

CHOITHRAM SCHOOL MANIKBAGH INDORE
CLASS XII Session: 2017-18

SUBJECT- ENTREPRENEURSHIP
Scheduled Date: 24/11/2017

ASSIGNMENT No. IV
Submission Date:29/11/2017

Q.no	Questions	Mark
Very Short Answer		
1.	What is meant by 'Financial Synergy'?	1
2.	Venture capital is different from loan. How?	1
3.	What will be the effect of conversion of debt into equity on the financial health of the company?	1
Very Short Answer		
4.	Explain the role of SEBI.	2
5.	State any two important functions of stock exchange.	2
6.	<p>Mr. Raghav retired as CEO of a well reputed IT company after having work 40 years in USA .He returned to India with a desire to encourage entrepreneurial venture to IT sector. He was approached by Nitin , a budding entrepreneur in IT sector whose venture was in a star-up stage and was falling short of funds. Apart from investing fund , Mr. Raghav also provided pre active advice , guidance and industry connection and thus, simultaneously helping them in raising high return on investment .</p> <p>Identify and explain the source of raising finance used by nitin.</p>	2
7.	Can all idea be converted into opportunities? Give reason.	2
Short Answer		
8.	<p>Deepa wanted to pitch in to reduce the financial crisis prevailing in her house and thought of working as a cook. She started working in three different households, one Punjabi, One Gujrati and one South Indian family. She soon realized that all the three households had different cuisine. It was indeed a challenge for her to learn the techniques of the cuisine. All the families greatly appreciated the timeframe within which she had mastered the local cuisine. After working for them for a year, she decides to open a small eating joint of her own along with two of her friends by the name 'Apni Rasoi'. They decided to share profits equally and that each of them will be liable for acts performed by the other two. Soon the eatery became a hot spot because of the fusion platter which was being offered.</p> <p>(a) Identify and define the kind of business organization which was set up by Deepa</p>	3

	and her friends. (b) Quoting the lines from the paragraph, state the features of this form of business organization.	
9.	What is PAN? And why is it required?	3
10.	<p>‘Golden Sweets’ was a partnership firm, owned by Swati and Sushma. ‘Asam Sweets’ was another partnership firm owned by Vipin and Pranav. Swati and Sushma were sharing profits in 1:2 ratio and Vipin and Pranav were sharing profits in 2:3 ratio. Both the firms were situated in a famous market of Guwahati and were doing competitive business. Pranav the partner of ‘Asam Sweets’ observed that many of their customers were from far off areas and if branches of ‘Asam Sweets’ are opened in other parts of the city, the firm may earn huge profits. Similar was the situation of ‘Golden Sweets’. One day in a function at a common friends house, the partners of both the firms knew that the internal expansion of their respective firms will be costly. Hence, they decided about the merger of the two firms. For this purpose they decided to meet again to finalise the conditions of merger. Finally on 1.1.2016 their respective firms were merged and a new firm ‘Asam Golden Sweets’ was formed with all the four partners Swati, Sushma, Vipin and Pranav. Their new profit sharing ratio was 1:2:2:3. During the year ended 31.12.2016 the new firm opened four new branches in different parts of the city and earned a profit of 30% on sales.</p> <p>(a) Identify the type of merger adopted by the two firms and also give its meaning. (b) Also give the names and meaning of two other types of mergers.</p>	3
	Long answer	
11.	State any five functions of Industrial Development Bank of India.	5
12.	<p>‘It is an organized mechanism meant for effective and smooth transfer of financial resources from the investors to the entrepreneurs.’</p> <p>(a) Identify the mechanism and list its different types. (b) Name the association of persons established under the mechanism identified in (a) above. Also explain any four points of its importance to investors.</p>	5