



Sacs.1207

KERALA AGRICULTURAL UNIVERSITY
B. Tech. (Agrl. Engg.) 2021 Admission
II Semester Final Examination – September 2022
Entrepreneurship Development and Business Management (2+1)

Marks: 50
Time: 2 hours
(10x1=10)

I Fill in the blanks

1. refers to the process of designing future course of action.
2. Father of Scientific Management is
3. Strategic planning is a
4. A wealthy individual who offers financial backing usually in high risk /high reward opportunities is
5. “W” stands forin SWOT.
6. Financial statements include 1..... 2.....3.....4.....
7. Long term debt / Capital employed is considered asratio.
8. NPV stands for
9. If the total present value of cash inflow equals the total present value of cash outflow the result is
10. The moral and ethical responsibility of a corporate business is measured under.....

II Write short notes on ANY FIVE of the following

(5x2=10)

1. Communication and control
2. Leverage ratios
3. Pay back method
4. Entrepreneurship Development Program
5. Joint venture in agri- business
6. Economic system and decision making
7. Women Entrepreneurship

III Answer ANY FIVE of the following

(5x4=20)

1. Role of motivation in entrepreneurship development
2. Elaborate the Theory “X” and theory “Y”.
3. Explain SWOT analysis and its usefulness in agribusiness management.
4. How financial statements are useful for analysing the performance of an agri-business?
5. What is liquidity ratios and explain its relevance in evaluating a business.
6. How NPV method is different from IRR?
7. What is Sensitivity Analysis and what is its importance in Agri-business?

IV Write an essay on any ONE of the following

(1x10=10)

1. (a) Describe the Break-even Analysis concept in decision making
- (b) Exon Snacks Inc. manufactures and sells two products, potato chips and pretzels. The fixed costs are Rs. 175,500 and the sales mix is 75% potato chips and 25% pretzels. The unit selling price and the unit variable cost for each product are as follows:

Products	Unit selling price	Unit variable cost
Potato chips	15	10
Pretzels	8.75	5.60

- (a) Compute the break even sales (units) for the overall product.
- (b) How many units of each product would be sold at the break-even point?
- (c) To make a profit of Rs.120,000, how many units of each product have to be sold?

2. LMS Ltd whose cost of capital is 8% is considering two mutually exclusive projects, Project X and Project Y. The details of the projects are as follows.

	Project X (Rs)	Project Y (Rs)
Investment cost	85,000	75,000
Operating cash inflows (Year)		
1	25000	35000
2	25000	35000
3	25000	24000
4	25000	20000
5	25000	10000
Scrap value of the project	0	5000

Compute:

- Payback period
- Net Present value
- If both the projects are independent and the expected rate of return is 16%, will you accept both these projects?

PV factors at 8% : 1year 0.9259; 2yr 0.8573; 3yr 0.7938 4yr 0.7350 and 5yr 0.6806

PV factors at 16% : 1yr 0.8621 ; 2yr 0.7432 ; 3yr 0.6407; 4yr 0.5523 and 5yr 0.4761
