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

I Fill in the blanks **(10x1=10)**

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 projectsb? (2 marks)

PV factors at 8%: 1st year 0.9259;2nd yr0.8573;3rd yr 0.7938 4th yr 0.7350 and 5th yr 0.6806
PV factors at 16%: 1st yr0.8621 ;2nd yr 0.7432 ;3rd yr0.6407; 4th yr0.5523 and 5th yr 0.4761

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