

SAMPLE QUESTION PAPER
ENTREPRENEURSHIP (066)
CLASS 12 (2025-26)

TIME: 3 HOURS

M.M. – 70

GENERAL INSTRUCTIONS:

- (i) This question paper contains **34** questions. **All** questions are compulsory.
- (ii) The question paper is divided into **four** sections – **Section A, B, C** and **D**.
- (iii) In **Section A**: Questions number **1** to **18** are Multiple Choice Questions carrying **1** mark each.
- (iv) In **Section B**: Questions number **19** to **24** are Short Answer type-I questions carrying **2** marks each.
- (v) In **Section C**: Questions number **25** to **29** are Short Answer type-II questions carrying **3** marks each.
- (vi) In **Section D**: Questions number **30** to **34** are Long Answer type questions carrying **5** marks each.
- (vii) There is no overall choice. However, an internal choice has been provided in Section B, C and D of question paper.

S.No.	Question	Marks
SECTION – A		
1	Identify, which of the following is NOT an element of a business opportunity. (Choose the correct option) A. Assured market scope B. Attractive and acceptable rate of Return on Investment (ROI) C. Practicability of the idea D. Existing competition in the market	1
2	Proforma _____ is the component of the financial plan that summarizes all the projected sources of funds available to the venture to raise finance from. (Choose the correct option to fill up the blank) A. investment decisions B. financing decisions C. income statements D. cash flow	1
3	Read the following statements: Assertion (A) and Reason (R). Choose the correct option from those given below: Assertion (A): Sensitivity to environmental factors is crucial for an entrepreneur. Reason (R): Scanning the environment helps in identifying threats and opportunities in the market. Options: A. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). B. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). C. Assertion (A) is true, but Reason (R) is false. D. Assertion (A) is false, but Reason (R) is true.	1

4	Following is a list of external factors that affect the macro environment of the business. Identify the elements that are part of the economic environment. (i) level of education of the population (ii) interest rates on loans (iii) unemployment rates (iv) efficiency of the existing available machines (Choose the correct option) Options: A. (i) and (ii) B. (ii) and (iii) C. (iii) and (iv) D. (i) and (iv)	1
5	Identify, which of the following type of business organization has the maximum number of members. (Choose the correct option) A. Sole Proprietorship B. Partnership C. Public Limited Company D. Private Limited Company	1
6	Read the following statements: Assertion (A) and Reason (R). Choose the correct option from those given below: Assertion (A): Acquisition helps companies to expand their market share and gain access to new customer base. Reason (R): In an acquisition, one company purchases another enterprise to create synergies and enhance operational efficiency. Options: A. Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A). B. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A) C. Assertion (A) is true, but Reason (R) is false. D. Assertion (A) is false, but Reason (R) is true.	1
7	Opportunity can be spotted by analysing the ____ that exist in the environment. (Choose the correct option to fill up the blank) A. vision and creativity B. entrepreneurial intuitions C. creative solutions D. needs and problems	1
8	Identify the pricing strategy used by real estate market where prospective home-owners often submit bids for properties that are less than the posted asking prices leading to a series of offers and counteroffers that sometimes results in a sale taking place. (Choose the correct option) A. Creaming Pricing Method B. Variable Pricing Method C. Cost Plus Pricing Method D. Penetration Pricing Method	1
9	Read the following statements. Choose the correct option from those given below: Statement 1: The net result of internal expansion is the increase in business activities and broadening the present capital structure.	1

	Statement 2: A business may buy more machines or merge with another business which has the latest technology, if it wants to expand internally. Options: A. Statement 1 is true and Statement 2 is false. B. Statement 1 is false and Statement 2 is true. C. Both statements 1 and 2 are true. D. Both statements 1 and 2 are false.	
10	Refer to the given image carefully:  Source: https://www.postermywall.com/index.php/art/template/e8ff61d3887b02dc46445b1811fde88e/special-discount-offer-sale-poster-design-template Identify the promotion tool depicted and choose the correct option. A. Advertising B. Direct selling C. Public relation D. Sales promotion Note: The following question is for the Visually impaired Candidates only, in lieu of Q. No.10 Identify, which of the following is NOT a primary objective of advertisement. (Choose the correct option) A. To inform potential customers about a product or service. B. To persuade customers to prefer one brand over another. C. To create goodwill and a positive brand image. D. To reduce production costs.	1
11	Refer to the given text carefully: Hemant, Zoya and Radhika are the founding directors of Wintech Pvt. Ltd., a Bhopal-based business enterprise that manufactures and sells commercial lifts for the past 20 years. Today the company has 45 members. Hemant was handling the finance department of the business since the inception of the company. The banks who have lent money to the company have filed a case against Hemant for fraud and he will soon be arrested. Jaydeep, one of the members, has raised this issue in the board meeting. His argument is that since the case involves founding members, the company will be held liable for their actions and hence he wants legal protection from any action against the company. On the basis of the given text, identify which of the following characteristics of a joint stock company helps us to arrive at the conclusion that the argument made by Jaydeep is inaccurate. (Choose the correct option)	1

	A. Artificial person B. Separate legal entity C. Voluntary association D. Common seal																					
12	Operating Cycle is the duration between _____. (Choose the option to fill up the blank) A. purchase of raw material and packaging of the finished product B. receiving an order and its final shipment C. buying the raw material and receiving the cash from the customer D. purchase of machine and selling it in scrap due to obsolescence	1																				
13	From the given 'type of merger' in Column I and related examples in Column II, identify the matching pair and choose the correct option. <table><tr><td></td><td>Column I</td><td></td><td>Column II</td></tr><tr><td>a)</td><td>Horizontal Merger</td><td>1</td><td>A car manufacturer acquiring a tire supplier</td></tr><tr><td>b)</td><td>Vertical Merger</td><td>2</td><td>A beverage company acquiring another beverage company</td></tr><tr><td>c)</td><td>Product extension merger</td><td>3</td><td>A telecom company acquiring a regional telecom provider</td></tr><tr><td>d)</td><td>Market extension merger</td><td>4</td><td>A cosmetic company acquiring a skincare brand</td></tr></table> A. a)-1, b)-2, c)-3, d)-4 B. a)-2, b)-1, c)-4, d)-3 C. a)-3, b)-4, c)-2, d)-1 D. a)-4, b)-3, c)-1, d)-2		Column I		Column II	a)	Horizontal Merger	1	A car manufacturer acquiring a tire supplier	b)	Vertical Merger	2	A beverage company acquiring another beverage company	c)	Product extension merger	3	A telecom company acquiring a regional telecom provider	d)	Market extension merger	4	A cosmetic company acquiring a skincare brand	1
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14	Ambika is a venture capitalist based in Mumbai. She has been approached by Dharmesh with a unique business idea of an innovative security camera, which is a highly competitive market. Before investing, Ambika requires significant detail with respect to the company's business plan. Dharmesh is in a dilemma as he doesn't want to share his confidential information. From the following options, choose the correct piece of advice to guide Dharmesh in the right decision making. A. Not disclose any information and wait to generate funds on his own. B. Share complete information with Ambika as it is part of the due diligence. C. Protect the proprietary intellectual property and then share the required information. D. Share the information with a non-disclosure agreement between Dharmesh and Ambika.	1																				
15	Joseph is in the process of developing his business plan for a new venture of manufacturing and selling ball pens. He is required to estimate the funds required and classify them as fixed capital and working capital. Identify which of the following will be included while estimating working capital requirement for his venture. (Choose the correct option)	1																				

	A. Rent to be paid for the premises B. Purchase cost of the machine C. Money spent on renovation of an existing office building. D. Purchase cost of computer licenses for running software on computer	
16	From the following list of features of business investors, identify the correct option to describe the angel investors accurately. Features: (i) Individuals who have the knowledge, expertise, and funds that help start-ups match up to industry standards (ii) Investors who provide proactive advice, guidance, industry connections and mentoring start-ups (iii) Investors who have a continuous involvement in the business after making the investment (iv) Investors who have a legal right to repayment of the capital, irrespective of the success or failure of a business. Options: A. (i) and (ii) B. (i), (ii) and (iii) C. (iii) and (iv) D. (ii), (iii) and (iv)	1
17	Identify which of the following is NOT a benefit of estimating breakeven point for a multi-product business. A. Setting profit goal. B. Setting sales target. C. Determining the sales mix ratio. D. Determining the products that are not contributing to meet the fixed expenses.	1
18	_____ is the type of capital market where the existing investors can participate in buying and selling of securities. (Choose the correct option) A. Primary market B. Secondary market C. Joint market D. Public market	1
SECTION - B		
19	Raj, a recent graduate with a passion for technology, has noticed that many local grocery stores in his neighborhood face challenges with inventory management. He realized that digital inventory control and tracking systems are currently catering only to large retailers. He saw a potential opportunity to help smaller stores streamline their processes by automating stock tracking, generating real-time updates, and reducing errors in stock management. Raj's system will be tailored to the specific needs of small businesses that have limited technological expertise. Raj uses his knowledge of software development to build a prototype and starts reaching out to local store owners to introduce the product. (I) Mention the element of the macro environment reflected in the above case. (II) Identify the way of idea generation used by Raj.	1 1
20 (A)	State any two objectives of problem identification. OR	2
20 (B)	State any four sources of business ideas that can be used by an entrepreneur.	2

21	Kripa has recently opened a franchise outlet of a popular ice cream. She thoroughly reads and follows the franchise agreement before taking any decisions. In the month of April, she was planning for all the expenses in the financial year. Kripa wants to understand the amount she is expected to contribute towards national advertising efforts of the franchisor. (I) Identify the ingredient of the franchise agreement she should check. (II) Also mention one more information that is available in this ingredient identified in part (I).	1 1																								
22	State the four types of responses that a good advertisement may elicit.	2																								
23 (A)	Joginder is a fruit seller. The following information relates to his weekly sales: <table border="1"> <thead> <tr> <th>Fruit</th><th>Price (per kg)</th><th>Units sold (in kgs)</th></tr> </thead> <tbody> <tr> <td>Apple</td><td>200</td><td>50</td></tr> <tr> <td>Mango</td><td>350</td><td>40</td></tr> <tr> <td>Water melon</td><td>300</td><td>20</td></tr> <tr> <td>Leechi</td><td>250</td><td>40</td></tr> </tbody> </table> 40 customers visited his shop last week. If unit cost is 60% of the unit price, calculate unit price and unit cost. OR A furniture shop sells two types of beds, king and queen size, which are sold in the ratio of 2:3 respectively. Following data relates to the two products: <table border="1"> <thead> <tr> <th></th><th>King Size</th><th>Queen Size</th></tr> </thead> <tbody> <tr> <td>Sales price (in ₹)</td><td>20,000</td><td>15,000</td></tr> <tr> <td>Variable cost (in ₹)</td><td>17,000</td><td>13,000</td></tr> </tbody> </table> Calculate the Weighted Average Contribution Margin.	Fruit	Price (per kg)	Units sold (in kgs)	Apple	200	50	Mango	350	40	Water melon	300	20	Leechi	250	40		King Size	Queen Size	Sales price (in ₹)	20,000	15,000	Variable cost (in ₹)	17,000	13,000	2 2
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24	State the two types of costs associated with the estimation of Economic Order Quantity (EOQ).	2																								
SECTION - C																										
25	Explain any three factors to be considered by an entrepreneur while assessing the market.	3																								
26	Sarah, an entrepreneur in the food industry, regularly reads news articles, listens to podcasts, and observes customer behaviors to gather valuable insights. One day, she notices the demand for high-protein seafood like shrimp, is rising. She also hears about the growing popularity of Asian-fusion restaurants, and recalls a customer's comment about wanting more unique menu options. As Sarah processes this information, she connects the dots and comes up with the idea of introducing a new range of cuisine based on sea food with Asian fusion flavors to meet the growing demand. (I) Identify and explain the process Sarah is using to develop her business idea. (II) Mention the way in which Sarah spotted the opportunity.	2 1																								
27 (A)	‘Two heads are better than one.’ Justify the above statement with the help of advantages of partnership form of business over sole proprietorship. OR Differentiate between public and private form of joint stock company on the basis of: (I) Transferability of shares	3 3																								

	(II) Public subscription of shares (III) Minimum paid-up capital	
28	Identify and explain the promotional approach that aims to engage with the targeted consumers. Give any two examples of such customer engagement tools.	3
29	ABC Electronics, a company that manufactures high-quality consumer electronics, has been operating with a traditional distribution system. This system involves selling products to wholesalers, who in turn distribute them to retailers, who finally sell to the end customers. While this distribution model has worked for many years, ABC Electronics has faced several challenges. To address the issues, ABC Electronics decides to sell the products to consumers through their own retail outlets and online store. (I) Identify the two channels of distribution used by ABC Electronics. (II) State two advantages of the shift in the type of distribution channel.	1 2
SECTION - D		
30 (A)	Analyze how the stages of the creative process contribute to generating innovative ideas.	5
	OR	
30 (B)	Explain the key elements of an operation plan that help an entrepreneur streamline the production and manufacturing process.	5
31	Green Tech Solutions, a startup focused on developing sustainable energy products, is preparing to present its new solar panel technology to a group of potential investors. The presentation includes key graphs showing financial trends and decision-making benchmarks. The team opts for a hopeful and entertaining slide show while explaining company's mission to address climate change, the market opportunity, and its competitive advantages. (I) Identify the business plan presentation format used by Green Tech Solutions. Give valid reason for using the format. (II) "The Business Plan is considered to be a valuable document for a start-up such as Green Tech solutions." Justify the statement, giving three valid reasons.	2 3
32	Read the following text carefully: Riya, a young entrepreneur, wanted to start her own fast-food business but lacked experience in managing a large-scale operation. She approached Burger Bliss, a well-known fast-food chain, to become a franchisee. After signing the franchise agreement, Riya gained the right to use the brand name, trademark, and recipes of Burger Bliss. The agreement also outlined specific conditions: ● Riya had to purchase ingredients from approved suppliers. ● She had to follow the standard layout and design of the outlets as specified by Burger Bliss. ● A percentage of her monthly sales revenue was to be paid as royalty. Within a year, Riya's outlet was successful, but she began facing issues with the high royalty payments and restricted creative freedom in adding new menu items. She decided to introduce a local dish without informing Burger Bliss, which resulted in a warning notice from the franchisor. On the basis of the given text and common understanding, answer the following	

	questions: (I) State the key features of franchising as indicated in the above text. 1 (II) Identify two obligations Riya had towards Burger Bliss under the franchise agreement. 2 (III) Evaluate whether Riya's decision to introduce a local dish was justified. 2 Give valid reasons in support of your answer.	
33	A company sells 2,000 units of a product annually. The ordering cost per order is ₹ 400, and the holding cost per unit per year is ₹ 10. The lead time for delivery is 10 days, and the daily demand for the product is 40 units. (I) Calculate the Economic Order Quantity (EOQ). 2 (II) Calculate the Re-order Level for the company. 2 (III) State the importance of calculating Re-order Level by the company. 1	
34 (A)	A company needs to raise capital and has decided to offer shares to both its existing shareholders and the general public. (I) Identify and explain the methods the company has exercised to issue shares in the given scenario. 3 (II) State one advantage of each of the methods identified in Part (I). 2 OR	
34 (B)	(I) State the meaning of the term 'Seed Capital'. 1 (II) Giving reasons, explain the importance of stage of 'Seed Funding' for an entrepreneur. 2 (III) Describe any two factors that influence the decision of a Venture Capitalist (VC) to invest in the idea or product. 2	