



# INDIAN SCHOOL AL WADI AL KABIR

## DEPARTMENT OF COMMERCE

### ASSESSMENT 1 -XII 2025-26

#### ENTREPRENEURSHIP (066)

**Date: 18/09/2025**

**Time: 3 hours**

**Marks: 70**

#### GENERAL INSTRUCTION:


Read the following instructions carefully and follow them:


- (i) This question paper contains 34 questions. All questions are compulsory.
- (ii) This question paper is divided into four sections – Section A, B, C and D.
- (iii) Section A: Questions number 1 to 18 are Multiple Choice Type Questions. Each question carries 1 mark.
- (iv) Section B: Questions number 19 to 24 are Short Answer type-I questions. Each question carries 2 marks. Write answer to each question in 30 to 40 words.
- (v) Section C: Questions number 25 to 29 are Short Answer type-II questions. Each question carries 3 marks. Write answer to each question in 50 to 70 words.
- (vi) Section D: Questions number 30 to 34 are Long Answer type questions. Each question carries 5 marks. Write answer to each question in 120 to 150 words.
- (vii) There is no overall choice. However, an internal choice has been provided in Section B, C and D of question paper. A candidate has to attempt only one of the alternatives in such questions.

SECTION - A		
1	Amit wants to start a business that recycles plastic waste into construction bricks. He has researched the technology and found it feasible. He also discovered that the government is offering subsidies for eco-friendly startups. Which macro environmental factor is helping Amit's business idea? A. Social B. Technological C. Political D. Legal	1
2	Fill in the blank: Sensing entrepreneurial opportunities is a process of converting _____ into an enterprise.	1

	<p>A. Needs and problems</p> <p>B. Vision and creativity</p> <p>C. Entrepreneurial intuitions</p> <p>D. Creative solutions</p>	
3	<p>Identify the sequence of the given steps of an 'Enterprise Process Diagram' in correct order:</p> <p>(I) Identifying the needs and problems that exist in the environment.</p> <p>(II) Identifying a product or service through innovation.</p> <p>(III) Opportunity spotting by analysing the needs and problems that exist in the environment.</p> <p>(IV) Setting up a project and nurturing it to success.</p> <p>(V) Evaluating the ideas received from different sources to find a creative solution.</p> <p>A. (III), (V), (II), (IV), (I)</p> <p>B. (IV), (I), (III), (V), (II)</p> <p>C. (I), (III), (V), (II), (IV)</p> <p>D. (II), (IV), (I), (III), (V)</p>	1
4	<p>Ravi noticed that many people in his town were shifting towards organic food due to rising health concerns. He conducted a survey and found that there was no local supplier of organic vegetables. He decided to start a business that connects local farmers with urban consumers through an app-based delivery system.</p> <p>Which element of business opportunity is most evident in Ravi's idea?</p> <p>A. Assured market scope</p> <p>B. Existing competition</p> <p>C. Attractive rate of return</p> <p>D. Lack of practicability</p>	1
5	<p>Ananya, a young entrepreneur, plans to launch a startup that offers eco-friendly packaging solutions. She prepares a business plan that includes an executive summary, market analysis, operational plan, and financial projections. She presents this plan to potential investors to secure funding.</p> <p>What is the primary purpose of Ananya's business plan?</p> <p>A. To confuse competitors</p> <p>B. To attract investors and guide operations</p> <p>C. To avoid legal formalities</p> <p>D. To increase production costs</p>	1
6	<p>'In case the business assets are insufficient to pay off liabilities, the personal property of the sole proprietor can be called upon to pay his business debts.'</p> <p>The essential feature of sole proprietorship form of business organisation which is referred to in the above lines is:</p> <p>(A) Limited area of operation</p> <p>(B) Sole beneficiary</p>	1

	(C) Unlimited liability (D) Individual financing	
7	<p>Style &amp; Fashion Ltd. is a garment manufacturing company. Its garments are high in demand. So for the expansion of its business it took a loan of ₹ 50 lakhs from a bank. But due to change in fashion the demand of its garments started declining. The company was unable to repay the amount of loan due to heavy losses. The management of the company asked its shareholders to contribute as per their number of shares for repayment of loan. The shareholders refused as they had already paid the full amount due on their shares. The company filed a case against the shareholders in court. But the court protected the shareholders.</p> <p>From the following, identify the characteristic of the company form of organisation which protected the shareholders:</p> <p>A. Separate Legal Entity B. Transferability of shares C. Artificial person D. Common seal</p>	1
8	<p>_____ element of the financial plan describes how the enterprise funds will be dedicated to different assets so that the enterprise can earn the highest possible return.</p> <p>Choose the correct option to fill up the blank:</p> <p>A. Proforma Investment decision B. Proforma Financing decision C. Proforma Income statement D. Cash flow statement</p>	1
9	<p>Read the following statements Assertion (A) and Reason(R).</p> <p>Assertion (A): Private Companies need not be listed in Stock Exchange and these companies cannot issue shares for public subscription.</p> <p>Reason (R): Maximum number of members for a public company is 200.</p> <p>Choose the correct alternative from those given below:</p> <p>A. Both assertion and reason are true and reason is correct explanation of the assertion. B. Both assertion and reason are false C. Both assertion and reason are true but reason is not a correct explanation of the assertion. D. Assertion is true. Reason is false.</p>	1
10	<p>“Wah! Peekar mazaa aa gaya” is a small amount of text which serves to clarify a thought designed with a dramatic effect.</p> <p>This is known as:</p>	1

	 <p>A. Logo B. Trade Mark C. Tagline D. Brand Mark</p>	
11	<p>Hamul industries started manufacturing ice-creams under the brand name 'Tasty'. The company decided to use 3D animation techniques which will be projected on buildings. They chose several high raise buildings all over major metropolitan cities and started their advertising campaign.</p> <p>What form of media is the company using?</p> <p>A. Television B. Ambient C. Point of sale D. Cinema</p>	1
12	<p>This promotional technique is deliberately planned and sustained effort to establish and maintain mutual understanding between an organisation and public. This industry grew 12% to touch 1600 crore in FY2023, according to the fourth 'State of the Industry Survey 2023' report by the Public Relations Consultants Association of India (PRCAI). While media relations continue to be the largest service, non-media relations services now contribute 53 per cent of the industry's revenue.</p> <p>Identify the promotion technique (mix) mentioned in above para.</p> <p>A. Advertising B. Sales Promotion C. Personal Selling D. Public Relations</p>	1
13	<p>'Umbrella branding' is:</p> <p>A. Entrepreneur opts to use a common or successful family name for their several products. B. Entrepreneurs choose to utilise their corporate name or logo together with some brand names of individual products. C. Entrepreneur uses alpha-numeric names to signify physical characteristics of the product. D. Entrepreneur chooses distinct names for each of his offerings.</p>	1
14	<p>Which of the following are the rules for planning any advertising activity?</p> <p>A. Aim B. Competitors C. Media</p>	1

	D. All of the above	
15	 <p>Identify the promotion strategy shown in the image above.</p> <p>A. Below-the line B. Above -the-line C. Through-the-line D. Both Below-the-line and Above-the-line</p>	1
16	<p>_____ is the ingredient of a franchise agreement which outlines the marketing and advertising procedures to be used by franchisee.</p> <p>Choose the correct option to fill up the blank.</p> <p>A. Contract explanation B. Operations manual C. Ongoing site maintenance D. Proprietary statements</p>	1
17	<p>In _____ acquisition, the purchasing company becomes a subsidiary of the purchased company.</p> <p>A. friendly B. reverse C. backflip D. hostile</p>	1
18	<p>Read the following statements Assertion (A) and Reason(R).</p> <p>Assertion (A): Franchising is considered a low-risk growth strategy for entrepreneurs.</p> <p>Reason (R): In franchising, the franchisee operates under an established brand name and receives support from the franchisor.</p> <p>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.</p>	1
<b>SECTION – B</b>		

19	<p>Farooq, a young entrepreneur, noticed a growing interest in sustainable living. While brainstorming for business ideas, he began observing people's shopping behaviour at local markets, and local malls and noticing which stores draw crowds and which sit empty. He saw that many people were actively searching for eco-friendly products like reusable bags, bamboo toothbrushes and biodegradable packaging, etc. Farooq also spent time visiting community events, watching how customers interacted with these products and what they prioritized.</p> <p>To gather more insights, Farooq used tech tools like email newsletters, sustainability-focused websites, and online forums to stay updated on the latest trends in eco-friendly products.</p> <p>Based on his observations and research, Farooq decided to launch a business offering a wide range of eco-friendly daily use products.</p> <p>By quoting lines from the above para, identify the two ways of 'trend spotting' adopted by Farooq.</p>	2
20	<p>This section of the business plan generally begins with the "mission statement" by the entrepreneur describing the size, scope and nature of the enterprise.</p> <p>(a) Identify the component of business plan defined above. (b) Define any one of the key elements that is covered under component, as identified in (a).</p>	2
21	<p>Mention any four public relation tools?</p> <p style="text-align: center;"><b>OR</b></p> <p>Define the types of sales strategy that can be used by an enterprise.</p>	2
22	<p>This is the right to exclude others from making, using, selling, offering to sell, and importing an invention for a limited period of time for the public disclosure of the invention.</p> <p>(a) Identify the Intellectual property right describes above. (b) Define any other Intellectual Property Right.</p>	2
23	<p>(i) State any two advantages enjoyed by the franchisor.</p> <p style="text-align: center;"><b>OR</b></p> <p>(ii) State any two disadvantages for the franchisee.</p>	2
24	State the difference between amalgamation and absorption.	2
<b>SECTION C</b>		
25	<p>(i) State by giving any three points how 'Follow-up' as an element of operational plan helps an entrepreneur.</p> <p style="text-align: center;"><b>OR</b></p> <p>(ii) Explain the three formats of a business plan for Start-ups where audience is the external stakeholders.</p>	3

26	<p>Daksh, an automobile engineer with an MBA from a reputed college, launched ‘Captain’, a model electric car. He initially priced the model at a premium so that fewer sales were needed to break even. He used this strategy to target early adopters and environmentally conscious consumers who were willing to pay a higher price for an electric vehicle.</p> <p>As the demand from the higher-end market saturated and he was able to recover most of the investment made to build the car, he gradually lowered its prices and introduced more affordable models expanding the customer base.</p> <p>(a) Identify the method of pricing initially adopted by Daksh for launching the electric cars.</p> <p>(b) State any one advantage and any one disadvantage of the strategy identified in (a) above.</p>	3
27	<p>The process of creativity involves various steps. One of the steps is related to transition period, ‘where the entrepreneur starts thinking about the idea and implementation in his subconscious mind’.</p> <p>Explain the next three steps followed by this.</p>	3
28	Discuss the product related factors affecting the distribution channel.	3
29	<p>(a)What is meant by synergy?</p> <p>(b)What are the types of synergy?</p> <p>(c)Explain any one of the type of synergy mentioned in (b)</p>	3
<b>SECTION D</b>		
30	Explain the various steps involved in preparing a marketing plan?	5
31	<p>“Good Air Ltd.” is the manufacturer of different types of electric fans like ceiling fans, table fans, exhaust fans, etc. It wanted to start its operations in the recently electrified rural areas ahead of its competitors. It invested in research and development to adopt new technology so that it could produce energy efficient fans at lower cost. The government was stable for the last many years and was focusing on electrification of rural areas.</p> <p>‘Good Air Ltd.’ took advantage of this and started its operations. The company complied with health and safety regulations, as well as environmental protection laws, to ensure customer safety. As its policy, the company also assures compensation to its customers in case of an injury or accident due to its fans. Since the disposable income of the people in rural areas was low, the company offered an instalment scheme, making its products more accessible to them. Committed to sustainability, the company ensures that its production causes minimum environmental damage. For this, it focuses on reducing waste by recycling production by-products and using biodegradable packaging materials whenever possible.</p>	5

	Quoting lines from the above text, identify five macro environmental factors that the company took into consideration while operating its business.	
32	<p>(i) Discuss the types of franchising opportunity with example.</p> <p style="text-align: center;"><b>OR</b></p> <p>(ii) Startup proves to be less risky when it is a franchisee unit. Discuss based on this point how start-ups are benefited by franchise business.</p>	5
33	Explain the types of mergers possible for a business to expand and grow.	5
34	Explain the different types of channels of distribution, draw the flow diagram for each type.	5