



KERALA AGRICULTURAL UNIVERSITY
B.Tech.(Agri. Engg) 2018 Admission
II Semester Final Examination-June 2019

Sacs.1207

Entrepreneurship Development and Business Management (2+1)

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

I Fill in the blanks

- 1 Financial statements include 1.-----2.....3.....4.....
 - 2 Long term debt / Capital employed is considered as ----- ratio
 - 3 Father of Scientific Management is -----
 - 4 Strategic planning is a ----- term plan
 - 5 A wealthy individual who offers financial backing usually in high risk /high reward opportunities is--

 - 6 EBIT/ Interest stands for -----ratio
 - 7 If the total present value of cash inflow equals the total present value of cash outflow then the result is -----
 - 8 The moral and ethical responsibility of a corporate business is measured under -----
- State True or False**
- 9 NPV stands for Net Project Value
 - 10 Total present value of Cash inflow divided by investment is known as Net Benefit cost ratio

II Write Short notes on any FIVE of the following

(5x2=10)

- 1 Venture capital
- 2 Profitability ratios
- 3 TRIPS
- 4 Entrepreneurship Development Program
- 5 Public –private partnership
- 6 Political system and decision making
- 7 Women Entrepreneurship

III Answer any FIVE of the following.

(5x4=20)

- 1 Role of motivation in entrepreneurship development
- 2 Social Responsibility of a business
- 3 SWOT analysis and its usefulness in agribusiness management
- 4 How financial statements are useful for analysing the performance of an agri-business?
- 5 Liquidity ratios and its relevance
- 6 How NPV method is different from IRR
- 7 Sensitivity Analysis and its importance in Agri-business.

IV Answer any ONE of the following

(1x10=10)

- 1 a) Describe the Break-even Analysis concept in decision making **(3 marks)**
b) Tasty Snacks Inc. manufactures and sells two products , potato chips and pretzels. The fixed costs are Rs 167,500 and the sales mix is 70% potato chips and 30% 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	12.25	10.5
Pretzels	8.75	5.60

P.T.O

- a. Compute the break even sales (units) for the overall product **(3 marks)**
- b. How many units of each product would be sold at the break-even point **(2 marks)**
- c. To make a profit of Rs150,000 , how many units of each product have to be sold? **(2 marks)**

2 Egmore 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	90,000	80,000
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:

- 1. Payback period **(4 marks)**
- 2. Net Present value **(4 marks)**

If both the projects are independent and the expected rate of return is 16%, will you accept both these projects? **(2 marks)**

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

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