



B.K. BIRLA CENTRE FOR EDUCATION

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



PRE BOARD III 2025-26
ENTREPRENEURSHIP (066)

Class: XII
Date: 6.01.2026
Admission no:

Time: 3 Hrs.
Max Marks: 70
Roll no:

General instructions

- Read the following instructions very carefully and strictly follow them:
- This question paper contains 34 questions. All questions are compulsory.
- Q1 to 18 are 1 mark questions.
- Q19 to 24 are 2 mark questions.
- Q25 to 29 are 3 mark questions.
- Q30 to 34 are 5 mark questions.
- There are internal choices.

Q1) Assertion (A): A business opportunity exists when a need can be satisfied by an idea profitably.

Reason (R): Opportunity is created only when an idea is implemented.

Choose the correct option:

- (A) Both Assertion (A) and Reason (R) are true, and (R) is the correct explanation of (A).
(B) Both Assertion (A) and Reason (R) are true, but (R) is not the correct explanation of (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

(1)

OR

Assertion (A): Social environment includes cultural and demographic factors.

Reason (R): These factors have no influence on consumer behaviour.

Choose the correct option:

- (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.
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Q2) Statement 1: SWOT analysis is only useful during the launch phase of a business.

Statement 2: Entrepreneurs should continuously monitor SWOT factors throughout the business lifecycle.

Choose the correct option:

- (A) Both statement 1 and 2 are correct.
(B) Both statement 1 and 2 are incorrect
(C) Statement 1 is correct but Statement 2 is incorrect
(D) Statement 1 is incorrect but Statement 2 is correct

(1)

Q3) Manish and Nilesh decided to start a business to manufacture high quality water purifiers. They have decided about the sources of funds and all required factors relating to this. Identify the document that the firm needs to prepare for this.

- (A) Production Plan (B) Marketing Plan (C) Operational Plan (D) Financial Plan

Q4) A company being an artificial person must affix a _____ in most of its documents.

- (A) Common code (B) Common signature (C) Common Seal (D) Common logo

OR

Which of the following feature applies only to a public company?

- (A) Can start business after incorporation (B) Can restrict membership to 200 members
(C) Can't force directors to buy qualification shares (D) Can invite public to subscribe for its shares

Q5) Which type of business is shown below.

(1)



- (A) Partnership (B) Joint Hindu Family (C) Co operative organisation (D) Private Company

Q6) Priya makes handcrafted eco-friendly items like bamboo pens, jute bags, and clay utensils. Her products are environment-friendly. She markets them through exhibitions, social media, and eco-themed events. She has priced her products quite reasonable so that middle class people can also buy them. Her aim is to capture middle class population of the country. What is her USP (1)

- (A) Capturing middle class market (B) Handcrafted eco-friendly items
(C) Selling products through exhibitions (D) Use social media to increase sale

Q7) Find the odd one.

(1)

- (A) Artificial pricing (B) Cost-plus pricing (C) Penetration pricing (D) Skimming pricing

Q8) Viraj wants to start his business by taking a franchisee of McDonalds. He is aware that the young population of his city is waiting for this store. The only limitation that he sees is. (1)

- (A) Advertising and promotion (B) High initial investment
(C) Speed of growth (D) Limited risks and liability

Q9) Two entities combine together to form a new entity. What type of merger is this? (1)

- (A) Absorption (B) Amalgamation (C) Both (A) and (B) (D) None of these

OR

Which of the following is the reason for mergers and acquisitions?

- (A) Acquiring new technology (B) Acquiring a skill or competency
(C) Synergy (D) All of the above

Q10) PepsiCo's 1977 acquisition of Pizza Hut, where a beverage giant merged with a food chain, combining complementary products (soft drinks & pizza) to sell more to the same customers, leveraging shared distribution and reaching new segments, a strategy that significantly boosted sales. (1)

- (A) Product extension (B) Vertical (C) Horizontal (D) Conglomerate

Q11) If Fixed Cost = Rs.40,000, Contribution per unit = Rs.50, Break-even Quantity = ? (1)

- (A) 600 units (B) 800 units (C) 1,000 units (D) 1,200 units

OR

Resource Mobilisation refers to:

- (A) Managing only financial resources (B) Acquiring and managing all required resources
(C) Selling company assets (D) Reducing fixed costs

Q12) Assertion (A): Break-even point is reached when contribution equals fixed cost. (1)

Reason (R): At break-even, there is neither profit nor loss.

Choose the correct option:

- (A) Both Assertion (A) and Reason (R) are true, and (R) is the correct explanation of (A).
- (B) Both Assertion (A) and Reason (R) are true, but (R) is not the correct explanation of (A).
- (C) Assertion (A) is true, but Reason (R) is false.
- (D) Assertion (A) is false, but Reason (R) is true

Q13) The formula below represent

(1)

$$\text{Short-Term Assets} - \text{Short-Term Liabilities} =$$

- (A) Fixed Capital (B) Working Capital (C) Gross Working Capital (D) Net Working Capital

Q14) Margin of Safety is:

(1)

- (A) Break-even Sales – Actual Sales (B) Actual Sales – Break-even Sales
(C) Fixed Cost – Contribution (D) Profit – Fixed Cost

Q15) Which of the following is not a drawback of going public?

(1)

- i) Increasing accountability to public shareholders
 - ii) There is less dilution of ownership compared to an IPO
 - iii) Going public can lead growth through acquisition
 - iv) Need to maintain dividend and profit growth trends
- (A) Option i) and ii) (B) Option ii) and iii) (C) Option ii) and iv) (D) Option iii) and iv)

Q16) **Statement 1:** Equity shareholders are the real owners of the company.

Statement 2: Preference shareholders have voting rights in all matters.

Choose the correct option.

(1)

- (A) Both statements are true (B) Both statements are false
(C) Statement 1 is true but Statement 2 is false (D) Statement 2 is true but Statement 1 is false

OR

Statement 1: Fixed costs don't vary with changes in production volume.

Statement 2: Rent, salaries, and insurance are examples of variable costs.

Choose the correct option.

- (A) Both statements are true (B) Both statements are false
(C) Statement 1 is true but Statement 2 is false (D) Statement 2 is true but Statement 1 is false

Q17) Coal India plans to sell about 10% of its equity stake in BCCL through the IPO. This would involve selling nearly 46.57 crore equity shares, with no fresh shares being issued. The entire proceeds from the IPO will go to Coal India and not BCCL itself. What is IPO?

(1)

- (A) Indian Public Office (B) India Public Opportunity (C) Initial Private Offer (D) Initial Public Offer

Q18) What type of investors is depicted in the picture below

(1)



- (A) Government agencies
(C) Non-profit organisations

- (B) Banks providing loans
(D) Wealthy individuals investing in startups

Q19) Amrita started a restaurant in an industrial town ship and she mostly served non vegetarian food. After eight months she is still unable to understand why her customers don't return back. She offers very good food at very affordable prices and has a great place with lovely ambiance. She had invested a huge amount of money and she is not able to get any profit. Suggest the various factors that she should have looked into before starting the business. (2)

Q20) Identify the type of business organisation from the sentences below. (2)

- Name of the company ends with the words Pvt. Ltd.
- The birth of this legal person is by law and only law can put it to death.
- The main motive of this organization is not to earn profit but mutual help.
- This organization has limited capital and limited managerial ability.

Q21) What are the three things that a manpower plan helps to assess? (2)

OR

XYZ Ltd., a mobile phone manufacturer, has a skilled workforce and strong R&D capabilities. But recently, they have suffered from declining sales due to poor marketing strategies. The mobile phone market is growing rapidly, and newer technologies like 5G are creating exciting possibilities. Using SWOT analysis, evaluate the internal and external environment of XYZ Ltd.

Q22) TechNova is a leading software development company specializing in AI and cloud solutions. EduSpark is an edtech startup offering personalized learning platforms for schools and colleges. In 2024, TechNova acquired EduSpark in a strategic move to expand its presence in the education sector. Post-acquisition, TechNova integrated its AI capabilities into EduSpark's platform, enhancing the user experience with adaptive learning and real-time analytics. The merger also allowed TechNova to access EduSpark's existing customer base and strengthen its brand in the education market.

- How did the merger improve the product offering of EduSpark? (1)
- Identify one financial reason for the acquisition. (1)

Q23) A company sells 500 units at Rs.200 each. Variable cost per unit = Rs.120, Fixed Cost = Rs.20,000. Calculate the Profit and profit per unit. How profit per unit will change if the sale increases to 800 units. (2)

Q24) State the importance of Stock Market from the point of view of company and society. (2)

Q25) What is a business plan? State one importance of business plan for a) Investors b) Entrepreneurs (3)

Q26) Identify the two different types of brand name shown below and explain. Also name the other types (3)



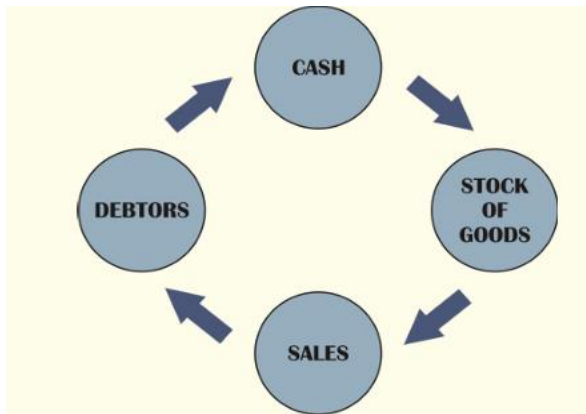
OR

What is variable pricing? Explain this with two examples.

Q27) Ravi is a young entrepreneur who wants to start a fast-food business. After doing some research, he realizes that building a brand from scratch will take time, effort, and huge marketing expenses. So, he decides to open a **McDonald's outlet** in his city. He contacts the company, meets the requirements, and signs an agreement. McDonald's will provide him with training, marketing support, and access to their proven systems, while Ravi will invest capital and manage day-to-day operations.

- Who is the franchisor in this case? (1)
- Mention any two advantages Ravi will get by taking a franchise of McDonald's. (1)
- What is the role of the franchisee in this model? (1)

Q28) Explain the difference between the two pictures below. What do they depict? (3)



Q29) What are the guidelines regarding Minimum Subscription and oversubscription in relation to public issue? (5)

OR

Venture capitalists are typically very selective in deciding what to invest in. Elucidate

Q30) What is Problem identification? State its objectives and uses. (5)

Q31) Identify and explain the factors related to product OR market impacting the channel of distribution. (5)

Q32) Identify the type of merger in each case. State how are these mergers beneficial. (5)

- Two smartphone companies, Alpha Mobiles and Beta Phones, both operating in the same industry and producing similar products, decide to merge. Their aim is to reduce competition, increase market share, and benefit from economies of scale.
- A clothing manufacturer, StyleWear Ltd., merges with a textile supplier, CottonFab Pvt. Ltd.. The goal is to ensure a steady supply of raw materials and reduce dependency on external suppliers.
- A food processing company, FreshFoods Ltd., merges with an electronics company, TechNovaLtd.. Both operate in completely different industries. The aim is diversification and reducing overall business risk.

Q33) ABCD Ltd manufacture three types of T Shirts , Polo T Shirts, Oversize and Round Neck. From the information given below calculate. (5)

- Weighted average contribution
- Overall break-even points in units
- Product wise break-even points in units
- Break-even point in rupees

Total fixed cost Rs.6,72,000

Details	Polo T Shirts	Oversize	Round Neck
Sales price per unit (Rs.)	500	400	200
Variable cost per unit (Rs.)	240	200	120
Sales mix %	60	30	10

OR

What is financial management? State any two objectives of financial management. Explain the three key elements to the process of financial management.

Q34) Read the article (extract) and answer the questions that follow

New Delhi, Dec 23 (PTI) Hindustan Construction Company Limited (HCC) on Tuesday said its rights issue received two-fold subscription, drawing applications worth Rs 2,008 crore against an issue size of Rs 999.99 crore.

The company, in a statement, said it has retained proceeds equivalent to the issue size, and the balance amount will be refunded to investors in accordance with applicable regulations.

HCC vice chairman and managing director Arjun Dhawan said, "The response to the Rights Issue strengthens our balance sheet while supporting ongoing deleveraging and our long-term growth strategy".

Equity shares will be allotted to eligible applicants in accordance with the basis of allotment finalised in consultation with the designated stock exchange, BSE Limited.

- i) What is a rights issue? (1)
- ii) Name the regulatory organisation for issue of share? (1)
- iii) Name other two methods to raise the required capital in the primary market apart from right issue? (1)
- iv) Name the various purposes that an entrepreneur use the capital raised. (2)

OR



- i) Identify the specialised financial institution. When was it established? (1)
- ii) State any two objectives of SIDBI. (1)
- iii) What are the two funds administered by SIDBI? (1)
- iv) All forms of business organisation are eligible for refinance assistance from SIDBI for what? (2)

-----**ALL THE BEST**-----