require not so much reality checks		
	Offers small seed funding	Requires usually no seed funding		
	Provide help to already stabled company to get ready and achieve its particular goal, typically to raise financing	Assist startups in growing and succeeding in an unstructured programme, with no specific goal or timeframe		
	Prepare for a major	Prepare for initial stages of business		
	Typically have a more rigid process as compared to the incubators	Typically have a less rigid process as compared to the accelerators		
	The best choice for startup growth	The best option for idea development		
32	• Invention can refer to a type of musical composition, a falsehood, a discovery, or any product of the imagination whereas the innovation is, “a process or an idea originated after study and experiment to upgrade the existing ways to solve a problem.” • Innovation refers to something new or to a change to an existing product, idea or process. One might say that the first telephone was an invention, the first cellular telephone either an invention or an innovation, and the first smartphone an innovation. OR Business ethics are important for the successful functioning and long-term sustainability of an enterprise. Ethical practices promote goodwill of the company, trust among employees and continued acceptance of the business in society. Ethical entrepreneurs practise fairness, honesty and integrity, obey the law, respect co-workers and clients, protect proprietary information and avoid conflicts of interest.		overall	3

	Ethical conduct also helps an organisation maintain its reputation and build positive relationships with stakeholders.		
33	• Meaning: a thought or a collection of thoughts that generate in the mind. • Features: • Relevant • Innovative • Unique • Problem- solving • Profitable	---	1+0.5+0.5+0.5+0.5
34	• Steps to select the most appropriate business plan • Concentrate on your skills, experience and passion • Perform Market Feasibility Analysis • Perform Technical Feasibility Analysis • Perform Financial Feasibility Analysis • Prepare the Feasibility Analysis report (FAR) • Compare all FARs prepared so far and choose the most appropriate Business Plan OR The major components of a feasibility study are: 1. Market Feasibility Analysis – Examines market conditions, demand, customers and competition. 2. Technical Feasibility Analysis – Determines whether the proposed business is technically viable. 3. Financial Feasibility Analysis – Examines financial requirements, costs, revenues and profitability. 4. Commercial Feasibility Analysis – Assesses the commercial viability of the proposed business. 5. Economic Analysis – Examines the economic viability of the business idea.	Explanation of points not needed	3
35	• Yes, explanation needed • Ways for Effective Crisis Management • Communicate • Respond quickly • Continuous update	---	1+2

36	The legal compliances depend upon the form of enterprise. An entrepreneur may need to obtain appropriate registration, GST registration, PAN, current account and registration of intellectual property, wherever applicable. Partnership firms need a partnership deed and may be registered with the Registrar of Firms. LLPs require registration and incorporation documents, while companies must be registered under the Companies Act, 2013 and comply with applicable statutory requirements, including annual returns and tax-related provisions. OR The major forms of business enterprises include sole proprietorship, partnership, Limited Liability Partnership (LLP) and company. In a sole proprietorship, ownership and management are generally with one person. A partnership is formed by two or more persons who agree to carry on business and share its results. An LLP provides limited liability with a separate legal identity. A company is a registered body with a separate legal identity and is governed by the Companies Act, 2013.		3
37	• Meaning: It is a physical space or facility that accommodates a business incubation process. • Components of Business Incubation: • Infrastructure, such as office space; • Business services, such as administration and information services; • Financing, such as providing the incubator's client businesses with information and support that will allow them to access appropriate sources of finance; • People Connectivity, which includes mentoring and coaching services, and access to networks.	Any two components	1+1+1
38	• Maslow's theory • Physiological Needs • Safety Needs • Social Needs • Esteem needs • Self-Actualization Needs OR	Explanation expected	1+1+1+1+1

	Resource mobilisation is essential because an enterprise requires appropriate resources to convert a business idea and plan into a functioning business. It involves acquiring the right type of resources, at the right time and at the right price, followed by their optimum utilisation. Three important resources are: 1. Financial Resources: Funds required for investment and business operations. 2. Human Resources: Employees possessing the skills and abilities required for business activities. 3. Physical Resources: Land, buildings, plant, machinery, furniture and other physical inputs required by the enterprise. Effective mobilisation and utilisation of resources contribute to the efficient functioning of the enterprise.		
39	Resources 1. Financial Resources 2. Human Resource 3. Material 4. Infrastructure 5. Method: Technology	Explanation expected	1+1+1+1+1