

**CLASS XII
ENTREPRENEURSHIP**

UNIT-5: BUSINESS ARITHMETIC

Take risks in your life. If you win, you can lead. If you lose, you can guide." – Swami Vivekananda

- 1. Define the terms „Unit of sale“ and „unit cost“ in the case of multiple products.**
- 2. Discuss the usefulness of calculating breakeven point in a manufacturing environment.**
- 3. Define „Sales mix“ break-even point calculation. What are the assumptions in the Sales mix for the calculation of breakeven point?**
- 4. What does a cash flow indicate?**
- 5. How is the requirement of cash in a business projected/estimated? What is the name of the statement that shows the cash requirements of a business?**
- 6. Distinguish between cash flow projection and cash flow statement.**
- 7. Why cash flow projection?**
- 8. How to develop a cash flow projection**
- 9. What is financial management? What are the Objectives of financial management?**
- 10. Explain the process involved in planning a sound financial management strategy.**
- 11. Define Budgeting.**
- 12. Why are the essentials considerations while preparing a budget?**
- 13. Name and briefly explain the different types of budgets prepared by an enterprise.**
- 14. Distinguish between Budgets and budgeting.**
- 15. Explain the process of Budgeting in an enterprise.**
- 16. What are the known benefits of budgeting for an enterprise?**
- 17. What is the main cost involved in the process of budgeting?**
- 18. What are the different forms of budgeting process used by an enterprise?**
- 19. Name and explain the different types of budgets prepared by a small scale enterprise?**
- 20. What is the importance of budgeting for an enterprise?**

21. Why does an enterprise need capital?
22. What is meant by „Operating cycle“ or Cash Conversion cycle“? Explain the working of an Operating Cycle.
23. What do you mean by Gross working capital?
24. Define Inventory
25. Define Inventory Control
26. What are the physical and fiscal (money expenses) items that make up the inventory?
27. Explain in details the Pareto's Principle and ABC analysis for inventory control
28. Explain the Economic order quantity (EOQ) of inventory control.
29. What are the Costs involved in Economic Order Quantity method of inventory control?
30. What are the assumptions of Economic Order Quantity (EOQ) of inventory control?
31. Explain the method of calculating inventory levels using the Economic Order Quantity (EOQ) method of inventory control.
32. What are the various aspects of inventory control by EOQ method?
33. Name and briefly explain some commonly used Measures of profitability.
34. Define Return on investment. Show ROI with a working example.
35. Define Return on equity. Show Return on equity with help of a working example.
36. Which one to use? ROI or ROE? OR What are the benefits of Trading on Equity?
37. What is EBITDA?
The acronym EBITDA stands for earnings before interest, taxes, depreciation and amortization.
38. Why is EBITDA calculated? What its usefulness in Business?
39. What are „Depreciation“ and „Amortization“?

“To win without risk is to triumph without glory.” – Corneille
