B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL

TERM-1 EXAMINATION (2026-27)
CLASS XII — ENTREPRENEURSHIP (066)
SET 1

Class: XII	**Time: 3hrs**
Date: 11/09/2026	**Max Marks: 70**
Admission no:	**Roll no:**

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. Section A consists of 18 questions of 1 mark each (Multiple Choice / Assertion-Reason). One question is image/diagram based.
3. Section B consists of 6 questions of 2 marks each. Answers should not exceed 60–80 words.
4. Section C consists of 5 case/source-based questions of 3 marks each. Answers should not exceed 100–120 words.
5. Section D consists of 5 long-answer questions of 5 marks each. Answers should not exceed 150–200 words.

Section A

Q1. Prabhav is a budding entrepreneur who is about to pitch in his idea to a group of investors. For presenting his business plan he has made a teaser of about three minutes to awaken the interest of the potential investors. Prabhav is using ______format of presenting a business plan. [1]

(a) Elevator Pitch (b) Detailed Project Report (DPR)
(c) Feasibility Report (d) Executive Summary

Q2. North west Airlines started their operations from India to various parts of the country in the year 2015. The company had been successful in it's operations as more people preferred to travel by air due to change in the lifestyle and attitude towards work and leisure. It is__factor as per PESTEL model. [1]

(a) Political Factor (b) Economic Factor
(c) Social Factor (d) Technological Factor

Q3. __________is the first stage in the process of innovation. [1]

(a) Preparation (b) Idea germination
(c) Incubation (d) Illumination

Q4. After assuming the future demand, every company needs to determine when to place an order for stock and how much to order. This can be calculated by usingthe_____formula. [1]

(a) Break-even Point (BEP) Formula
(b) Economic Order Quantity (EOQ) Formula
(c) Return on Investment (ROI) Formula
(d) Safety Stock Formula

Q5. State whether the following statements are 'true' or 'false'.

Innovation is an indication that will help the entrepreneur to understand the market and produce goods or provide services in sync with the market needs, demand and taste. [1]

(a) True, because innovation helps identify customer preferences.
(b) False, because market survey helps entrepreneurs understand market needs and demand
(c) True, because innovation is the first step in market research.
(d) False, because only advertising helps entrepreneurs understand customer demand.

Q6. Priya joined a Publication Company that publishes a monthly magazine "Lifestyle". It covers articles related to fitness, clothing, gadgets, cooking etc., Priya had joined the clothing division of the magazine. Her divisional head explained her nature of work of the division. She also informed Priya that in addition to visits to local mall she would have to attend 'Power lunches' on the firstMonday of every month. Out of the following identify the way of spotting trend, the divisional head is talking about? [1]

(a) Read trends (b) Talk trends
(c) Watch trends (d) Think trends

Q7. B & H is a leading advertising firm. They recruit new graduates through college placements. During an interview, a student was asked to list the four rules for planning any advertising activity, he replied that the following is required: [1]

Aim, Target, Desire, Competitors.

(a) The answer is correct because these are the four rules of advertising.
(b) The answer is incorrect because 'Competitors' should be replaced with 'Media'.
(c) The answer is incorrect because 'Desire' should be replaced with 'Media'.
(d) The answer is incorrect because 'Target' should be replaced with 'Budget'.

Q8. Varun, a student of class XII, observed that a large number of students of the school were using mobile phones. He also observed that many parents of such students were worried about the content being viewed by their children on mobile phones and were not able to control them. Being a talented and an intelligent student he decided to develop an app that may help the parents to watch and control children regarding the content being viewed. From the following identify the "idea field" used by Varun to develop the app.

(a) creative efforts (b) Trading related ideas [1]
(c) Market driven ideas (d) Natural resources

Q9. Match the following: [1]

COLUMN 1	COLUMN 2
1. Break Even Point	i. A Summary of projected assets and liabilities
2. Proforma Invoice Statement	ii. Actual payments are received or made
3. Cash Flow	iii. Total revenue is equal to the total cost of the firm
4. Proforma Balance Sheet	iv. Net profit calculated from projected revenue minus projected costs and expense

(a) iii, iv, ii, i (b) iii, ii , iv, i
(c) i, ii, iii, iv (d) iv, iii, ii, i

Q10. Assertion (A): Back flip acquisition is a rare case of acquisition in which the purchasing company become a subsidiary of purchased company.

Reason (R): Both the companies approve the acquisition but the entire process is done by force.

(a) Both A and R are true, and R is the correct explanation of A [1]
(b) Both A and R are true, but R is NOT the correct explanation of A

(c) A is true, but R is false
(d) A is false, but R is true

Q11. During the last month, the total 450 people took meal in a restaurant and the total billed amount was Rs. 90,000. The unit price per person will be. [1]

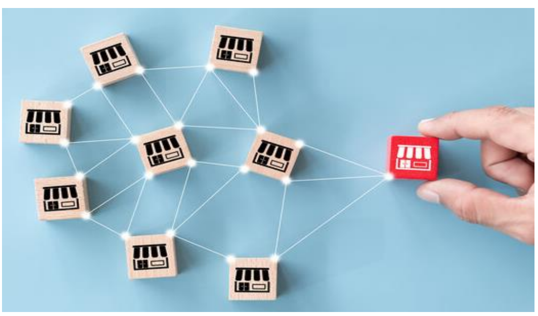
(a) Rs.200 (b) Rs.475
(c) Rs.325 (d) Rs.210

Q12. Match the following: [1]

COLUMN 1 – Types of Mergers	COLUMN 2 - Examples
1. Vertical merger	i. A Watch manufacturer acquiring cement manufacturer
2. Market extension Merger	ii. Bank of Madhura merged with ICICI Bank
3. Conglomerate	iii. A Textile company acquires a cotton yarn manufacturer
4. Horizontal merger	iv. Hindustan Unilever Company acquired Lakme, it helped HUL to enter the cosmetic market

(a) iii, iv, i, ii (b) iii, ii , iv, i
(c) i, ii, iii, iv (d) iv, iii, ii, i

Q13. Which of the following forms of business model is represented in the below image. [1]



(a) Franchising (b) Acquisition
(c) Merger (d) none

Q14. A car manufacturer acquiring type company is an example of: [1]

(a) Horizontal merger (b) Conglomerate merger
(c) Market penetration (d) Vertical merger

Q15. Which of the following is related to 'Below the Line' promotion that a company can use to promote its products. [1]

(a) It targets mass audience (b) It targets identified small groups
(c) It helps in establishing brand identity (d) It includes conventional media like television, print , online and cinema advertising

Q16. **ASSERTION**(A): Labelling acts as a silent salesman.

REASON(R): It helps in the promotion of products by attracting the attention of customers and providing required information. [1]

(a) Both A and R are true, and R is the correct explanation of A

(b) Both A and R are true, but R is NOT the correct explanation of A

(c) A is true, but R is false

(d) A is false, but R is true

Q17. A comprehensive written document prepared by the entrepreneur describing all the relevant internal and external elements in starting a new venture is called. [1]

(a) marketing plan (b) business plan

(c) financial plan (d) operational plan

Q18. Divij and Ayan are partner in a transport business. With the view to expand they thought of changing the form of business where their liability will be limited. [1]

(a) Public limited company (b) Private limited company

(c) Corporate organisation (d) None

Section B

Q19. "Entrepreneurs receive ideas from various sources but it is more important to take these ideas seriously and convert them into business opportunities" State the main sources of ideas. [2]

Q20. State any four ways in which problem identification helps the enterprise. [2]

Q21. (A) Akash has being doing a trading business of fruits for over a year. He buys fruits from farmers and sells them to retail fruit sellers in limited quantities as is aware of his unlimited liability. He has 15 fixed buyers and he offers all of them a credit of 15 days. He takes all the decision regarding his business and sometimes faces a problem of shortage of funds. Even though he wants he is unable to expand his business so he has to be contend with his small scale operation. [2]

i) Identify the form of business carried by Akash.

ii) State any three features of the business that can be identified from the above.

OR

(B) Ajay and Sanjay have started a business to supply T Shirts (uniforms) to various schools in their city. Both of them have invested Rs.2,00,000 each. They now wants to expand their business and wants to admit three more people in their business. They have registered their business.

1. Identify the form of business carried by Ajay and Sanjay
2. Can they admit three other people in their business?
3. Under which Act have they got their business registered?
4. What is the biggest demerit of this type of business?

Q22. State any four importance of logo. [2]

Q23. A financially strong company acquires a majority stake in another company without the approval or support of its existing management. After the acquisition, the new owners improve operational efficiency, reduce unnecessary costs, and expand the company's market presence. [2]

i. Identify the type of takeover from above
ii. Explain one benefit of the takeover identified.

Q24. (A) Why is working capital called as circulating capital? [2]

OR

(B**)** "The Budget period for all the business are same". Do you agree? Comment.

Section C

Q25. What is a business plan? Explain the two importance of business plan. [3]

Q26. What is manpower planning? Why is it necessary for every business unit? [3]

Q27. (A) What are the various types of brand names from the entrepreneur's perspective? [3]

OR

(B) Explain in detail any three pricing strategies.

Q28. Unicon Ltd. and Nahata Communications provide Cable T.V. network in adjacent areas of Delhi. After some time the market was slowly taken over by big cable companies. Both Unicon Ltd. And Nahata communications understood the competition and decided to come together so as to increase their markets share. This strategy helped them in cost saving through economies of scale as they could cover more areas now. It led to the overall growth of both the companies. [3]
i. Identify the enterprise growth strategy adopted by the two.
ii. State the benefits that the companies have after this arrangement.

Q29. State some of the disadvantages to franchising to franchisor. [3]

Section D

Q30**.** Ajay, a graduate in fashion design, wants to start his own clothing brand. He is considering different forms of business organizations before launching his startup. Initially, he doesn't want to raise capital from the public and wants full control over decision-making. However, he also wants to limit his liability and maintain a separate legal entity for the business. He is also aware that registering the business and complying with the legal formalities is essential for credibility and scaling in the future.
He wants to register his business under GST and apply for Shop and establishment licenses required to operate legally. He understands that this will become very useful once the scale of business goes up.
He has employed 8 workers and has also taken a place on rent to set up his workshop. [5]

(a) Identify the most suitable form of business organisation for Ajay. Give one reason for your answer. (2 Mark)

(b) Explain any two advantages of the form of business organisation identified in part (a). (2 Marks)

(c) Name one legal registration or licence (other than GST Registration) that Ajay should obtain before starting his business. (1 Mark)

Q31. (A) Goals can be set up with a simple way i.e. set up SMART goal. Explain SMART is an acronym for five steps. [5]

OR

(B) Explain the Company related and Market related factor that impact the choice of Place Mix.

Q32. State five differences between Advertising and Personal Selling. [5]

Differentiate as per the basis – Form, Reach, Cost, Coverage and Feedback

Q33. How is merger and acquisition different from each other in two relevant points? Explain any three reasons for its failure. [5]

Q34. (A) Good wash is a manufacturer of different sizes for automatic washing machines – small medium and large and industrial. From the information given below, calculate Break Even Quantity of the washing machines manufactured per month. [5]

SIZE OF MACHINE	UNIT SELLING PRICE	UNIT VARIABLE COST	FIXED EXPENSES
SMALL	10,000	3,000	35,000
MEDIUM	15,000	8,000	35,000
LARGE	25,000	13,000	70,000
INDUSTRIAL	30,000	20,000	1,50,000

OR

(B) A courier service company, speed express had a varying number of customers during five weeks. The information regarding the number of customers and average weekly billing is presented in the following table. What is the 'unit of sale' and 'unit price' in this case? If the cost of goods sold or variable cost is 60% of the sale price, calculate the 'unit-cost' and 'gross margin' per unit of sale.

WEEK	NUMBER OF CUSTOMERS	AVERAGE AMOUNT BILLED (PER CUSTOMER)
1	20	200
2	34	170
3	26	142
4	44	262
5	36	350

ALL THE BEST