

Read the following instructions carefully and follow them :

This question paper contains **34** questions. All questions are **compulsory**

This question paper is divided into **four** sections – **Section A, B, C and D**

Section A : Questions number **1** to **18** are Multiple Choice Type Questions. Each question carries **1** mark.

Section B : Questions number **19** to **24** are Short Answer type-I questions. Each question carries **2** marks. Write answer to each question in **30** to **40** words.

Section C : Questions number **25** to **29** are Short Answer type-II questions. Each question carries **3** marks. Write answer to each question in **50** to **70** words.

Section D : Questions number **30** to **34** are Long Answer type questions. Each question carries **5** marks. Write answer to each question in **120** to **150** words.

There is no overall choice. However, an internal choice has been provided in **Section B, C and D** of question paper. A candidate has to attempt only one of the alternatives in such questions.

SECTION A

During the rainy season, Subir observed that a large quantity of natural and free water was being wasted. Being a mechanical engineer, Subir started to work on a device that was to be installed in underground water tanks, for collecting the rain water, freezing it and creating a surplus water resource. He prepared a prototype and started the trials on this device. He was happy that he succeeded in converting his idea into reality.

Identify the idea field that provided him an insight for developing the product :

- (A) Market-driven idea
- (B) Natural resource
- (C) Service-related idea
- (D) Creative efforts



Which of the following is **not** a component of 'Brand' ?

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- (A) Brand name
- (B) Brand mark
- (C) Trade mark
- (D) Tag line

'Anarya Ltd.', a company manufacturing cars wants to enter into e-car business in the next few months. For this it needs additional funds. To speed up financing it decides to sell some of its shares to institutional investors. The company also does not wish to disclose this information in the open market.

From the following, identify the method of floatation of new issues used by the company :

1

- (A) Public issue
- (B) Rights issue
- (C) Private placement
- (D) Offer to employees

'Nipro Electronics' was the leading player in the electronics industry for the last fifteen years. A few years back, 'Mobe Electronics', a smaller company as compared to 'Nipro Electronics' entered the market. 'Nipro Electronics' started losing its market share to 'Mobe Electronics' day-by-day due to its innovative products.

To maintain or develop a competitive edge and to upgrade its technology, 'Nipro Electronics' decided to acquire 'Mobe Electronics' under friendly terms but that failed. Now it decided to buy majority shares of 'Mobe Electronics' and hence initiated the acquisition.

From the following, identify the type of acquisition which 'Nipro Electronics' adopted after failing on friendly terms :

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- (A) Friendly acquisition
- (B) Hostile acquisition
- (C) Reverse acquisition
- (D) Back-flip acquisition



5. Selection of a product or service will depend upon many factors while assessing the market. The demand assessment is one of them. This assessment is based on :

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- (A) Technological advancements in the field
- (B) Size of the market being targeted
- (C) Transportation delays, wastage etc.
- (D) Level of operation

6. Assertion (A) : Mergers and Acquisitions is a potential strategy for ensuring the accelerated growth of business.

Reason (R) : Growing through Mergers and Acquisitions usually turns out to be less expensive as compared with internal expansion, particularly when the replacement cost of asset is higher than the market value of the targeted assets.

Choose the correct option from the following :

1

- (A) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).
- (B) Both Assertion (A) and Reason (R) are correct, but Reason (R) is **not** the correct explanation of Assertion (A).
- (C) Assertion (A) is correct, but Reason (R) is incorrect.
- (D) Assertion (A) is incorrect, but Reason (R) is correct.



Raghuram has been appointed as the stock incharge in a readymade shirt manufacturing company. The Production Manager asks Raghuram to ensure the availability of fabric without any interruption so that there is no stock-out situation. For this Raghuram wants to know the re-order point of fabric for the company, that is to determine when to place an order. For this he found out the procurement lead time, which is 2 months, and the demand during this period, which is expected to be 300 bales of cotton fabric per month. So the order should be placed when the stock reaches :

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- (A) 600 bales
- (B) 450 bales
- (C) 300 bales
- (D) 150 bales

Assertion (A) : Sales promotion relates to short-term incentives or activities that encourage the purchase or sale of products or services.

Reason (R) : Sales promotion helps to create awareness about the companies' products.

Choose the correct option from the following :

1

- (A) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).
- (B) Both Assertion (A) and Reason (R) are correct, but Reason (R) is **not** the correct explanation of Assertion (A).
- (C) Assertion (A) is correct, but Reason (R) is incorrect.
- (D) Assertion (A) is incorrect, but Reason (R) is correct.



12. Even after providing good food, excellent hospitality and other services, 'The Concept', a five star hotel, is facing problem of low demand for its rooms. To increase demand of the rooms in the hotel the Chief Executive Officer of the hotel called the Marketing Manager for advice. The Marketing Manager suggested that with a booking for three days and two nights package the hotel should announce an offer to provide free dinner along with complimentary breakfast for one day, as well as a free stay for one day at a good resort for its clients within a month.

The promotion strategy or approach suggested by the Marketing Manager is :

- (A) Above the line
- (B) Below the line
- (C) Through the line
- (D) None of the above

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13. '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 floatation of new issues being used by 'Vision Ltd.' is :

- (A) Public issue
- (B) Rights issue
- (C) Private placement
- (D) Offer to employees

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14. Aditi successfully completed her studies at a famous institute of fashion designing. She is now eager to establish a manufacturing unit specialising in designer clothes for the youth in India. To achieve this, she started going to locations frequently visited by her target customers. Additionally, she has begun exploring local markets and actively participating in fashion shows. These efforts aimed at gaining a deeper understanding of the market and ensuring that the manufactured designer clothes are in sync with the prevailing fashion trends.

Identify the way in which Aditi is spotting trends :

- (A) Read trends
- (B) Talk trends
- (C) Watch trends
- (D) Think trends

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15. Samarya owned an airline business with a fleet of 20 aircraft operating between Nairo and Piere. She wanted to expand the business to other parts of the country. She was concerned about the rising oil prices which would impact the costs as well as the sensitivity of the airline revenues to fluctuations in business traffic.

Identify the factor affecting the macro environment under PESTEL model :

- (A) Political
(B) Economic
(C) Social
(D) Technological

16. Sarita got admission in Nadir Engineering College. After two to three months, she observed that the students of the college were facing problems in washing and ironing of clothes due to shortage of time. Sarita sensed the opportunity, analysed it and synthesised it to identify an opening. She suggested to her cousin, Hitesh to start a laundry service for hostel students. Soon, this service became popular, not only among the hostel students, but also among the nearby residents.

'Ability to perceive and preserve basic ideas which could be used commercially' was the factor involved in sensing this opportunity. The source which led to the emergence of this basic idea was :

- (A) Problem
(B) Invention
(C) Innovation
(D) Competition

17. 'Air-Puro Ltd.' is engaged in manufacturing and distribution of air-purifiers. The company has four departments - Production, Marketing, Finance and Human Resource. The quality of the air-purifiers is very good and these are handy also. Due to this the demand of air-purifiers started growing. To meet the growing demand, the Production Head informed the Chief Executive Officer to recruit more employees.

The component of Business Plan which will help in deciding the number of people required is :

- (A) Marketing Plan
(B) Production Plan
(C) Organisational Plan
(D) Manpower Plan

18. Manoj, Ankit and Nikhil are good friends and doing interior designing business at a small-scale. Their business is taking off in a big way. Now there is a need to change their small-scale-business into a large-scale-business. The trio needs more capital to invest, to hire more employees and for other expenses. Due to the growing need they decided to re-organise their form of business. Now they wanted to have an organisation in which members have a limited liability and minimum paid-up capital is Rupees one lakh.

The type of organisation the trio wanted to form is :

- (A) Partnership (B) Public company
(C) Private company (D) Sole proprietorship

SECTION B

9. (a) State the elements in the innovation process.

OR

(b) Give the meaning of 'Problem Identification'. With the help of any two points, state how problem identification helps the entrepreneur.

10. Ariha loves eating good food and for that she generally visits famous restaurants. She is very fond of Kheer and after eating food she requests for Kheer as a dessert. Quite frequently she discovered that Kheer was not available in many restaurants. So she decided to make instant Kheer-mix in various flavours like Mango, Kesar-Elaichi, Malai-Rabri etc. and started selling these in the neighbourhood. The Kheer-mixes became popular in the neighbourhood, as they were easy to make and had a good taste. Now one of her friends suggested that she should consider selling the Kheer-mixes to the retailers and also to the restaurants directly. To achieve this she had to keep a distinctive name to distinguish her Kheer-mixes from that of the competitors, if any.

- (a) Identify and explain the component of product mix discussed in the above case.
(b) Also identify and explain the term through which the name given by her to the product can get legal protection.