**unit II – ENTREPRENEURIAL PLANNING**

**COMPETENCY BASED QUESTIONS**

**MCQ:**

1. Gautam 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.**Gautam is using …………………… format of presenting a business plan.
2. A Company is an association of persons who contribute money in the shape of shares and the company gets a legal entity and enjoys a permanent existence. The scope of this artificial person is determined by some documents. Any work done beyond these documents can lead to winding up of the process of the company. Identify the documents-

.a Articles of Association & Memorandum of Association

  b. Filling of AOA / MCA/ MOA

. c. Indian Companies Act/ MOA/ AOA D.

d. All the abov

3. Sukhman wants to run her own enterprise which will produce health drinks for all age groups, containing Iron , Vitamin and Minerals by analyzing the needs of the health conscious public. Before starting a venture , She is required to make a comprehensive project report encompassing the entire range of activities which She has planned in the Business. Identify the concept of discussed.

A. Marketing Plan B. Functional Plan C. Business Plan D. Structure Plan

4. In the drive to make the world ‘plastic free’, Aru designed a machine to convert single use plastic into very small granules that could be used for making low cost roads. Her machine worked with the help of solar energy. She put her idea **before the venture capitalists by making an entertaining slide show and oral narratio**n. She also presented the executive summary of her proposed venture and a few key graphs. The format of business plan used by Aru:

1. Elevator pitch
2. A pitch deck with oral narrative
3. A written presentation for external stakeholders
4. An internal operational plan

5.. Sindhuja was extremely good at making traditional sweets which she had learnt from her grandmother. She decided to start selling the sweets through advertising in social media. Her business picked up and she got a lot of orders from clients all across India. Seeing her huge success, her friend Raman advised that she should open a shop in the market area to expand her business. He expressed interest in the business and was ready to invest money so that they could do the business together. What form of business organisation does Raman and Sindhuja start?

**6.. Match the following**

1. Breakeven point i. A summary of projected assets, liabilities

2. Proforma income statement ii. Actual payments are received or made

3. Cash flow iii. Total revenue is equal to total cost of a firm

4. Proforma balance sheet iv. Net profit calculated from projected revenue minus projected costs and expenses

a. 1 - iii, 2 - iv, 3 - ii, 4 - i

b. 1 - iii, 2 - ii, 3 - iv, 4 - i

c. 1 - ii, 2 - iii, 3 - i, 4 - iv

d. 1 - iv, 2 - iii, 3 - ii, 4 –i

7.Partnership form of organisation was developed due to the inherent limitations of sole proprietorship. One of them is limited capital, identify the other two?

a. Limited managerial ability, limited continuity

b. Limited continuity, unlimited liability

c. Limited managerial ability, unlimited liability

d. Lack of secrecy, limited continuity

8.This section goes beyond the manufacturing process and describes the flow of goods / services from production to the consumers.

1. Routing b Inspection c Shipping d Follow-up

9.This includes issuing necessary orders instructions, guidelines and/or information to work pertaining to giving practical shape to the production plan.

a. Inspection bFollow-up cDispatching d None of the above The production plan aims at "plan your work", there operations plan ensures …………………….

10.. This part of financial plan relates to how the enterprise's funds are invested in different assets so that the enterprise is able to earn the highest possible returns on investment. Identify the content of Financial Plan.

a. Break-even analysis bProforma financing decisions

c.Proforma investment decisions d. All the abov

11. Break even analysis helps to indicate the volume of sales needed to cover ……………….and …………….by the new enterprise.

a. Net profit and Gross profit c. Taxes and Expenses

b Variable and Fixed expenses d. All the above

12. Marketing Plan is a document

1. It reflects the marketing objectives and activities to be followed by the new enterprise.
2. It describes the flow of goods and services from production point to the customers.
3. It determines how many units must be sold or how much sales volume must be achieved in order to have break-even point.
4. It reflects the projected cash available with the enterprise

**Case study :**

13.Hemma was aengaged in toy manufacturing business and was earning good profit. Out of his profit she purchased two houses in a good residential locality. Neema ,Hemma’s friend asked her to sell one of her houses to her as Nimma was in need of the same. Hemma agreed and sold one of her houses to Nimma at a good profit.

Give reason in support of your answer state whether the sale of house by Hemma will be treated as business. State any two essential features of a business.

14.Karim after completing his XII exam from his village school joined the course of electrician in an ITI in a town near his village. On completion of this course he tried for a government job but could not get the same .He , therefore decided to help as worker to a renowned electrician in that area. After working with him for two years he decided to start his own electrician shop in the village. For this he purchased equipment for Rs. 10,000 and hired a shop at amonthly rent of Rs.2000. He decided to manage the shop by himself.

1. Identify the form of business organisation started by Karim.
2. State any four features of such a form of business organisation.

15.Vinit ,Vipul and Vinay were good friends. Each had property of Rs. 5 Lakhs, 4 lakhs and 6 lakhs respectively. They started a business of exporting ready - made garments in the name of “ V3 friends and decided to share profits equally. They were earning good profits and thus decided to diversify their business. For this they took a loan of Rs 10 lakhs from Vishal Finance Ltd. Suddenly they incurred heavy losses in their business and was not in a position to repay the loan. Vishal Finance Ltd. Field a case against V3 friends. Before the decision of the court Vinay transferred his shares in the name of his son – kavi without the consent of Vinit and Vipul. The court ordered to recover the loan amount from the private property of Vinit ,Vipul and Vinay.

1. Name the form of business organisation run by Vinit, Vipul and Vinay.
2. Identify and explain the two features highlighted in the above para of the identified business organisation.

16.Deepak and Gaurav joined the prestigious law university in Ahmedabad in the year 2015. During the course of study they became good friends and they both realized that their common interest lies in the field of corporate law. After completion of their degree they decided to start a firm of corporate of their own , namely ‘ Corpo Law Firm’ wherein both of them will be co-owners dividing the profit and loss. After successfully running the firm for a year , they realized that there are certain rights which are denied to their firm as it is not registered.

Explain the consequences of non- registration of their firm.

17.Farhan wants to start a small candle manufacturing factory. As a part of

his business plan he prepared an entertaining slide show and oral narrative

that was meant to trigger discussion and create interest in potential investors for reading the written presentation.

Identify and explain the format of the business plan referred in the above.

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