

BHARTIYA SHIKSHA BOARD CLASS XII
SAMPLE QUESTION PAPER
ENTREPRENEURSHIP (Paper Code: 177)

Time: 3 Hours


Max. Marks: 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 Section B, C and D of question paper.

SECTION A		
1	<p>Sudhanshu had surplus funds to invest and compared two business ideas. One was a eatery in a small town offering an annual return of 5% , while the other was a cloud kitchen in a metro city with an expected return of nearly 10% and moderate risk. After evaluating both, Sudhanshu chose the cloud kitchen idea over the eatery.</p> <p>Which element of business opportunity influenced his decision?</p> <p>a) Practicability of the idea b) Potential for future growth c) Acceptable rate of return on investment d) Competence of the entrepreneur to encash it</p>	1
2	<p>The importance of planning for an entrepreneur lies in the fact that it:</p> <p>a) Ensures unlimited resources for the venture b) Replaces the role of experience in business c) Provides a roadmap for moving from start-up to maturity d) Eliminates the need to analyse internal and external factors</p>	1
3	<p>Pure Innovations Ltd. is preparing to launch a new range of organic detergents. While planning its operations, the management examined the impact of rising inflation and high interest rates on production costs. At the same time, it studied laws related to taxation, environmental protection, and labour safety to ensure compliance and avoid future legal issues.</p> <p>The case of Pure Innovations Ltd. reflects which two dimensions of the business environment?</p> <p>a) Legal and Social environment b) Economic and Legal environment</p>	1

	c) Political and Economic environment d) Economic and Ecological environment											
4	<p>Aarav wanted to launch smart water bottles that remind users to drink water regularly. He first identified the product features, designed the bottle, and estimated the technology and funds required. Next, he arranged sensors, raw materials, workers, and machinery. After this, the bottles were manufactured and tested. Finally, the product was introduced in the market through online sales and retail stores.</p> <p>Which of the following correctly represents the sequence of stages in the innovation process?</p> <p>a) Resource Organization → Analytical Planning → Implementation → Commercial Application</p> <p>b) Analytical Planning → Resource Organization → Implementation → Commercial Application</p> <p>c) Analytical Planning → Implementation → Resource Organization → Commercial Application</p> <p>d) Resource Organization → Implementation → Commercial Application → Analytical Planning</p>	1										
5	<p><i>Eco Move Mobility</i> was established to provide environmentally friendly transport solutions in crowded cities. During a strategy meeting, the founders debated which statement should be included in the company profile as the one that explains the company’s present purpose and the value it intends to provide to customers.</p> <p>The following statements were suggested. Which statement should the company select as its mission statement?</p> <p>a) To provide affordable and eco-friendly transport solutions for daily commuters</p> <p>b) To become the most preferred electric mobility brand in Asia by 2035</p> <p>c) To increase shareholder wealth through rapid business expansion</p> <p>d) To establish charging stations in 100 cities within five years</p>	1										
6	<p>Match 4 Ps in Column (A) with Column (B)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Column A (4 Ps)</th> <th>Column B (Examples)</th> </tr> </thead> <tbody> <tr> <td>1. Product</td> <td>(p) A company using multiple warehouses, mobile apps, and delivery partners to ensure products reach customers quickly</td> </tr> <tr> <td>2. Price</td> <td>(q) A luxury smartwatch brand introducing its latest model at a very high initial price to create an exclusive image</td> </tr> <tr> <td>3. Place</td> <td>(r) A beverage manufacturer expanding its distribution network to small towns, supermarkets, and vending machines</td> </tr> <tr> <td>4. Promotion</td> <td>(s) A fast-food chain launching a “delivery within 30 minutes” media campaign along with discount coupons</td> </tr> </tbody> </table> <p>a) 1-q; 2-s; 3-r; 4-p b) 1-p; 2-q; 3-r; 4-s c) 1-r; 2-q; 3-p; 4-s d) 1-s; 2-p; 3-q; 4-r</p>	Column A (4 Ps)	Column B (Examples)	1. Product	(p) A company using multiple warehouses, mobile apps, and delivery partners to ensure products reach customers quickly	2. Price	(q) A luxury smartwatch brand introducing its latest model at a very high initial price to create an exclusive image	3. Place	(r) A beverage manufacturer expanding its distribution network to small towns, supermarkets, and vending machines	4. Promotion	(s) A fast-food chain launching a “delivery within 30 minutes” media campaign along with discount coupons	1
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7	<p>A multiplex cinema charges different ticket prices for the same movie depending on the timing and day — higher rates for weekend evening shows and lower rates for weekday morning shows.</p>	1										

	<p>The pricing method used here is:</p> <ul style="list-style-type: none"> a) Variable pricing b) Cost-plus pricing c) Skimming pricing d) Penetration pricing 	
8	<div style="text-align: center;">  </div> <p>Observe the image given above and identify the way used by the business organisation to create and maintain a favourable image among people.</p> <ul style="list-style-type: none"> a) Advertising b) Sales Promotion c) Public Relations d) Personal Selling <p>For visually impaired candidates</p> <p>A company organizes a trade show where it sets up an attractive stall to showcase its latest product range. According to the classification of sales promotion activities, this is an example of:</p> <ul style="list-style-type: none"> a) Consumer promotion b) Business promotion c) Trade promotion d) Sales force promotion 	1
9	<p>Read the following statements: Assertion (A) and Reason (R). Choose the correct option from those given below:</p> <p>Assertion (A): In a backflip acquisition, the acquiring company becomes a subsidiary of the acquired company.</p> <p>Reason (R): In a backflip acquisition the entire process is done by force.</p> <ul style="list-style-type: none"> (a) Both A and R are true, and R is the correct explanation of A (b) Both A and R are true, but R is not the correct explanation of A (c) A is true, but R is false (d) A is false, but R is true 	1
10	<p>Read the following statements: Statement (I) and Statement (II). Choose the correct option from those given below:</p> <p>Statement I: Internal expansion leads to the growth of a single firm by widening its capital base and production capacity.</p>	1

	<p>restaurant prices and lack of hygienic homestyle meals. Observing this gap, she decided to start a cloud kitchen that would prepare affordable meals exclusively for online delivery platforms.</p> <p>Identify the entrepreneurial concept that helped Ritika to conceive her business. State its two objectives.</p>	
21A	Differentiate between 'Business franchise opportunity ventures' and 'Business format franchise opportunity'.	2
	OR	
21B	How do franchisees benefit from economies of scale and collective advertising in a franchised business system?	2
22	<p>Eco Glow Pvt. Ltd. launched a new herbal face cream in a highly competitive skincare market. The advertisement was designed using the principles of developing effective advertising. It first used striking visuals and a catchy slogan to immediately attract viewers. It then highlighted the unique natural ingredients to build curiosity, followed by creating a strong urge to try the product, and finally offered a limited-time discount code to encourage purchase.</p> <p>Identify the sequence of customer responses generated by the advertisement.</p>	2
23	<p>Neo Tech Innovations, a newly established company, decided to expand its operations. To raise long-term funds, it offered shares to the public through a prospectus and became a public limited company. The company followed all necessary legal formalities for issuing securities to investors.</p> <p>Identify:</p> <p>(i) the method of raising funds used by the company</p> <p>(ii) the type of market where such funds are raised</p>	2
24	Evaluate how a business plan serves as an effective decision-making tool for an entrepreneur.	2
	SECTION C	
25 A	<p>Raghav plans to start a business of organic fruit juices in his city. Before launching the product, he studies the preferences of health-conscious consumers, checks the number of existing juice brands in the market, and compares production and transportation costs with competitors.</p> <p>Identify and explain the three factors of market assessment considered by Raghav before starting the business.</p>	3
	OR	
25 B	An entrepreneur continues to think about a new business idea subconsciously without actively working on it, allowing ideas and possible solutions to develop in the background before making final decisions. Identify this step of the creative process and analyse its importance for an entrepreneur. Also explain the next step to be taken in the creative process.	3
26 A	Despite certain limitations, Sole Proprietorship remains a popular form of business organisation among small entrepreneurs. Justify the given statement.	3
	OR	

26 B	Differentiate between a Private Company and a Public Company on the basis of the following: (a) Minimum membership (b) Transfer of shares (c) Invitation to public	3
27	Aarav runs a small bakery and wants to identify new food trends. He attends trade association events both online and offline, joins groups on social network websites, and engages with people on forums to see what people are buzzing about. He also interacts with his customers and prospective customers through social media and online surveys to find out what they are thinking, buying, craving, and doing. Additionally, he monitors ratings and review sites to see what people are saying about his competitors. (a) Identify the way of trend spotting Aarav is using. Support your answer by quoting lines from the caselet. (b) Suggest any other way of spotting trends that could also be appropriate for Aarav in this scenario and explain briefly.	3
28	Megha and her team have launched an eco-friendly packaging start-up. They have been shortlisted to present their business idea to a venture capital firm. The investors expect them to make a professional presentation with slides, visuals, and a compelling oral pitch. Megha knows that the investors are looking for something engaging that will make them want to go through the detailed business plan later. a. Identify and explain the format of the business plan that Megha should use in this situation. b. Name the format of business plan presentation that can be used by Megha to present the teaser of the executive summary.	3
29	Kabir observed that many small shopkeepers in his locality were facing difficulties in managing sales records, tracking customer payments and maintaining accounts manually. Realising the growing dependence on digital transactions, he came up with the idea of developing a simple mobile application for bookkeeping and payment tracking. He also planned to offer premium features and subscription-based services through the application to generate income. Identify the idea field that inspired Kabir and explain how such idea fields help entrepreneurs identify business opportunities.	3
SECTION D		
30 A	“Venture capital has emerged as an important source of finance for innovative start-ups and high-growth ventures.” Analyse the concept of venture capital by explaining its meaning and key features. Also examine how venture capital differs from loan capital and debt financing.	5
OR		
30 B	The term ‘angel’ which was traditionally linked with people who supported theatrical pursuits has evolved into a recognised form of investment. Who are angle investors? Analyse their role in enterprise creation.	5
31 A	Explain any five reasons for external expansion by mergers and acquisitions.	5
OR		
31 B	Explain the concept of ‘merger’ as an enterprise growth strategy. Also give one difference between ‘merger’ and ‘acquisition’.	5

<p>32</p>	<p>Raghav owns two businesses. In one, he manufactures steel utensils under the brand name “Shiny Home”, which are identical in design and price for every customer. In another, he runs a furniture workshop under the name of ‘Craft Nest Interiors’, where each piece is designed according to customer preferences and requirements.</p> <p>Raghav is confused about what channels of distribution to adopt for both types of products.</p> <ol style="list-style-type: none"> 1. Identify the type of products being sold by Raghav. 2. Suggest the most suitable channel of distribution for the furniture being made in his workshop and the utensils manufactured by Raghav. 3. State any two considerations related to the product that will help Raghav to determine the channel of distribution. 	<p>1 2 2</p>												
<p>33</p>	<p>A startup, Urban Sip Café, sells three products — Coffee, Sandwiches, and Pastries. The management has estimated the following sales mix and contribution per unit:</p> <table border="1" data-bbox="263 745 1220 958"> <thead> <tr> <th>Product</th> <th>Sales Mix Ratio</th> <th>Contribution per Unit</th> </tr> </thead> <tbody> <tr> <td>Coffee</td> <td>5</td> <td>₹20</td> </tr> <tr> <td>Sandwiches</td> <td>3</td> <td>₹30</td> </tr> <tr> <td>Pastries</td> <td>2</td> <td>₹25</td> </tr> </tbody> </table> <p>The total fixed cost of the café is ₹3,60,000 per year.</p> <p>Based on the above information, answer the following:</p> <ol style="list-style-type: none"> 1. Calculate the weighted average contribution. 2. Calculate the Break-Even Point in units. 3. Determine the number of units of each product that must be sold to achieve the Break-Even Point. 	Product	Sales Mix Ratio	Contribution per Unit	Coffee	5	₹20	Sandwiches	3	₹30	Pastries	2	₹25	<p>1 1.5 1.5</p>
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Coffee	5	₹20												
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<p>34</p>	<p>Three young entrepreneurs, Virat, Rohit and Kuldeep started a venture named Nutri Bite Foods to manufacture healthy snacks for school and office-going consumers. Before launching the business, they prepared a detailed business plan to ensure proper direction and smooth functioning of the enterprise. In the plan, they included a brief description of the business and its future vision. They also conducted research to understand customer preferences, market demand, and competing brands. The entrepreneurs estimated the amount of capital required for the venture along with expected profits in the coming years. To promote their products, they planned advertising campaigns and discount offers through digital platforms. They further decided the production targets and manufacturing methods for the snacks. In addition, arrangements were made for workflow, storage facilities, and quality control systems to ensure efficient day-to-day operations.</p> <p>Quoting the lines, identify the components of the business plan referred to in the above case. (Any five)</p>	<p>5</p>												