



COMMON PRE-BOARD EXAMINATION 2025-26

Subject: ENTREPRENEURSHIP (066)

Class XII (2025-26)



Time Allowed: 3 Hrs.

Maximum Marks: 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.
- (iv) 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.

SECTION A

1	Ankush and Dev together took over their family business of furniture. They understood that the present competitors were using online means to sell their products. They decided on a new idea of providing furniture on a rental basis to offices and households and to also start making furniture using the traditional method which caught the attention of the new generation. They opened stores in various cities and also started selling and providing repairing services through online mode as competition has become intense and to survive in the market, new entrants will have to acquire skills, competencies and knowledge required to launch, manage and expand business opportunities. Identify the idea field used by Ankush and Dev? A. Creative Effort B. Service Sector Idea C. Natural Resources D. Trading related idea	1
2	Assertion (A): Environment analysis is the process of monitoring the economic and non-economic environment, to determine the opportunities and threats to an organisation. Reason (R): Information for environmental scanning can be collected from several sources. These include verbal information from customers, wholesalers, retailers, distributors, consultants, records of companies and government publications. Identify the correct option: A. Assertion is false but Reason is correct. B. Assertion and Reason both are correct and Reason is not the correct explanation of Assertion. C. Both Assertion and Reason are false. D. Assertion and Reason both are correct and Reason is the correct explanation of Assertion.	1
3	Which of the following is not an economic environment factor? A. Increase in oil price because of increase in crude oil price in the international market. B. Increase in unemployment.	1

	<p>C. Increase in pollution because of use of old machinery. D. Increase in interest rate by the banks.</p>	
4	<p>Priyanka, a teacher of Entrepreneurship, was teaching the steps in the creative process. By the time she was able to explain the first two steps of the process with a number of examples from day-to-day life, the period was over. She asked the students to read the sequence of the remaining steps to be discussed in the next period. The remaining steps and their correct sequencing is:</p> <p>A. Verification; Illumination; Incubation. B. Incubation; Verification; Illumination. C. Illumination; Verification; Incubation. D. Illumination; Incubation; Verification</p>	1
5	<p>To sense an opportunity and to identify an opening an entrepreneur employs his/her sharpened skills of observation, analysis and synthesis. There are various important features involved in this process. Identify from the following that factor which is not involved in sensing opportunities.</p> <p>A. Vision and creativity. B. Ability to develop a trend-spotter mind C. Ability to perceive and preserve basic ideas D. Ability to harness different sources of information.</p>	1
6	<p>Livo Ltd. launched a new smart watch having unique features of measuring blood sugar levels, blood pressure, etc. Jaspreet Singh, the production manager, thought of adding another additional feature of giving various types of commands and getting answers of these commands in the same smart watch.</p> <p>Identify the source which led to the emergence of the basic idea?</p> <p>A. Problem B. Change C. Competition D. Innovation</p>	1
7.	<p>Which of the following are disadvantages of sole proprietorship form of business organization?</p> <p>(i) Limited Managerial ability (ii) Limited continuity (iii) Limited Liability (iv) Limited capital</p> <p>A.(i); (ii); (iv) B.(ii); (iii); (iv) C.(i); (ii); (iii) D.(i); (iii); (iv)</p>	1
8.	<p>Fixation of time, day and date on which each operation is to be completed is described by which of the following elements of the operational plan?</p> <p>A. Routing B. Dispatching C. Scheduling D. Shipping</p>	1

9.	 <p>The above image depicts which of the following?</p> <p>A. Brand name B. Brand Mark C. Brand D. Trademark</p>	1
10.	<p>Advertising is?</p> <p>A. A paid form of communication B. Selling products personally C. A deliberate effort done to establish and maintain mutual understanding between organization and public D. It relates to short term incentives</p>	1
11.	<p>Saurabh has just started a business of selling designer furniture. Being new to the business community he wants to maintain and improve the relationship with stakeholders for obtaining favourable publicity, building a good corporate image and handling unfavourable rumours, stories and events. Which promotion mix, Saurabh needs to use?</p> <p>A. Personal Selling B. Public Relations C. Advertising D. Personal selling.</p>	1
12	<p>Promotional strategies those are very specific, memorable activities focused on targeted groups of consumers and are under the control of the organisation. The purpose of these activities is to develop the brand by creating awareness and building a brand profile. Identify the promotion strategy mentioned above.</p> <p>A. Below the line B. Above the line C. Through the line D. Personal selling</p>	1
13.	<p>Assertion (A): Mergers and Acquisitions is a potential strategy for ensuring the accelerated growth of business. Reason (R): Growing through Mergers and Acquisitions usually turns out to be less expensive as compared with internal expansion, particularly when the replacement cost of asset in higher than the market value of the targeted assets.</p> <p>Choose the correct option from the following: A. Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).</p>	1

	<p>B. Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).</p> <p>C. Assertion (A) is correct, but Reason (R) is incorrect.</p> <p>D. Assertion (A) is incorrect, but Reason (R) is correct.</p>																
14.	<p>A grocery sold the following items at the mentioned price per unit:</p> <table border="1" data-bbox="178 315 1153 514"> <thead> <tr> <th>Items</th> <th>Price per unit (₹)</th> <th>Quantity sold</th> </tr> </thead> <tbody> <tr> <td>Edible oil</td> <td>100</td> <td>5</td> </tr> <tr> <td>Bathing soap</td> <td>50</td> <td>5</td> </tr> <tr> <td>Cereals</td> <td>75</td> <td>10</td> </tr> <tr> <td>Health Drink</td> <td>10</td> <td>1</td> </tr> </tbody> </table> <p>The above items were sold to 10 customers. The “unit price” would be:</p> <p>A. ₹23.5 B. ₹210 C. ₹151 D. ₹75</p>	Items	Price per unit (₹)	Quantity sold	Edible oil	100	5	Bathing soap	50	5	Cereals	75	10	Health Drink	10	1	1
Items	Price per unit (₹)	Quantity sold															
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15.	<p>In ABC analysis, a company reviews its inventory and sorts all SKUs into three categories, called "A", "B" and "C" items.</p> <p>Match the following for the policy guidelines of ABC inventory control</p> <table border="1" data-bbox="178 840 958 955"> <tbody> <tr> <td>(i) A category</td> <td>(a) High safety stock</td> </tr> <tr> <td>(ii) B Category</td> <td>(b) Very strict consumption control</td> </tr> <tr> <td>(iii) C category</td> <td>(c) Two or more reliable</td> </tr> </tbody> </table> <p>A. (i)-(b); (ii)-(c); (iii)-(a) B. (i)-(a); (ii)-(c); (iii)-(b) C. (i)-(b); (ii)-(a); (iii)-(c) D. (i)-(c); (ii)-(b); (iii)-(a)</p>	(i) A category	(a) High safety stock	(ii) B Category	(b) Very strict consumption control	(iii) C category	(c) Two or more reliable	1									
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16.	<p>Choose the correct formula from the following for calculating Gross Working capital.</p> <p>A. Gross Working Capital = Cash + Short term investment + Fixed Assets + Debtors B. Gross Working Capital = Cash + Short term loan + Inventory + Other Current Assets C. Gross Working Capital = Cash + Accounts Receivable + Inventory + Other Current Assets D. Gross Working Capital = Cash + Outstanding expenses + Inventory + Long Term Liabilities</p>	1															
17.	 <p>Identify the Market depicted in the above picture.</p> <p>A. Commodity Market B. Capital Market</p>	1															

	C. Money market D. Angel Investors	
18.	<p>Statement 1: The primary advantage an entrepreneur stands to gain by going public is access to capital. In addition, the capital does not have to be repaid and does not involve an interest charge.</p> <p>Statement 2: The reward the IPO investors seek is an appreciation of their investment and possibly dividends.</p> <p>Identify the correct option:</p> <p>A. Statement 1 is correct; Statement 2 is incorrect. B. Statement 1 is incorrect; Statement 2 is correct. C. Both statements are incorrect D. Both Statements are correct.</p>	1
SECTION B		
19.	<p>Avantika wants to start a new business. Before deciding the type of business, she started identifying the new trends in retail business. She became a member of a trade association. She attended its events both online and offline. She also took advantage of the social networking tools.</p> <p>(i) Which way of trend spotting is used by Swami? (ii) Define a way of trend spotting other than identified in (i)</p>	2
20.	<p>Production, the most important activity of an enterprise, because it is here that transformation of raw material into finished product takes place with the help of energy, capital, manpower and machinery. If the new venture does not include any manufacturing function, like a trading firm or a service provider, then this section will stand eliminated from the plan.</p> <p>Briefly discuss the other two situations of preparing the production plan.</p>	2
21.	<p>Mr. Sen want to start a spare parts manufacturing unit. These spare parts will be used for production of electronic vehicles. For preparing the business plan he took the help of lawyers, accountants, marketing consultants. A detailed plan that will be needed was prepared by management but may not be of interest to external stakeholders. They also prepared an entertaining slide show with oral narrative that is meant to trigger discussion and interest potential investors in reading the written presentation.</p> <p>Identify the formats of business plan referred above.</p>	2
22.	<p>Ankita finished her graduation course on designing from a reputed university. She wanted to pursue higher studies from a foreign university. Her father felt that she should work for some time, gain some experience and then proceed to further study. Taking his advice she joined a top advertising firm 'Crypton Ltd'. The company was very famous and they had several important clients. As her first assignment, Ankita had to design an advertisement for print media for one of their major clients 'Amoridilla Soaps'. They were introducing new ayurvedic soap and they wanted Crypton to design an advertisement which was unique. Ankita started researching on the various rules of designing advertisement. She is informed that all good advertisements should elicit responses.</p> <p>Ankita approaches you to know the type of responses that a good advertisement elicits.</p> <p>Briefly explain those responses to her.</p> <p style="text-align: center;">OR</p> <p>Prakash Ltd., was running into losses for the past few years. The company appointed a consultant to look into the reasons for the loss. The consultant after analysing everything framed a sales</p>	2

	strategy which helped the sales force spend time targeting the correct customer at the right time. This helped the company to revive their profits within a few months. Explain the types involved in this strategy.	
23.	(a) Define Acquisition. (b) State any two types of acquisition. OR Define two forms of Business Merger.	2
24.	Tosima Water coolers Ltd. annually sales 900 water dispensers. The cost of placing each order is ₹5 and the carrying cost is ₹10. Calculate the economic order quantity.	2
SECTION C		
25.	Ranjit is in the process of developing the business plan of a shoes manufacturing unit which he wants to start in in an industrial area of Kolkata. He is in the process of developing a component of business plan wherein he has to detail the kinds of people required, their number and the process of their selection. (i) Which component of business plan is being referred here? (ii) State any two factors that will affect the number of people required for various positions. (iii) Ranjit, is also preparing a marketing plan for his business, state the first two steps involved in preparing such plan. OR Farhan is a manager at XPL Ltd, a renowned name in manufacturing allopathic medicines. The business is expanding and the owners of the company are planning to add ayurvedic medicines as an additional product line. Farhan is given the responsibility of preparing the business plan for the new venture. He outlined the introductory cover page and completed the steps sequentially in the business plan before deciding about the proposed venture's form of ownership. Each type of business differs in terms of commencement procedures, legal constraints, financial requirements etc. That is why it is important to categorise the business first and then choose a legal structure for it. (i) Identify the component of the business plan discussed above. (ii) State any four points that must be mentioned about this component of the proposed business plan while describing the proposed venture's opted form of ownership.	3
26.	In preparing the proforma income statement, sales by month must be calculated first, making use of forecasting techniques as the basis. State the techniques adopted for forecasting.	3
27.	Aircon Ltd manufactures and sell coolers with various features and its target market is higher middle class in Delhi and NCR. There is no competitor for Aircon Ltd. The company decided to sell their product at high price. In spite of having unique features its sales did not picking up. They conducted and found out the reason for the failure of this pricing technique. The company revised their market technique and adopted a pricing technique based on manufacturing estimates which would cover the cost of manufacturing the coolers plus a reasonable profit. (i) Identify the pricing technique initially adopted by Aircon Ltd. (ii) Name their revised pricing strategy. (iii) State any one advantage of the revised pricing technique.	3

28.	<p>Sunil completed his studies and decided to start his own business. His father advised him to start any enterprise through the franchise route. Sunil approached 'My School', a leading playschool chain and agreed to their terms and conditions. It was agreed that Sunil would be provided significant amount of assistance in starting and managing the school. He would use the name and trademark of 'My School' and would pay a fee or royalty in return.</p> <p>(i) Identify and explain the type of franchising. (ii) Also explain one more type of franchising other than the one identified in (i) above.</p>	3																
29.	<p>(i) Who are Angel Investors? (ii) State any two features of Angel Investors.</p>	3																
SECTION D																		
30.	<p>Sensitivity to environmental factors is crucial for an entrepreneur. In the light of this statement, explain any five benefits of understanding the relevant environment of business.</p>	5																
31.	<p>Explain any five characteristics of partnership.</p> <p style="text-align: center;">OR</p> <p>Explain any five characteristics of sole proprietorship.</p>	5																
32.	<p>Explain the following reasons for mergers and acquisitions:</p> <p>(i) Acquiring new technology (ii) Improved profitability (iii) Access to funds (iv) Acquiring a competency (v) Entry into new markets</p>	5																
33.	<p>Utkarsh Soap Manufacturers processes different ingredients to make medicated soap, Medi Heal. It also does ancillarisation of the by-product to make floor cleaners and also manufacture wrapping paper by synthesising the waste materials left after production. There is separate plant for each product and the information regarding selling price, variable cost and fixed cost for each product is given below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Variety</th> <th>Medi Heal</th> <th>Floor Cleaner</th> <th>Wrapping paper</th> </tr> </thead> <tbody> <tr> <td>Selling Price</td> <td>₹155/kg</td> <td>₹100/litre</td> <td>₹20/meter</td> </tr> <tr> <td>Variable Cost</td> <td>₹75/kg</td> <td>₹25/litre</td> <td>₹10/meter</td> </tr> <tr> <td>Allocated Fixed Cost</td> <td>₹8,00,000</td> <td>₹1,50,000</td> <td>₹80,000</td> </tr> </tbody> </table> <p>(i) From the given data, calculate the break-even quantity for each product. (ii) State any two assumptions of break-even analysis.</p>	Variety	Medi Heal	Floor Cleaner	Wrapping paper	Selling Price	₹155/kg	₹100/litre	₹20/meter	Variable Cost	₹75/kg	₹25/litre	₹10/meter	Allocated Fixed Cost	₹8,00,000	₹1,50,000	₹80,000	5
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34.	<p>(i) Define: Venture Capital (ii) Explain four stages through which Entrepreneurs can seek finance from venture capital for business development.</p>	5																