



INDIAN SCHOOL AL WADI AL KABIR

DEPARTMENT OF COMMERCE

ASSESSMENT 2 -XI 2025-26

ENTREPRENEURSHIP (066)

Time: 3 hours


Marks: 70

GENERAL INSTRUCTION:

- 1. This question paper contains 34 questions.**
- 2. The question paper contains 4 sections - A, B, C and D**
 - 1.1. Section A contains multiple choice questions**
 - 1.2. Section B - 2 marks; Answers to these questions may be from 30-40 words.**
 - 1.3. Section C - 3 marks; Answers to these questions may be from 50-75 words.**
 - 1.4. Section D - 5 marks; Answers to these questions may be from 120-150.**

| Q. NO | PART A | MARKS |
|--------------|---|--------------|
| 1 | <p>Maria is a 35-year-old architect who has been working at a successful design firm for ten years. She earns a high salary, has a stable job, owns a home, and enjoys good relationships with her colleagues and family. Recently, however, Maria has begun to feel unfulfilled. She realizes that while her job is secure, it doesn't allow her to express her creativity or explore her own design ideas. Maria decides to resign and start her own eco-friendly architecture studio that focuses on sustainable and community based-projects. According to Maslow's Hierarchy of Needs, which need is Maria trying to fulfill by starting her own studio?</p> <p>A. Self-Actualization Needs</p> <p>B. Self-Esteem</p> | 1 |

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| | C. Safety Needs D. Social Needs | |
| 2 | _____ is someone who has an entrepreneurial streak but chooses to align his or her talents with a large organisation in place of creating his or her own. An Intrapreneur | 1 |
| 3 | According to David McClelland, regardless of culture or gender, people are driven by _____ motives. A.3 B.2 C.1 D.4 | 1 |
| 4 | These entrepreneurs are commonly found in developed countries. They are aggressive in nature who exhibit cleverness in putting attractive possibilities into practice. Identify the type of entrepreneur. Innovative entrepreneurs | 1 |
| 5 | What is Opportunity Assessment? Opportunity Assessment is a more in-depth review of business opportunity including market research and due diligence. | 1 |
| 6 | Name the person who firstly introduced the term 'Entrepreneur' Richard Cantillion | 1 |
| 7 | A beverage company, Fresh Fizz, plans to launch a new line of sugar-free energy drinks aimed at young adults. Before introducing the product to the market, the marketing team wants to understand how potential consumers feel about sugar-free beverages-their taste preferences, packaging expectations, and buying motivations.To gather these insights, the company invites 10 university students aged 18–25 to participate in a two-hour discussion led by a trained moderator. During the session, the participants are asked open-ended questions about their drinking habits, perceptions of energy drinks, and opinions on the proposed product | 1 |

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| | <p>samples. The discussion is recorded and analyzed to identify key themes and attitudes. Identify the approach that was adopted to generate ideas.</p> <p>A. Brainstorming B. Environment Scanning C. Focus Group D. Social Group</p> | |
| 8 | <p>ABC Construction provides its on-site workers with tablets connected to cloud-based project management software. These tablets allow engineers and supervisors to upload progress reports, access blueprints instantly, and communicate changes in real-time. By leveraging mobile connectivity, ABC Construction ensures faster decision-making, reduced paperwork, and improved coordination across multiple job sites. This gives them an advantage over competitors still relying on manual updates and paper-based systems. Identify the concept used by XYZ Logistics to improve its operations.</p> <p>Smart Mobility</p> | 1 |
| 9 |  <p>He is the founder of Jaipur rugs, which promotes rural development through capacity building of rural people in carpet weaving. Identify the personality. Nand Kishore Chaudhary</p> | 1 |
| 10 | <p>The word “market” is derived from the _____ word ‘marcatus’ meaning merchandise, ware, traffic, trade or a place where business is conducted.</p> <p>A.Portuguese B.German C.Latin D.Spanish</p> | 1 |
| 11 | <p>In terms of competitor behavior analysis, which combination of factors is most essential for marketing mix decisions?</p> <p>A. Product regulations and price controls B. Dealer motivation and financial capacity c. Size, strength, and number of competing units d. Consumer attitudes and preferences</p> | 1 |

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| 12 | <p>LMN Airlines gathers data from customer bookings, flight schedules, and service feedback throughout the year. After analyzing this information, the company discovers that most travelers prefer mid-week flights and value-added services like extra baggage options. Using these insights, LMN Airlines adjusts its pricing and promotional strategies, leading to higher seat occupancy and improved customer satisfaction. Which concept is discussed above.</p> <p>Business Intelligence</p> | 1 |
| 13 | <p>_____ was the founder and leader of the Bhudaan Andolan (Land Gift Movement), he caused the redistribution of more than 7,000,000 acres of land to aid India's untouchables and landless.</p> <p>A. Vinoba Bhave B. Mahatma Gandhi C. Jawaharlal Nehru D. Jayaprakash Narayan</p> | 1 |
| 14 | <p>Unit of sale is required to understand the economics of the business in an easy and standardized manner and for tracking the past with the future and to be able to take corrective action.</p> <p>A. Sale B. Statistics of the business C. Unit of Sale D. Economics of sale</p> | 1 |
| 15 | <p>SkyTech Solutions shifted its software and data storage to online servers accessible from anywhere. Employees can now collaborate in real-time, and the company scales resources instantly based on demand. This transition reduced IT costs and improved service delivery to clients. Identify the concept discussed.</p> <p>A. Cloud Computing B. Smart Mobility C. GPS D. Business Intelligence</p> | 1 |
| 16 | Abbreviate SEWA | 1 |

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| | Self-Employed Women's Association (SEWA) | |
| 17 | <p>Feasibility study is beneficial in terms of _____.</p> <p>A. idea viability B. technical viability C. economic viability D. media viability</p> | 1 |
| 18 | <p>_____ feasibility defines the legal and corporate structure of the business (may also include professional background information about the founders and what skills they can contribute to the business).</p> <p>Organisational</p> | 1 |
| | PART B | |
| 19 | <p>To celebrate its 25th anniversary, GreenTech Industries organized a nationwide tree-planting campaign involving employees, schools, and local communities. The company invited media outlets to cover the event and shared stories on social media highlighting participants' efforts. The initiative boosted the company's image as an environmentally responsible brand. Identify and explain the promotional tool used in the case.</p> <p>Public Relations is a planned and strategic effort to build and maintain a positive image of a company or brand among its stakeholders. PR aims to create goodwill and trust, and it involves controlled communication.</p> | 2 |
| 20 | <p>iPod, Smartphones, Induction Cooktops, etc., are examples of modern technological advancements that have transformed the way people live and work. These products did not exist in their current form earlier but were developed through creativity and vision. They represent how entrepreneurs bring new ideas to life and introduce innovative products to meet changing consumer needs. Identify and explain the entrepreneurial function.</p> <p>Innovation: It is the basic function of an entrepreneur. As an innovator, the entrepreneur has to introduce new combinations of the means of production, new product, new market for a product and new sources of raw material.</p> | 2 |
| 21 | <p>The information gathered and presented in a feasibility study will help entrepreneurs in many ways, list any (2)</p> <p><input type="checkbox"/> List in detail all the things they need to make the business work; <input type="checkbox"/> Identify logistical and other business-related problems and solutions;</p> | 2 |

| | <input type="checkbox"/> Develop marketing strategies to convince a bank or investor that their business is worth considering as an investment; and <input type="checkbox"/> Serve as a solid foundation for developing their business plans. | | | | | | | | | | | | | |
|-----------------------------|--|-------------|------------|------------------------|----|---------------------------|----|-----------------------------|----|-------------|----------|------------------------|----|---|
| 22 | <p>A.A furniture company sells a wooden chair for ₹4,500. The cost of wood, paint, and labour per chair is ₹3,250. Find the gross profit per chair.</p> <p>Solution:</p> <p>Gross Profit per chair = Selling Price – Cost Price = ₹4,500 – ₹3,250 = ₹1,250</p> <p>Answer: The gross profit per chair is ₹1,250.</p> <p>OR</p> <p>B.The following information relates to a company that produces a single product:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Direct labour per unit</td> <td>30</td> </tr> <tr> <td>Direct materials per unit</td> <td>20</td> </tr> <tr> <td>Variable overheads per unit</td> <td>10</td> </tr> <tr> <td>Fixed costs</td> <td>6,00,000</td> </tr> <tr> <td>Selling price per unit</td> <td>90</td> </tr> </tbody> </table> <p>i.Calculate the Total Variable Cost</p> <p>ii.Calculate Contribution per unit</p> <p>Step 1: Calculate Variable Cost per unit</p> <p>Variable Cost per unit = ₹30 + ₹20 + ₹10 = ₹60 per unit</p> <p>Step 2: Calculate Contribution per unit</p> <p>Contribution per unit = ₹90 – ₹60 = ₹30 per unit</p> | Particulars | Amount (₹) | Direct labour per unit | 30 | Direct materials per unit | 20 | Variable overheads per unit | 10 | Fixed costs | 6,00,000 | Selling price per unit | 90 | 2 |
| Particulars | Amount (₹) | | | | | | | | | | | | | |
| Direct labour per unit | 30 | | | | | | | | | | | | | |
| Direct materials per unit | 20 | | | | | | | | | | | | | |
| Variable overheads per unit | 10 | | | | | | | | | | | | | |
| Fixed costs | 6,00,000 | | | | | | | | | | | | | |
| Selling price per unit | 90 | | | | | | | | | | | | | |
| 23 | Classify the following as Fixed Cost or Variable Cost: | 2 | | | | | | | | | | | | |

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| | <ul style="list-style-type: none"> i. Insurance premium ii. Power or fuel used in production iii. Depreciation on machinery iv. Packaging and Shipping Costs <p>i.FC ii.VC iii.FC iv.VC</p> | |
| 24 | <p>Muhammad Yunus, founder of the Grameen Bank, provided microcredit to poor women in Bangladesh, enabling them to start small businesses and escape poverty. His model proved sustainable by charging interest, recycling the capital, and inspiring global adoption. In India, similar community-based models include self-help groups and co-operatives like AMUL.</p> <p>A. Identify the entrepreneurial concept demonstrated by Muhammad Yunus. B. Give one example from India that follows a similar approach.</p> <p>Answer:</p> <ul style="list-style-type: none"> 1. Social entrepreneurship. 2. AMUL co-operative model in Gujarat. | 2 |
| | PART C | |
| 25 | <p>Riya is a young business graduate who dreams of starting her own handmade soap business. She notices that people are becoming more health-conscious and prefer natural skincare products. Before starting production, she begins gathering information about customer preferences, available resources, and potential competition. Based on Riya's situation, explain the first three steps of the process of entrepreneurship.</p> <p>1. Self-Discovery:</p> <p>Learning what they enjoy doing; examining their strengths and weaknesses. Examining work experience and relating it to potential opportunities.</p> <p>2. Identifying opportunities:</p> <p>Looking for needs, wants, problems, and challenges that are not yet being met, or dealt effectively.</p> <p>3. Generating and evaluating ideas:</p> | 3 |

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| | Using creativity and past experience to devise new and innovative ways to solve a problem, or meet a need, and then narrowing the field to one best idea. | |
| 26 | <p>Priya, a young entrepreneur, has recently completed her Class 12 examinations and wants to start a small business instead of pursuing a traditional college route immediately. She observes that many people in her city are becoming health-conscious and prefer nutritious meals that can be delivered quickly to their homes or offices. With this observation, Priya comes up with the idea of launching “Healthy Bites”, a start-up that will offer affordable, freshly prepared, and healthy meal boxes. She plans to operate from a rented kitchen and deliver through online food apps. Before investing her savings, Priya’s mentor advises her to conduct feasibility studies to check whether her idea is practical and sustainable. As Priya’s mentor, identify and explain three main feasibility studies she should undertake before starting “Healthy Bites.”</p> <ol style="list-style-type: none"> 1. Market Feasibility: Includes a description of the industry, current market, anticipated future market potential, competition, sales projections, potential buyers, etc. 2. Technical Feasibility: Details on how to deliver a product or service (i.e., materials, labour, transportation, where the business will be located, technology needed, etc.) 3. Financial Feasibility: Projects how much start-up capital is needed, sources of capital, returns on investment, etc. 4. Organisational Feasibility: Defines <u>the legal and corporate structure of the business</u> (may also include professional background information about the founders and what skills they can contribute to the business). | 3 |
| 27 | <p>Anand Mahindra-Chairman of the Mahindra Group — is known not only for his business success but also for his strong focus on social entrepreneurship. He founded the Nanhi Kali Project, which works to provide education and support to underprivileged girls across India. The project helps thousands of girls continue schooling by offering academic material, mentorship, and emotional support. Anand Mahindra’s initiative aims to create long-term social change by empowering girls through education, thereby contributing to gender equality and community development. Based on the above case, identify Anand Mahindra as a social entrepreneur and write any three characteristics of a social entrepreneur.</p> | 3 |

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| | <ul style="list-style-type: none"> • Social Catalysts: Visionaries who create fundamental, social changes by reforming social systems and creating sustainable improvements. According to J. Gregory Dees, “though they may act locally, their actions have the potential to stimulate global improvements in their chosen arenas, whether that is education, health care, economic development, the environment, the arts, or any other social field.” • Socially aware: Social improvement, as opposed to the creation of profit, should be the ultimate goal of the social entrepreneurs. The success of their endeavours is measured by their social impact, not by the amount of profits generated. • Opportunity-seeking: Relentless pursuit of their goals, seeing every obstacle as an opportunity to develop and fine-tune their business models. • Innovative: Creative, willing to think outside the box and ready to apply ideas to new situations. They understand that not every innovation will be a success, and they see failures as learning opportunities even as they strive for success. • Resourceful: Their visions are not limited by the resources that they have. Besides optimizing the use of existing resources, they actively expand their resource pool through collaboration with others. • Accountable: Social entrepreneurs are accountable to their beneficiaries, and they often ask themselves, “Am I creating value for the people I am serving? Do I understand their needs?” This is because social entrepreneurs want to know how they are actually making an impact. They are also accountable to investors who want to know whether their contributions are indeed stimulating social improvements as promised by the social entrepreneurs. | |
| 28 | <p>Rohan owns a small handicraft business in Rajasthan called DesiArt Creations. He sells traditional handmade items like wall hangings, clay pots, and decorative lamps. Depending on the type of customer and location, Rohan uses different ways to distribute his products:</p> <p>i. For local buyers who visit his workshop, Rohan sells directly to them without involving any middlemen.</p> <p>ii. For customers in nearby towns, he supplies products to a large retail store that sells his handicrafts to final consumers.</p> <p>iii. For bigger cities, he sells his products in bulk to a wholesaler, who then sells them to retailers, and finally to consumers.</p> <p>Identify and state the levels of distribution used in the above (3) situations.</p> <p>ZERO LEVEL, ONE LEVEL, TWO LEVEL</p> <p>OR</p> | 3 |

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| | <p>A company has started producing healthy fruit juices to meet the growing demand for nutritious beverages in the city. The success of the company depends on several factors:</p> <ul style="list-style-type: none"> • It sources fresh fruits and packaging materials from external providers, and any delay or drop in quality can affect production. • Retail stores and outlets in the city help distribute the juices to end consumers. • Competing juice brands in the area influence the company’s pricing and promotional strategies. • Consumers provide feedback about taste, packaging, and preferences, which the company considers when improving products. <p>Based on the above case, identify and state any three micro-environment factors that affect the company.</p> <p>SUPPLIERS, CUSTOMERS, COMPETITORS</p> | |
| 29 | <p>Rahul is a marketing executive in a fast-growing company. He is very ambitious and constantly sets challenging sales targets for himself. He enjoys competing with others and feels motivated when his hard work is recognized by his manager. Meanwhile, his colleague Neha prefers working in a team where everyone supports one another and values cooperation. Another employee, Arjun, dreams of being promoted to a managerial position because he wants to influence decisions and guide his team. Using McClelland’s Theory of Motivation, explain the different needs that motivate Rahul, Neha, and Arjun.</p> <p>According to David McClelland’s Theory of Motivation, people are motivated by three main needs:</p> <ol style="list-style-type: none"> 1. Need for Achievement (Ach): <ul style="list-style-type: none"> ○ Individuals with a high need for achievement seek to excel and succeed through personal effort. ○ Example: Rahul shows a strong need for achievement because he sets challenging goals and feels motivated by success and recognition. 2. Need for Affiliation (Aff): <ul style="list-style-type: none"> ○ This need focuses on building friendly relationships and being accepted by others. ○ Example: Neha demonstrates a high need for affiliation as she values teamwork and harmonious relationships. 3. Need for Power (Pow): <ul style="list-style-type: none"> ○ People with this need desire to influence, control, or guide others. | 3 |

| | <ul style="list-style-type: none"> ○ Example: Arjun shows a high need for power because he wants to take leadership roles and influence decisions. | | | | | | | | | | | |
|------------------------|---|-------------|--------------|------------------------|-------|------------------------|-------|-------------|----------|----------------------|-------|---|
| | PART D | | | | | | | | | | | |
| 30 | <p>A company is planning to launch a new eco-friendly product. While preparing for the launch, the management realizes that deciding the right price is very important. They need to consider how the price will affect revenue, customer interest, competition, profits, and the overall achievement of their business goals. Briefly explain any five merits of this concept.</p> <p>Merits:</p> <ol style="list-style-type: none"> 1. Key to revenue 2. Attracts customers 3. Provides an edge over competition 4. Crucial to profits 5. Helps achieve other business objectives | 5 | | | | | | | | | | |
| 31 | <p>A. XYZ Manufacturing Ltd. produces and sells a single product.</p> <p>The following data are available for the month of September:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Particulars</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Selling Price per Unit</td> <td>3,000</td> </tr> <tr> <td>Variable Cost per Unit</td> <td>1,800</td> </tr> <tr> <td>Fixed Costs</td> <td>7,20,000</td> </tr> <tr> <td>Actual Sales (units)</td> <td>1,200</td> </tr> </tbody> </table> <p>Calculate:</p> <ol style="list-style-type: none"> 1. Contribution per unit 2. Break-Even Point (BEP) in units and sales 3. Margin of Safety (units) | Particulars | Amount (Rs.) | Selling Price per Unit | 3,000 | Variable Cost per Unit | 1,800 | Fixed Costs | 7,20,000 | Actual Sales (units) | 1,200 | 5 |
| Particulars | Amount (Rs.) | | | | | | | | | | | |
| Selling Price per Unit | 3,000 | | | | | | | | | | | |
| Variable Cost per Unit | 1,800 | | | | | | | | | | | |
| Fixed Costs | 7,20,000 | | | | | | | | | | | |
| Actual Sales (units) | 1,200 | | | | | | | | | | | |

OR

B. ABC Industries Ltd. manufactures and sells a single product. The following information relates to its operations for the month of June:

| Particulars | Amount (Rs.) |
|------------------------|---------------------|
| Selling Price per Unit | 2,400 |
| Variable Cost per Unit | 1,500 |
| Fixed Costs | 450,000 |
| Actual Sales (units) | 1,000 |

Calculate:

1. Contribution per Unit
2. Break-Even Point (BEP) in units and in sales
3. Margin of Safety (units)

ANSWER :

A.

| Particulars | Calculation | Result |
|--------------------------|----------------------|----------------------|
| Contribution per Unit | $3,000 - 1,800$ | Rs. 1,200 |
| BEP (units) | $720,000 \div 1,200$ | 600 units |
| BEP (Sales Rs.) | $600 \times 3,000$ | Rs. 1,800,000 |
| Margin of Safety (units) | $1,200 - 600$ | 600 units |

OR

B.

| Particulars | Calculation |
|------------------------------|--------------------|
| Contribution per Unit | $2,400 - 1,500$ |

| | | | | | | | | |
|---------------------------------|---|--------------------|--------------------|------------------------|--------------------|---------------------------------|---------------|--|
| | <table border="1"> <tr> <td>BEP (units)</td> <td>$450,000 \div 900$</td> </tr> <tr> <td>BEP (Sales Rs.)</td> <td>$500 \times 2,400$</td> </tr> <tr> <td>Margin of Safety (units)</td> <td>$1,000 - 500$</td> </tr> </table> | BEP (units) | $450,000 \div 900$ | BEP (Sales Rs.) | $500 \times 2,400$ | Margin of Safety (units) | $1,000 - 500$ | |
| BEP (units) | $450,000 \div 900$ | | | | | | | |
| BEP (Sales Rs.) | $500 \times 2,400$ | | | | | | | |
| Margin of Safety (units) | $1,000 - 500$ | | | | | | | |
| 32 | <p>Riya dreams of starting her own business but is unsure which product or service to offer. To generate the best business idea, she decides to use multiple techniques. First, she gathers and studies large amounts of information from news, market reports, and technology updates to detect emerging trends and opportunities. Next, she taps into her creativity by thinking differently and combining ideas in unique ways, looking at problems from fresh angles. Riya then organizes a group brainstorming session with friends and experts, where everyone shares ideas openly, building on each other's suggestions. To ensure her idea meets real market needs, she conducts detailed market research to analyze the current demand and supply situation for similar products. Finally, she arranges a focus group discussion, inviting potential customers to give feedback and share their opinions about various product ideas, which helps her refine her concept.</p> <p>Identify and explain any five methods Riya used to generate business ideas from the above case.</p> <p>The five techniques used by Riya to generate business ideas are:</p> <ol style="list-style-type: none"> Environment Scanning: She collected and analyzed large amounts of information to identify emerging market trends and opportunities. Creativity and Creative Problem Solving: Riya used creative thinking to combine ideas uniquely and look at problems from new perspectives. Brainstorming: She conducted a group discussion where participants freely shared ideas, encouraging innovative suggestions. Market Research: She studied the demand and supply conditions of similar products to identify gaps in the market. Focus Group: Riya invited potential customers to a discussion to get their feedback and opinions, helping her refine and improve her business idea. | 5 | | | | | | |
| 33 | <p>State any (5) differences between an Entrepreneur and an Employee on any five basis.</p> | 5 | | | | | | |

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| 34 | <p>India is a growing economy with millions of young people eager to build their futures. In this dynamic environment, new businesses and startups have become essential. Entrepreneurs play a crucial role as they act like the “life-line” of the nation by creating new products and services. Entrepreneurship drives innovation, leading to new ideas and technologies that change the pace of growth. It also promotes inclusive growth, ensuring that development reaches different sections of society. Successful ventures increase profits not only for the business but also contribute to the national economy. Moreover, entrepreneurship creates employment opportunities for many people, helping reduce unemployment rates. Beyond economic gains, businesses also generate social benefits by improving living standards and solving community problems.</p> <p>From the above case, identify and explain any five reasons why entrepreneurship is important for our country.</p> <p>The five reasons highlighting the need for entrepreneurship in our country are:</p> <ol style="list-style-type: none"> 1. Life-line of a nation: Entrepreneurs are essential for economic survival and growth, keeping the economy active and thriving. 2. Provides innovation: Entrepreneurship leads to new ideas, products, and technologies that improve living standards. 3. Change of growth / Inclusive growth: It promotes growth that benefits all sections of society, reducing inequality. 4. Increased profits: New businesses generate profits that contribute to the overall economic development. 5. Employment opportunities: Entrepreneurship creates jobs, reducing unemployment and providing livelihoods. 6. Social benefits: Entrepreneurs often address social issues, improving quality of life and community welfare. | 5 |
|----|--|---|