ENTREPRENEURSHIP (066)
CLASS XII (2026-27)
Sample Question Paper

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 Sections B, C and D of question paper.

S. No.	SECTION A	Marks
1	Prakriti Packaging Ltd. is a company that provides eco-friendly packaging solutions. The establishment of the company was driven by the growing emphasis on sustainability and environmental responsibility. It was considered to be a promising idea to offer innovative, biodegradable packaging materials in the market. Identify the source that led to the emergence of the business idea. (Choose the correct option to fill up the blank) (A) Problem (B) Competition (C) Change (D) Innovation	1
2	Rohit wants to start a small venture but is unsure of what product or service to offer. His mentor explains him that business ideas may come from market trends, consumer needs, or even unexpected situations. Rohit begins observing problems around him, analysing what students need, and noting down ideas that occur to him randomly. He realises that this involves creating, developing, and communicating concepts and converting them into reality. Identify the phase of opportunity spotting Rohit is engaged in and choose the correct option. (A) Idea generation (B) Market segmentation (C) Problem identification (D) Product standardisation	1
3	Rohan, a young professional, found it difficult to compare and select suitable health insurance plans because different companies provided complex information, varied benefits, and confusing terms. Realising that many customers might be facing similar challenges, he developed "PolicySimplify.in", a single platform that presents insurance options in a clear and organised manner. Identify the method of idea generation that Rohan's initiative represents.	1ß,

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<table>
<tr><td></td><td>(Choose the correct option)
(A) Environment scanning (B) Problem identification
(C) Trend spotting (D) Innovation</td><td></td></tr>
<tr><td>4</td><td>From the following idea fields in Column-I and the example of idea fields in Column-II, match the correct pair and choose the correct option:
<table>
<tr><th></th><th>Column-I</th><th></th><th>Column-II</th></tr>
<tr><td>P</td><td>Natural resources ideas</td><td>(I)</td><td>“Teladoc Health” – Provides telemedicine facility, allowing patients to consult with doctors remotely.</td></tr>
<tr><td>Q</td><td>Trading related ideas</td><td>(II)</td><td>“QuickFix Home Services” – An app that connects customers with electricians, plumbers, and repair professionals on demand; developed due to the increasing need for convenient and reliable home maintenance services.</td></tr>
<tr><td>R</td><td>Service sector ideas</td><td>(III)</td><td>“Gotham Greens” – known for creating vertical farms and urban gardens.</td></tr>
<tr><td>S</td><td>Market driven or demand driven ideas</td><td>(IV)</td><td>“Etsy” – An e-commerce platform where people can buy and sell handmade crafts and vintage items.</td></tr>
</table>
Options:
(A) P - (III), Q - (I), R - (IV), S - (II)
(B) P - (IV), Q - (II), R - (I), S - (III)
(C) P - (III), Q - (I), R - (II), S - (IV)
(D) P - (III), Q - (IV), R - (I), S - (II)</td><td>1</td></tr>
<tr><td>5</td><td>Read the following statements- Assertion (A) and Reason (R). Choose one of the correct options given below:
Assertion (A): An idea that is innovative and socially relevant may still fail to qualify as a sound business opportunity.
Reason (R): A business opportunity must also be assessed on market demand, feasibility, expected returns, and the entrepreneur’s competence.
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 (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.</td><td>1</td></tr>
<tr><td>6</td><td>Roy and Tanzia are planning to start a financial advisory firm together. They want to ensure that their personal assets are protected from business liabilities and that their business is regulated by law.</td><td>1</td></tr>
</table>

	Identify the form of business organization would best meet Roy and Tanzia's requirements. (Choose the correct option) (A) Sole proprietorship (B) Public limited company (C) Partnership (D) Private limited company	
7	In preparing the ___________, 'sales by month' must be calculated first, making use of forecasting techniques as the basis. (Choose the correct option to fill up the blank) (A) Proforma cash flow (B) Proforma financing decision (C) Proforma income statement (D) Proforma investment decision	**1**
8	Tech Solutions, a startup producing solar-powered appliances, is planning to launch a new product line 'Surya-Kiran'. The founder assesses the existing workforce and decides to recruit skilled engineers and marketing professionals to ensure that the right people are available at the right time and place. This reflects the concept of _______ planning in the business organisation. (Choose the correct option to fill up the blank) (A) Financial (B) Manpower (C) Operational (D) Organisational	**1**
9	Refer to the given image:  On the basis of the given image, recognize the media used for advertising and choose the correct option: (A) Outdoor (B) Ambient (C) Point of sale (D) Window display **Note : The following question is for the candidates with visual impairments only in lieu of Q. No. 9.** Product placement and promotion help in creating brand awareness through various marketing channels. From the following options, choose the effective way to increase brand awareness: (A) Using social media platforms regularly and engaging with the followers. (B) Promoting products without using any marketing channels. (C) Using customer testimonials only in product designing. (D) Communicating with the customers occasionally.	**1**

10	The 'Skimming Pricing Strategy' delivers best results, when_______. (Choose the correct option to fill up the blank) (i) there are strict legal and government regulations regarding consumer rights (ii) the product is perceived as enhancing the customer's status in society (iii) the target market associates quality of the products with its price (iv) the firm uses it as an entry strategy Options: (A) (i) and (ii) (B) (ii) and (iii) (C) (ii) and (iv) (D) (i), (ii) and (iv)	**1**
11	Read the following statements- Assertion (A) and Reason (R). Choose one of the correct options given below: **Assertion (A):** A tagline helps a brand to communicate its message and improves brand recall among consumers. **Reason (R):** A tagline is the legal name of the brand that distinguishes one product from another in the market. 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 (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true.	**1**
12	Beta Ltd., a steel manufacturing company with its headquarters at Mumbai and ranked as the tenth largest steel manufacturer in the world, decided to purchase Gama Ltd., a steel company based in Chennai. Gama Ltd. was facing significant worker unrest and chose to sell its business to the highest bidder. Beta Ltd. made the highest bid of ₹10 lakh crore. Identify the type of external expansion indicated in the above scenario and choose the correct option. (A) Merger (B) Franchising (C) Acquisition (D) Internal Expansion	**1**
13	Read the following statements carefully: **Statement 1:** A merger is a combination of two companies into one larger company that involves stock swap or cash payment to the target. **Statement 2:** In any type of merger, at least one of the merging companies loses its entity. In the light of the given statements, choose the correct option from the following: (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.	**1**
14	ABC Restaurant had 60 customers whose total billed amount stood at ₹ 18,000. The cost per unit was 65% of the sales price. The Gross Margin per unit is ₹____. (Choose the correct option to fill up the blank) (A) 105 (B) 175	**1**

	(C) 210 (D) 300	
15	______ refers to the funds which an organisation must possess to finance its day-to-day operations. (Choose the correct option to fill up the blank) (A) Seed Capital (B) Working Capital (C) Fixed Capital (D) Retained earnings	**1**
16	Infotech Pvt. Ltd. wants to raise additional capital at a very short notice for expanding its AI-based product line. The Management decided not to raise funds from the general public. Instead, they decided to approach a small group of selected investors, including venture capitalists and high-net-worth individuals. Identify, which of the following is **NOT** a benefit of the method of floatation of new issue opted in the above case? (A) Results in lower costs compared to public offerings. (B) Provides access to sophisticated and institutional investors. (C) Enables fund-raising without detailed public disclosure. (D) Offered to the existing shareholders, who may either subscribe or renounce.	**1**
17	Nova Pvt. Ltd., a rapidly growing technology startup, decides to convert into a public company to raise funds from the stock market. After public listing, the management faces several new challenges: • They are required to submit detailed reports to shareholders and regulatory authorities regularly. • Media attention increases and every corporate decision is scrutinised publicly. • Dividend expectations of shareholders put pressure on consistent profit growth. • The company becomes potentially vulnerable to hostile takeovers. • Senior management feels that their control over strategic decisions has reduced. Based on the above situation, which of the following is **NOT** a drawback of going public? (A) Loss of privacy due to media attention. (B) Pressure to maintain dividend and profit growth trends. (C) Increased accountability to shareholders and regulatory bodies. (D) Ability to raise additional capital from a larger pool of investors.	**1**
18	When a company raises capital by issuing securities to the public for the first time, it is considered to be __________ market activity. (i) Primary Market (ii) Secondary Market (iii) Venture Capitalists Options: (A) Only (i) (B) Only (ii) (C) (i) and (iii) (D) (ii) and (iii)	**1**

	SECTION B	
19 A **19 B**	Explain any two elements in the innovation process. **OR** Explain the concept of 'idea germination'.	**2** **2**
20	Ritika runs a small pottery unit where different teams work on sourcing materials, designing products, and finishing the end products. Recently, she noticed delays in production and an increasing number of defects in the finished goods. To understand the situation better, Ritika begins regularly reviewing the status of raw materials, checking the progress of work-in-process, and identifying departments that are lagging behind. She also starts suggesting corrective steps to remove obstacles in production. (I) Identify the element of one of the components of a business plan that Ritika is performing in this situation. (II) State how this element helps entrepreneurs.	 **1** **1**
21 A **21 B**	In a partnership firm, the business of partnership can be carried on by all the partners or any one of them acting for all. (I) Identify the feature of partnership firm highlighted in the aforesaid statement. (II) State the applicability of the identified feature in a partnership firm. **OR** "Public Company and Private Company has varied criterion in terms of number of members and transferability of shares." Justify the given statement with valid arguments.	 **1** **1** **2**
22	Shoreal, a global leader in the cosmetics industry, has long been known for its innovative marketing strategies. In 2024, Shoreal decided to enhance its engagement with Indian consumers by launching a series of beauty workshops and makeup tutorials across major shopping malls in India. By offering a tangible and interactive experience, Shoreal not only showcased the value of its products but also fostered a deeper connection with its target audience. (I) Identify the promotional approach used by 'Shoreal' to reach its customers. (II) Explain any one important feature of this approach.	 **1** **1**
23	Refer to the given image carefully:  	 **1** **1**

	On the basis of the given image: (I) Identify the pricing strategy used by the company. (II) State one advantage of this pricing strategy to the enterprise. **Note : The following questions are for the Candidates with visual impairments only in lieu of Q. No. 23.** (I) State the meaning of cost-plus pricing strategy for a company. (II) Give one advantage of the cost-plus pricing strategy to the company.	**1** **1**
24 A **24 B**	The quantity of jackets sold by a shopkeeper is 1,200 per month at ₹ 1,100 each. The cost of placing an order and receiving goods is ₹ 1,500 per order. The inventory holding cost is ₹ 40 per annum. Calculate the economic order quantity for the shopkeeper. **OR** The following information is taken from the Balance Sheet of XYZ Enterprises: <table><tr><th>Current Assets</th><th>₹</th><th>Current Liabilities</th><th>₹</th></tr><tr><td>Cash</td><td>30,000</td><td>Creditors</td><td>35,000</td></tr><tr><td>Trade Debtors</td><td>50,000</td><td>Short-term Loans</td><td>10,000</td></tr><tr><td>Inventory</td><td>40,000</td><td>Outstanding Expenses</td><td>5,000</td></tr></table>Calculate the Working Capital of XYZ enterprise.	**2**
	SECTION C	
25	In 2025, Ashima Mehta, a young entrepreneur in Pune, noticed a growing demand for personalised online learning tools among students. She studied market reports and social media discussions to understand changing learning patterns and technological adoption. She also observed competitors and educational platforms to see what services were popular and which gaps existed. Additionally, she conducted surveys and interacted with students and teachers to understand their needs and challenges. Using these insights, Ashima launched “Learn Smart”, an AI-based platform offering customised study plans, practice tests, and performance analytics. Her venture quickly gained popularity among school and college students. Quoting the lines, identify the three ways of trend spotting Ashima used.	**3**
26	Urban Ride Cabs is a growing app-based taxi service operating in major Indian cities. Over the past year, the company has noticed rapid changes in fuel prices, customer expectations for safety features, and increasing competition from new low-cost cab aggregators. To stay competitive, Urban Ride’s management team began regularly scanning the business environment. They studied customer feedback, analysed competitor offerings, and monitored technological developments such as AI-enabled routing and in-car safety systems. As a result, the company introduced GPS-enabled safety alerts, adopted fuel-efficient hybrid cars, partnered with banks to secure cheaper finance, and launched new features like live driver rating updates. These steps improved their	**3**

	reputation, attracted more users, and helped them respond quickly to market changes. On the basis of the given text and common understanding, identify and explain three benefits Urban Ride gained by scanning the business environment.	
27 A **27 B**	Explain any three Product-related considerations for selecting the channel of distribution by an entrepreneur. **OR** Explain the indirect distribution channels available to an entrepreneur.	**3** **3**
28 A **28 B**	(I) Give the meaning of a franchise agreement. (II) State the main ingredients of a franchise agreement. **OR** Differentiate between internal and external expansion.	**1** **2** **3**
29	Neha runs a small start-up called CleanRide Services, which offers doorstep car washing and detailing services using water-saving techniques. After one year of operations, she notices that although sales are increasing, she needs to know whether the money invested in her business is generating adequate profits. Total Capital employed – ₹ 50,00,000 Equity – ₹ 25,00,000 Gross Profit – ₹ 6,00,000 Tax Rate – 20 % (I) Identify the yardstick that can help Neha to ascertain the efficiency of her operations. (II) Calculate the profitability of CleanRide Services from the details given above.	 **1** **2**
	SECTION D	
30	"Qudrat" is a Trivandrum, Kerala-based startup founded by Rohan Suri and Rishabh Suri that upcycles agricultural waste into sustainable disposable tableware products, focusing on eco-friendly solutions to reduce plastic waste. Their production process begins with sourcing agricultural waste and residue from nearby mills and farms. By working closely with the local community, Qudrat ensures a steady supply of raw materials, benefiting both the environment and the farmers. Once a batch of raw materials is collected, it undergoes various processes including grinding, mixing, crushing, and compression molding. Leveraging advanced technology at a macro level - such as automated compression molding machines, precision mixers, and innovative material processing systems - Qudrat ensures high-quality, uniform products at scale, making the production process both efficient and sustainable. Using this technology-driven approach, Qudrat transforms agri-waste into a variety of products such as plates, tumblers, spoons, bowls, takeaway containers, trays, cup lids, and even edible straws. What started as a deep-rooted concern for the environment has evolved into a thriving business, with Qudrat eyeing a revenue of ₹3 crore in their second year of operations.	

	(I) Identify the idea field that streamlined the launch of “Qudrat”. (II) State the two elements of the PESTEL model emphasized in the given case. (III) Identify and explain the component of the financial plan illustrated in the given case.	**1** **2** **2**
31	Urban Harvest Farms Pvt. Ltd. is preparing to raise funds for its hydroponic urban farming venture. To appeal to different stakeholders, the company’s Chief Strategy Executive, Ms. Raina, presents the business plan in three separate meetings, each customised to the audience. **Meeting 1:** Ms. Raina attends a networking event where she meets a group of potential angel investors. She gives them a quick, three-minute overview of the company’s idea, highlighting the product concept, customer pain points, and the opportunity for scalable growth. **Meeting 2:** The following week, Ms. Raina is invited by a venture capital firm. Here, she arrives with a visually engaging slide deck, supported by an energetic oral narrative. She walks the investors through key financial trend graphs, early traction data, and benchmark indicators. **Meeting 3:** Later, she meets with a consortium of formal institutional investors. For this session, she presents a comprehensive, professionally written business plan that includes market analysis, operational design, financial projections, and risk management details. (I) Identify the format of business plan being used in Meeting 1 and Meeting 2. (II) Describe the objective of format that is being used in Meeting 3. (III) State the format of the business plan that has not been used as yet by the company.	**2** **2** **1**
32	Aurora Enterprises Ltd., a diversified Indian conglomerate, has been planning to strengthen its position in the fast-growing digital healthcare sector. Instead of developing its own online platform from scratch, Aurora chose to expand through its wholly owned subsidiary, Aurora Wellness Ventures Pvt. Ltd. Through this subsidiary, Aurora purchased a controlling stake in Heal Kart Digital, a well-established e-pharmacy known for its doorstep delivery of medicines and wellness products. Industry analysts observed that this move resembles how a leading Indian corporation in the past acquired an online pharmacy via its subsidiary to quickly gain a foothold in the digital healthcare market. The acquisition instantly gave Aurora access to Heal Kart’s technology, logistics network, and existing customer base, while HealKart benefited from Aurora’s financial strength, wider reach, and improved supply chain. On the basis of the given text and common understanding answer the following questions: (I) Identify the expansion strategy used by Aurora. (II) State any four reasons behind the expansion strategy adopted by Aurora Enterprises Ltd.	**1** **4**

Note: There is no change in the Question Paper Design and Assessment Pattern for Academic Session 2026-27.

<table>
<tr><td>33 A</td><td>Blew Brew Pvt. Ltd. manufactures three varieties of coffee, namely Classic Roast, Mocha Blend and Herbal Coffee. Each variety is sold in standard packs. The details relating to sales price, variable cost, and sales mix are given below:

<table>
<tr><th>Particulars</th><th>Classic Roast</th><th>Mocha Blend</th><th>Herbal Coffee</th></tr>
<tr><td>Sales Price per unit (₹)</td><td>100</td><td>80</td><td>50</td></tr>
<tr><td>Variable cost per unit (₹)</td><td>50</td><td>40</td><td>20</td></tr>
<tr><td>Sales Mix (%)</td><td>20</td><td>30</td><td>50</td></tr>
</table>
The Total Fixed Cost of the company is ₹ 14,80,000.
Calculate the Break-even Point (BEP) in units for each variety of coffee.</td><td>5</td></tr>
<tr><td></td><td>OR</td><td></td></tr>
<tr><td>33 B</td><td>Anaya runs a small venture called GlowVibe Candles, where she manufactures two products: Aura Lite (a basic scented candle) and Zen Glow (a premium scented candle). Both products contribute differently to the overall profits of the business because they have different selling prices and different variable costs. Recently, Anaya noticed that although the sales volume has increased, profits did not increase in the same proportion. She also realised that the two products do not contribute equally—Zen Glow offers a higher profit per unit, while Aura Lite sells in larger quantities. This made it difficult for her to understand how the combination of both products is affecting her total profitability.
(I) Identify and explain the analytical tool Anaya should use in this situation.
(II) Anaya can use this analysis to effectively manage her multi-product business. Justify the given statement, giving three advantages.</td><td>2
3</td></tr>
<tr><td>34 A</td><td>(I) Give the meaning of an Angel Investor.
(II) Explain the role of an Angel Investor in building an enterprise.</td><td>2
3</td></tr>
<tr><td></td><td>OR</td><td></td></tr>
<tr><td>34 B</td><td>(I) State any two features of Venture Capital Finance.
(II) Explain how Venture Capital supports startups during the early stage of their business.</td><td>2
3</td></tr>
</table>