Sample Question Paper
Subject: Entrepreneurship
Class – XII
Full Marks: 70 Time: 3 Hours

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.

Q. No.	Question	Marks
	Section-A	
1.	Entrepreneurship is mainly concerned with: (a) Profit making (b) Risk Bearing (c) Innovation and creation (d) All of the above	1
2.	Krish wanted to open a café. He calculated Startup cost, designed a logo, researched competitors and identified his target customers i.e. college students. Which component of a business plan does target customer identification belong to? (a) Financial Plan (b) Operational Plan (c) Marketing Plan (d) Organizational Plan	1
3.	Merger with another company producing similar products is – (a) Vertical merger (b) Horizontal merger (c) Diversification (d) Conglomerate merger	1
4.	Which among the following are the sales promotion activities carried out by any business for customer promotions? (I) Bonus stock (II) Trade show displays Competitions, coupons, sweepstakes and games (III) On-pack offers, multipacks and bonuses (IV) Loyalty reward programmes (a) (I), (II) and (III) (b) (I), (IV) and (V)	1

	(c) (III), (IV) and (V) (d) (II), (III) and (IV)	
5.	A product cost Rs. 500 and is sold at Rs. 600. What is the profit percentage on cost? (a) 20% (b) 10% (c) 15% (d) 25%	1
6.	Angel investors usually invest during which stage of a business? (a) Expansion Stage (b) Early or Start-Up Stage (c) Maturity Stage (d) Decline Stage	1
7.	Neha noticed a lot of coconut shells being thrown away near temples. She started a small business making decorative lamps and bowls from discarded shells. Neha identifies an opportunity through? (a) Market research report (b) Waste material utilization (c) Government Scheme (d) Employee feedback	1
8.	Opportunity can be spotted by analyzing the ______ that exist in the environment. (a) Vision and Creativity (b) Entrepreneurial institutions (c) Creative Solutions (d) Needs and problems	1
9.	A company launched a spicy instant noodle variant in a region where people preferred mild flavours. Sales dropped quickly. The company failed in which step of the marketing process. (a) Product Promotion (b) Market research and consumer analysis (c) Pricing strategy (d) Packaging design	1
10.	Read the following statements: Assertion (A) and Reason (R). Choose the correct option from those given below: **Assertion (A)** : A brand or part of a brand that is given legal protection against its use by other firms is called trade mark. **Reason (R) :** Trade mark is essentially a legal term, protecting the seller's exclusive right to use the brand name/mark. Options: (a) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A). (c) Assertion (A) is correct, but Reason (R) is incorrect (d) Assertion (A) is incorrect, but Reason (R) is correct.	1

11.	Venture capital is best described as: (a) Equity financing for new and high-risk ventures (b) Government grant to small businesses (c) Short-term business loan (d) Long-term debt from banks	1
12.	If a firm maintains excessive inventory, it will lead to: (a) Increase in holding cost (b) Decrease in sales (c) Increase in profits automatically (d) None of these	1
13.	‘Reliance Ltd.’ is which form of Company? (a) Private Company (b) Government Company (c) Public Company (d) None of the above	1
14.	Human resource planning helps to avoid (a) Overstaffing and understaffing (b) Marketing Competition (c) Sales decline (d) Financial losses only	1
15.	In acquisition, the ownership of the target company: (a) Remains the same (b) Is shared equally (c) Is taken by the government (d) Is transferred to the acquiring company	1
16.	The total amount of current assets is Rs. 5,00,000 and current liabilities is Rs 2,00,000. Then the amount of Gross Working Capital will be. (a) Rs. 5,00,000 (b) Rs. 2,00,000 (c) Rs. 3,00,000 (d) None of the above	1
17.	Which of the following is not an idea field? (a) Natural Resources (b) Market demand (c) Technological changes (d) Employee Salary	1
18.	Tanu plans to start a small bakery called ‘Sweet Delights’. She decides where to purchase raw materials like flour and sugar, hires two bakers, fixes working hours and plans daily production based on customer orders. The above decisions are part of which plan? (a) Marketing plan (b) Organisational plan (c) Operational plan (d) Financial plan	1

	Section-B	
19.	Aakansha started her boutique business near an industrial area and she was not getting clients as she had expected. State any two factors which have been ignored by her before starting the boutique.	2
20.	(A) Explain how company is an artificial person? OR (B)Which form of business organization is suitable for following types of business and why? i. Beauty Parlour ii. Shopping malls	2 2
21.	A new company launched bottled water with the name "Crystal Drop". The name suggests purity and freshness, helping customers identify its use and quality. Why is the choice of brand name important?	2
22.	(A) Explain any two advantages of merger. OR (B) What is market extension merger?	2 2
23.	A technology start-up developed an AI-based Learning App. Since the business had high growth potential but no profits yet, a venture capital firm invested ₹3 Crore in exchange for equity. i. What type of businesses usually receives such funding? ii. What do venture capitalists expect in return?	2
24.	(A) "Innovation is the Key to business survival". Justify this statement. OR (B) Explain the first two stages of the creative process.	2 2
25.	Prabhat decided to start his own venture and was looking into various ideas. Explain the various sources from where he can get some good business ideas.	3
26.	(A) "All perceived ideas may not become successful projects." Explain. OR (B) Explain any four ways in which an entrepreneur spots trend.	3 3
27.	When Amul was first launched it wanted to create a LOGO that represented India and its dairy culture. The company choose a simple design with the word 'Amul' in bold red letters and later introduced the famous Amul Girl cartoon for its advertisements: i. What is the importance of a Logo for a brand like Amul? ii. What message does Amul's logo convey?	3
28.	(A) Explain any three roles of 'public relations' for a business? OR (A) Distinguish between 'Above the line' and 'Below the line' promotion strategies.	3
29.	A book shop, sells 30,000 units of pen per year. Demand is uniform; purchase cost is Rs. 6 per pen. Holding cost per annum is 20% of purchase cost. Ordering cost is Rs. 500 per order. What should be the EOQ for the shopkeeper?	3
	Section-C	

30.	(A) Explain the main components (format) of a business plan. OR (B) ‘A good business plan helps in reducing the risk of failure.’ Justify this statement.	5
31.	Sameer a student observed daily traffic jams near school during morning hours. He found that each school had separate buses, leading to congestion. He came up with the idea of a shared “School Transport app” that connects school in the same area to share buses and routes. i. Identify the problem ii. What innovation idea did Sameer create from this problem? iii. Which stage of entrepreneurial process does this represent?	5 (1+2+2)
32.	Domino’s provide its franchisees with strong operational support including supply chain system, technology and advertising. Franchisees must follow strict quality control and maintain branch standards. In return, they pay royalty fees and share a portion of profits with the company. i. What are the obligations of Domino’s franchisees? ii. Explain two advantages and two disadvantages for a franchisee in such a system.	5
33.	(A) What is Inter-corporate Deposits? Explain briefly the three types of Inter-corporate Deposits. Mention one risk involved in it. OR (B) What is level setting? Explain the following techniques of level setting. i. Reorder level ii. Maximum level iii. Minimum level iv. Danger level	1+3+1 =5 1+4=5
34.	A toy making company produces Toy Cars and Barbie dolls. Fixed cost Rs. 12,90,000 per annum. Sales revenue, variable cost per unit and sales mix ratio are as follows: Toy Cars / Barbie Dolls Sales Price: Rs. 20 / Rs. 25 Variable Cost: Rs. 8 / Rs. 10 Sales mix ratio: 70% / 30% Calculate Break Even point in units for each product and total Break-Even points in Sales (E).	5

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Class XII

Unit No.	MCQ 1x18=18	SA1 2x6=12	SA2 3x5=15	LA 5x2=25	Total unit-wise
1 & 2	1 (8)	2 (3)	3 (2)	2 (2)	30 (15)
3 & 4	1(5)	2 (2)	3 (2)	1(1)	20 (10)
5 & 6	1(5)	2 (1)	3 (1)	2(2)	20 (9)
Total Q-type	18 (18)	12(6)	15 (5)	25(5)	70 (34)