MSME and Business Entrepreneurship

Standard difficulty · 20 questions · 40 marks · Time: 39 minutes

Name: _____ Date: _____ Score: ____ / 40

Show your working for Sections B and C. Answers are on the last page — try every question first!

Section A — Choose the correct answer — 8 × 1 = 8 marks

1. As per the book, a micro enterprise has investment in plant and machinery up to:
   (a) ₹50 crore **(b)** ₹5 crore **(c)** ₹10 crore **(d)** ₹1 crore

2. What is meant by “copyright”?
   (a) the right of a creator over an original work
   (b) an exclusive right over a new invention
   (c) the shape, pattern or colour giving a product its look
   (d) a sign showing that goods come from a particular region

3. Which kind of intellectual property protects the new shape of a water bottle?
   (a) trademark **(b)** geographical indication
   (c) copyright **(d)** design

4. Which problem of small business is this about: raw materials?
   (a) large foreign firms offer cheaper or better goods
   (b) they cannot afford quality checks and research
   (c) they buy in small lots at high prices
   (d) banks hesitate to lend without security

5. An enterprise has ₹40 crore invested in plant and machinery and a turnover of ₹170 crore. By the book’s limits, it is:
   (a) medium **(b)** micro
   (c) not an MSME (large) **(d)** small

6. An enterprise with investment well within the micro limit has a turnover of ₹3 crore. As the book gives it, by how much can its turnover grow before it is no longer micro?
   (a) ₹8 crore **(b)** ₹5 crore **(c)** ₹3 crore **(d)** ₹2 crore

7. Which of these is a role of MSMEs in the economy?
   (a) they use local skills and resources **(b)** they work only in big cities
   (c) they avoid all risk **(d)** they always need foreign technology

8. Which of these falls under “copyright” as a kind of intellectual property?
   (a) the music of a new film song
   (b) a new medicine discovered after research
   (c) a new variety of rice developed by a breeder
   (d) the pattern on a range of plates

Section B — Short answer — 8 × 2 = 16 marks

9. What is the basis of classifying MSMEs in the book?

10. Explain each term: (a) entrepreneur (b) trademark

11. Name the kind of intellectual property that protects each. (a) The logo of a shoe company. (b) A computer program written by a software firm.

12. Explain these problems of small business: (a) finance (b) capacity utilisation

13. An enterprise has ₹1 crore in plant and machinery and a turnover of ₹15 crore. Classify it, using the book's limits.

14. Classify these enterprises using the book's limits: (a) investment ₹1 crore, turnover ₹4 crore (b) investment ₹45 crore, turnover ₹150 crore

15. An entrepreneur sets up a small unit with ₹2,200,000 and employs 20 workers. Another unit with the same money employs 40. Which unit creates more jobs for the money invested, and how many jobs per ₹1 lakh does each create?

16. Which kind of intellectual property protects each, and why? (a) a new variety of rice developed by a breeder (b) tea grown in Darjeeling

Section C — Word problems — 4 × 4 = 16 marks

17. Explain the role of MSMEs in the economy.

18. Match each with its meaning: (a) geographical indication (b) copyright (c) entrepreneurship. Choose from: a sign showing that goods come from a particular region; the right of a creator over an original work; the process of setting up one's own business.

19. Read the case. (a) Dev wants to protect tea grown in Darjeeling. (b) Varun wants to protect a new medicine discovered after research. (c) Tanvi wants to protect a novel written by an author. Identify the kind of intellectual property in each part and explain it briefly.

20. Three units have these figures: (a) ₹8 crore invested, turnover ₹45 crore (b) ₹50 crore invested, turnover ₹270 crore (c) ₹9 crore invested, turnover ₹70 crore. Classify each by the book's limits, and give two problems small units commonly face.

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Answer key

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Q	Answer	Working
1	(d) ₹1 crore	—
2	(a) the right of a creator over an original work	—
3	(d) design	—
4	(c) they buy in small lots at high prices	—
5	(a) medium	—
6	(d) ₹2 crore	5 − 3
7	(a) they use local skills and resources	—
8	(a) the music of a new film song	—
9	Investment in plant and machinery or equipment, and annual turnover.	—
10	(a) a person who starts a business and bears its risks (b) a name or symbol identifying a firm’s goods	—
11	(a) trademark (b) copyright	—
12	(a) banks hesitate to lend without security (b) machines stay idle for want of demand or power	—
13	small	it must be within both the investment and the turnover limit
14	(a) micro (b) medium	micro: ₹1 cr and ₹5 cr; small: ₹10 cr and ₹50 cr; medium: ₹50 cr and ₹250 cr
15	the second; 0.91 and 1.82 jobs per ₹1 lakh	20 ÷ 22; 40 ÷ 22
16	(a) plant variety: it protects a new plant variety bred by a breeder (b) geographical indication: the product’s quality comes from its region	—
17	They employ many people with low capital, help develop rural and backward areas, use local skills and resources, contribute to production and exports, encourage entrepreneurship, and give self-employment.	—
18	(a) a sign showing that goods come from a particular region (b) the right of a creator over an original work (c) the	—

Q	Answer	Working
	process of setting up one's own business	
19	**(a) geographical indication: the product's quality comes from its region (b) patent: it protects a new invention (c) copyright: it protects an original creative work**	—
20	**(a) small (b) not an MSME (large) (c) medium; e.g. finance, raw materials, marketing, outdated technology**	both investment and turnover must be within the limit