



INDIAN SCHOOL AL WADI AL KABIR
DEPARTMENT OF COMMERCE
FINAL ASSESSMENT - XI 2025-26
ENTREPRENEURSHIP (066)

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	Rajesh Marwaha and J. S. Mehandipur in their book _____ have given a comprehensive classification of the functions of entrepreneurs. A. Entrepreneurship and Small Business B. Small Business and Entrepreneurship C. Functions of Entrepreneurs D. Entrepreneurship	1
2	Entrepreneurs can be of different types. Some may prefer to go it alone or share the risk in groups with others. They are found in every economic system and every form of economic activity as well as in other social and cultural activities. They are seen from amongst farmers, labourers, fishermen, tribes, artisans, artists, importers, exporters, bankers, professionals, politicians, bureaucrats and so many others. Based on the above features who has broadly classified entrepreneurs into four types? C. Danhof	1
3	Identify the type of entrepreneurs who enter into entrepreneurship because of various governmental supports provided in terms of financial assistance, incentives, concessions and other facilities to the people who want to set up of their new enterprises. Induced entrepreneurs	1
4	_____ is a set of defined behaviours that provide a structured guide enabling the identification, evaluation and development of the behaviors in an individual. A. Attitude	1



	<p>B. Competency C. Value D. Skill</p>	
5	<p>Who defined Ethical Entrepreneurship as “Ethical Entrepreneurship, in a nutshell, amounts to the achievement of ethical goals through entrepreneurship”.</p> <p>Johan Wempe</p>	1
6	<p>As entrepreneurs climb the ladder of success, they should not forget that for success to be long lasting they will have to follow some ethical standards in their business practices. Some examples to be followed are as follows except:</p> <p>A. Providing quality and correct quantity of goods to consumers B. Keeping in mind the environmental issues during production C. Paying the minimum and correct wages to the workers D. To use child labour in their production</p>	1
7	<p>Some research studies have revealed _____ core values that are generally possessed by dynamic entrepreneurs.</p> <p>A. Three B. Four C. Six D. Five</p>	1
8	<p>The highest need in Maslow's hierarchy is that of _____.</p> <p>A. self-actualization B. self-esteem C. physiological D. safety</p>	1
9	<p>The Google _____ Intrapreneurship program has a formal process for their selection of entrepreneurial projects, for the formal evaluation process and the monitoring of each Google approved entrepreneurial project.</p> <p>A. “Creative Time Off” B. “Time Off” C. “Formal Time Off” D. “Innovation Time Off”</p>	1
10	<p>The best source of ideas is the people who will _____ your products.</p> <p>A. purchase B. criticise C. not purchase D. sell</p>	1

11	One of the important techniques that can be used to generate ideas is _____, the screening of large amounts of information to detect emerging trends. environment scanning	1
12	Creativity is the ability to combine ideas in a unique way or to make _____ associations between the ideas. It means cross thinking by seeing new angles, connections and approaches. A. unusual B. usual C. unique D. Both B&C	1
13	This is a method of gathering information about products/services that already exist in the market. A. Marketing research B. Market research C. Research D. Market Study	1
14	It is an electronic communication among enterprises, including customers, suppliers, business partners, government organizations and financial institutions. A. E-Business B. Commerce C. Trade D. E-Commerce	1
15	This feasibility study details on how to deliver a product or service. A. Organisational B. Technical C. Market D. Financial	1
16	After the Second World War, especially in the _____ and _____, the size and character of the markets in many countries of the world changed enormously. A. 30s and 40s B. 40s and 50s C. 50s and 60s D. 60s and 70s	1
17	Operational cost is further sub-divided into _____ and _____ cost. Fixed and Variable Cost	1

18	<p>An organization's performance and resulting productivity are directly proportional to the quantity and quality of its _____.</p> <p>A.Human Resource B.Physical Resource C.Financial D.Material</p>	1
PART B		
19	<p>Briefly explain organisational building as an entrepreneurial function.</p> <p>Organisation Building: Organisation and management are the main functions of an entrepreneur. They refer to the bringing together of the various factors of production. The purpose is to allocate the productive resources in order to minimise losses and reduce costs in production.</p>	2
20	<p>Briefly explain the following misconceptions about great ideas:</p> <p>a. 'Great ideas just appear out of nowhere' b. 'There are no illogical ideas.'</p> <p>1. Great ideas just appear out of nowhere The reality is that the best idea generators tend to do so in a structured systematic way. They don't wait for the things to happen but instead approach idea generation as the top priority activity by devoting a sufficient period of time to it.</p> <p>2. There are no illogical ideas The reality is that many ideas may not be very good, though to prevent others from feeling that their contribution are not valued; the belief is that, all ideas should be approached as worthy. Sometimes, the most powerful ideas come from what at first glance seemed illogical.</p>	2
21	<p>A retail company tracked its sales data during an off-season discount. By collecting, maintaining, and organizing this data, the management was able to identify trends in customer purchases, understand which products were more popular, and plan future promotions effectively. These insights helped the company make informed decisions and improve overall business performance.</p> <p>Identify and explain the concept that the company is using to analyze and utilize data for better decision-making.</p> <p>Business intelligence is the ability of an organization to collect, maintain, and organize data. This data produces large amounts of information that can help develop new opportunities. Identifying these opportunities and implementing an effective strategy, can provide a competitive market advantage and long-term stability.</p>	2
22	<p>Define Zero Level and Indirect Channel of Distribution.</p> <p>1. Direct Channels/Zero-level: Through this channel, the producers supply the products direct to the consumers. The producer, here either supplies directly to the consumer or through its retail outlets.</p> <p>2. Indirect Channels: In this type, the producers supply their products through</p>	2

	one or more intermediaries.	
23	<p>What is Resource Mobilisation?</p> <p>Resource mobilization is the process of getting resource from resource provider, using different mechanisms, to implement the organization's work for achieving the pre-determined organizational goals.</p>	2
24	<p>A rich and continuing supply of qualified people/personnel is the best assurance an enterprise can have that it will flourish. 'Right man at right job at the right time' is the mantra for successful enterprises. Give any (2) reasons to justify.</p> <p>(1) Benefits of specialization to the firm (2) Minimizes wastages of resources (3) Reduces inefficiencies (4) Reduces labour turnover ratio and rate of absenteeism (5) Saves cost of production</p>	2
PART C		
25	<p>What are the last three stages in the entrepreneurial process? Discuss.</p> <p>6. Start-Up: Launching the venture, developing a customer base, and adjusting marketing and operational plans as required.</p> <p>7. Growth: Growing the business: developing and following strategic plans, adapting to new circumstances.</p> <p>8. Harvest: Selling the business and harvesting the rewards. For many entrepreneurs, this also means moving on to new ventures and new challenges.</p>	3
26	<p>"Discuss the evolution of entrepreneurs across the first, second, and third generations."</p> <p>1. First-Generation Entrepreneurs: These entrepreneurs start their industrial unit by means of their own innovative skill and expertise. They usually combine different technologies to produce marketable products or services for the consumers. They are essentially innovators having no entrepreneurial background.</p> <p>2. Inherited Entrepreneurs/ Second Generation Entrepreneurs: Inherited Entrepreneurs or entrepreneurs by inheritance are seen in India where they inherit the family business through succession and pass it from one generation to another.</p> <p>3. Third Generation Entrepreneurs: These are those types of entrepreneurs wherein their grandparents and parents have been entrepreneurs and they have inherited the business. This model is very commonly found in India.</p>	3
27	<p>How do entrepreneurs use brainstorming and focus groups to develop and refine new business ideas?</p> <p>Brainstorming A group of persons sit together and generate a number of business ideas by innovating alternative ways of meeting the needs and solving problems. It is usually an unstructured</p>	3

	<p>discussion in which one idea leads to another. This is a very productive method for generating as many ideas as possible.</p> <p>Focus Groups These groups of individuals provide information about proposed products or services in a structured setting. In a typical focus group a moderator focuses the group discussion or whatever issues are being examined. For instance, a focus group might look at a proposed product and answer specific answer asked by the moderators. A focus group can provide an excellent way to generate new ideas and to screen proposed ideas and concepts.</p>	
28	<p>Explain briefly the following innovations which led to successful ventures, stating the Inventor, their invention and how it was created?</p> <p>a.Penicillin b.Potato Chips c.The Pacemaker</p> <p>Penicillin Inventor: Sir Alexander Fleming, a scientist What he was trying to make: Ironically, Fleming was searching for a "wonder drug" that could cure diseases. How it was created: Fleming noticed that a contaminated Petri dish, he had discarded, contained a mould that was dissolving all the bacteria around it. When he grew the mould by itself, he learned that it contained a powerful antibiotic, penicillin.</p> <p>Potato Chips Inventor: George Crum, a chef at the Carey Moon Lake House in Saratoga Springs What they were trying to make: A plate of fried potato. How it was created: One day, a customer sent back his plate of potatoes many times and kept asking for them to be more fried and thinner. Crum lost his temper, sliced the potatoes insanely thin and fried them until they were hard as a rock. To the chef's surprise, the customer loved them and wanted more! And this is how potato chips came into existence.</p> <p>The Pacemaker Inventor: John Hopps, an electrical engineer What he was trying to make: Hopps was conducting research on hypothermia and was trying to use radio frequency heating to restore body temperature. How it was created: During his experiment, he realized that if a heart stopped beating due to cooling, it could be started again by artificial stimulation. This realization led to the pacemaker.</p> <p>OR "Name the personalities and state the achievements that brought them fame."</p> <p>a.</p>  <p>- Harish Hande: Magsaysay Award Winner 2011. Founder of Selco India, a solar electric light company in 1995.</p>	3

	<p>b.</p>  <p>- Founder of Barefoot College, which promotes rural development through innovative education programs.</p> <p>c.</p>  <p>- Ela Bhatt: Founded in 1972, Self-Employed Women's Association (SEWA) is a rare trade union of poor, unorganised, self-employed women who work as vendors, hawkers and labourers.</p>	
29	<p>FreshBites is a new healthy snack company that has just launched a range of organic protein bars. The company has invested heavily in high-quality ingredients, attractive packaging, and extensive advertising campaigns. While all these efforts have created awareness and demand, FreshBites is struggling to cover costs and generate profits. The marketing team realizes that, although their product looks appealing and the promotion is strong, the price they set might not be optimized. They know that the right pricing strategy could help the company achieve both sales and profitability.</p> <p>Explain why price is a critical element in the marketing mix for FreshBites (Explain any 3)</p> <p>Importance of Pricing: Price is the only element in the marketing mix that produces revenue, the other elements produce cost. Thus, it is essential that we get a good picture of the significance of pricing.</p> <p>(a) Key to Revenue: Price and sales volume together decide the revenue of any business. As the sales volume in itself is dependent on price, “pricing really becomes the key to revenue of the business”.</p> <p>(b) Attract Customers: Pricing's power to break customer's brand loyalty by a lower price in the market needs no evidence or elaboration.</p> <p>(c) Edge Over Competition: Consumers want the maximum quantity at minimum prices. Good quality but at reasonable price is their demand.</p> <p>(d) Crucial to Profits: Pricing is crucial to profits. It is risky area of decision in marketing management. Mistakes in pricing decisions seriously affect the firm's, profits, growth and future.</p> <p>(e) Platform for Achieving other Objectives: A business firm may have a number of objectives, some short term, some long term, some primary, and some secondary to be attained.</p>	3
PART D		

30	<p>Ravi has recently started a small manufacturing unit producing eco-friendly stationery. As his business grows, he realises that running the enterprise involves more than just producing goods. He needs to ensure that the company has enough funds, effectively reaches customers, manages his workforce well, and keeps track of financial transactions. Identify and explain the five different commercial functions Ravi must perform as an entrepreneur to ensure the success of his business.</p> <p>The commercial functions of an entrepreneur include:</p> <p>Production: It is the key function of an entrepreneur. The activities of production are independent of the size of the undertaking. In a small concern, one person may be undertaking this function whereas, in large organisations, this activity may be undertaken by various individuals or separate teams. It is the creation of goods and services. It consists of manufacturing, ancillary and advisory activities.</p> <p>Finance: It is the most important aspect in all enterprises. It remains a focus of all business activities. The need for money is continuous. It starts with the setting up of an enterprise and remains at all times. The development and expansion of an enterprise rather needs more commitment for funds. It is the duty of the entrepreneur to look and analyse into the various sources of finance and appropriately arrange for them as and when required.</p> <p>Marketing: It is primarily concerned with the movement of goods and services from the producer to the ultimate consumer. It is directed towards the satisfaction of consumer wants. Marketing plays a significant role in promoting the well-being of the business enterprise. So it is the role of the entrepreneur to strategically place his company in an advantageous position to secure the top position in the market.</p> <p>Personnel: This function is concerned with employment, development and compensation for the personnel, the provisions of working conditions and welfare measures to maintain a good work force in the organisation.</p> <p>Accounting: It is defined as a systematic recording of entrepreneurial transactions of an enterprise and the financial position of the enterprises.</p>	5
31	<p>Explain the concept of a feasibility study and describe the four types involved.</p> <p>Centre for Entrepreneurship at University of Rochester explained that “a feasibility study can be defined as a controlled process for identifying problems and opportunities, determining objectives, describing situations, defining successful outcomes, and assessing the range of costs and benefits associated with several alternatives for solving a problem.”</p> <p>Market Feasibility: Includes a description of the industry, current market, anticipated future market potential, competition, sales projections, potential buyers, etc.</p> <p>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.).</p> <p>Financial Feasibility: Projects how much start-up capital is needed, sources of capital, returns on investment, etc.</p> <p>Organisational 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>	5

32	<p>EcoLife is a start-up producing eco-friendly personal care products with natural ingredients and recyclable packaging. In some countries, a large portion of the population is over 60, while in others, most consumers are young adults. People in wealthier regions are willing to pay higher prices for sustainable products, but in economically slower areas, spending on non-essential items has dropped. New technology allows EcoLife to track customer preferences, offer personalized recommendations, and improve packaging with biodegradable materials. Different governments have strict regulations on product safety, labelling, and environmental practices, while some provide incentives for sustainable businesses. The ingredients EcoLife relies on are becoming scarce, and sourcing them is increasingly challenging due to environmental concerns. Pollution and natural resource limitations in certain areas can impact production and reputation. Consumer lifestyles and values differ widely, with some prioritising sustainability and others focusing on price and convenience. Market conditions change rapidly, requiring the company to adapt its strategy creatively in every region it enters. Failure to adjust to these varying conditions could result in supply disruptions, poor sales, or reputational damage.</p> <p>Question: Identify any (5) macro environmental factors affecting Eco Life by quoting the lines from the given case.</p> <p>1. Demographic Forces “In some countries, a large portion of the population is over 60, while in others, most consumers are young adults.”</p> <p>2. Economic Factors “People in wealthier regions are willing to pay higher prices for sustainable products, but in economically slower areas, spending on non-essential items has dropped.”</p> <p>3. Technological Forces “New technology allows EcoLife to track customer preferences, offer personalised recommendations, and improve packaging with biodegradable materials.”</p> <p>4. Political Forces “Different governments have strict regulations on product safety, labeling, and environmental practices, while some provide incentives for sustainable businesses.”</p> <p>5. Natural Factors “The ingredients EcoLife relies on are becoming scarce, and sourcing them is increasingly challenging due to environmental concerns.” “Pollution and natural resource limitations in certain areas can impact production and reputation.”</p> <p>6. Cultural Forces “Consumer lifestyles and values differ widely, with some prioritizing sustainability and others focusing on price and convenience.”</p>	5										
33	<p>Home Ltd. produces a single product called “LED Desk Lamp.” The company has collected the following data for January:</p> <table border="1" data-bbox="277 1598 703 1864"> <thead> <tr> <th>Particulars</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Selling Price per Unit</td> <td>3,500</td> </tr> <tr> <td>Cost per Unit:</td> <td></td> </tr> <tr> <td>- Raw Materials</td> <td>1,200</td> </tr> <tr> <td>- Direct Labour</td> <td>800</td> </tr> </tbody> </table>	Particulars	Amount (Rs.)	Selling Price per Unit	3,500	Cost per Unit:		- Raw Materials	1,200	- Direct Labour	800	5
Particulars	Amount (Rs.)											
Selling Price per Unit	3,500											
Cost per Unit:												
- Raw Materials	1,200											
- Direct Labour	800											

- Electricity and Machine Usage	500
Fixed Costs	900,000
Actual Sales (units)	2,000

ANSWER :

Particular	Value
Contribution per Unit	Rs. 1,000
Break-Even Point (Units)	900 units
Break-Even Point (Sales)	Rs. 3,150,000
Margin of Safety	1,100 units

OR

SunTech Ltd. manufactures a single product called "Solar Charge." The company has collected the following data for the month of December:

Particulars	Amount (Rs.)
Selling Price per Unit	4,000
Cost per Unit:	
- Raw Materials	1,500
- Direct Labor	900
- Packaging and Transportation	400
Fixed Costs	1,000,000
Actual Sales (units)	3,000

ANSWER:

Particular	Value
Contribution per Unit	Rs. 1,200
Break-Even Point (Units)	834 units
Break-Even Point (Sales)	Rs. 33,36,000
Margin of Safety	2,166 units

34	<p>Explain the concept of financial resources by describing the different <i>sources</i> of finance and discuss the terms of finance based on their <i>duration</i>.</p> <p>Terms for which finance is required Finance, is required for:</p> <p>(a) Long term: It is generally a period of 5 or more years for:</p> <ul style="list-style-type: none"> (i) Procuring Fixed assets (ii) Meeting out Expansion or Diversification plans (iii) Conduct research work <p>(b) Short term: It is generally a period of up to 1 year. To meet working capital requirement short term finance is to be raised.</p> <p>(c) Medium term: A period, where finance is required for more than one year but less than 5 years, is called medium term requirement. To meet especially modernization requirements, finance is required for medium term.</p> <p>Sources of Generating Finance: There are various sources from where finance can be arranged. Most entrepreneurs invest small capital from their own funds and the remaining from outside.</p> <p>Thus, selecting a proper balance between owners' funds and borrowed funds is the next step.</p> <p>(a) Owner's Fund: This is that part of capital that belongs entirely to the entrepreneur in the form of:</p> <ul style="list-style-type: none"> (i) Equity capital (ii) Preference capital (iii) Margin money/seed money <p>(b) Borrowed Funds: The Entrepreneur can, if required, raise capital from outside through:</p> <ul style="list-style-type: none"> (i) Issue of debentures (ii) Loan from financial institutions (iii) Loan from banks (iv) Private lenders of money 	5
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