



# B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS  
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL



## PRE BOARD II Examination 2025-26 ENTREPRENEURSHIP (066)

Class: XII  
Date: 9.12.25  
Admission no:

Time: 3Hrs  
Max Marks: 70  
Roll no:

### General instructions

Read the following instructions very carefully and strictly follow them:

This question paper contains 34 questions. All questions are compulsory.

Q1 to 18 are 1 mark questions.

Q19 to 24 are 2 mark questions.

Q25 to 29 are 3 mark questions.

Q30 to 34 are 5 mark questions.

There are internal choices

Q1) **Assertion (A):** Feasibility analysis includes only financial evaluation of the idea.

**Reason (R):** Financial feasibility is one of the important aspect of a new business idea.

**Choose the correct option:**

(1)

(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.

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

Q2) XYZ Ltd., a mobile phone manufacturer, has a skilled workforce and strong R&D capabilities. But recently, they have suffered from declining sales due to poor marketing strategies. The mobile phone market is growing rapidly, and newer technologies like 5G are creating exciting possibilities. In this above case the **weakness** of the company are.

(1)

(A) Growing mobile phone market and emerging technologies (like 5G)

(B) Poor marketing strategies and declining sales

(C) Intense market competition and rapid technological changes

(D) Skilled workforce and strong R&D

**OR**

A small garment company, Fashion Flavour, offers trendy yet affordable clothes. It enjoys customer loyalty in its local market but lacks online presence and suffers from limited reach. With the boom in e-commerce and social media marketing, it has a chance to grow rapidly. It will face intense competition from online retailers and established big brands in the market which they are aware and ready to face.

What are the **Opportunities** Fashion Flavour have?

(A) Trendy and affordable products, customer loyalty

(B) Competition from online retailers and big brands

(C) Lack of online presence, limited market reach

(D) Growth of e-commerce, social media marketing

**Q3) Statement 1:** A good opportunity must be aligned with the entrepreneur's interest and skills.

**Statement 2:** Misalignment can lead to lack of motivation and poor business performance.

**Choose the correct option:**

(1)

- (A) Both statement 1 and 2 are correct.
- (B) Both statement 1 and 2 are incorrect
- (C) Statement 1 is correct but Statement 2 is incorrect
- (D) Statement 1 is incorrect but Statement 2 is correct

**Q4) Which of the following is NOT a part of the process of sensing an entrepreneurial opportunity? (1)**

- (A) Scanning the environment
- (B) Selection of product/service
- (C) Deciding the price of the product
- (D) Identification of needs and wants

**OR**

Apart from demand and supply of a product. What else must an entrepreneur consider when he generates a market driven idea?

- (A) Cost and price of products
- (B) Number of legal obligations to be followed
- (C) Competition from MNC
- (D) Nature of the product to be sold

**Q5) Assertion (A):** A joint Hindu family business is governed by the Hindu Succession Act.

**Reason (R):** Only the eldest male member, called Karta, manages the family business.

**Choose the correct option:**

(1)

- (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.
- (C) Assertion (A) is true, but Reason (R) is false.
- (D) Assertion (A) is false, but Reason (R) is true.

**Q6) Which of the below is a non economic activity (1)**

- (i) Playing a cricket tournament with prize money
- (ii) Playing a friendly cricket tournament
- (iii) Buying an I phone for sister
- (iv) Buying Mac Book to do official work
- (A) Option (i) and (ii)
- (B) Option (ii) and (iii)
- (C) Option (iii) and (iv)
- (D) Option (ii) and (iv)

**Q7) A partnership deed generally does not contain. (1)**

- (A) Name of the firm.
- (B) Amount of Capital contributed by each partner
- (C) Name of the partners
- (D) Amount of Capital loan taken by each partner

**OR**



The above shows which feature of a company?

- (A) Artificial person
- (B) Transferability of shares
- (C) Common Seal
- (D) Separate legal entity

**Q8) Mr. Sharma uses a log of wood and makes it into a piece of wooden show piece, he knows it will not be sold in his village so he takes it to the nearest town. What type of utilities are created by him? (1)**

- (A) Time and Form Utilities
- (B) Form and Place Utilities
- (C) Time and Place Utilities
- (D) Only Place utility.

Q9) Protects the visual design of objects that are not purely utilitarian. It can be a two or three dimensional pattern used to produce a product, industrial commodity or handicraft. Which IP is defined? (1)

- (A) Copyright (B) Trademark (C) Patent (D) Industrial design

OR

What do Germans call taglines?

- (A) Claims (B) Signature (C) Baseline (D) Endlines

Q10) The soft drink bottle of 200 ml of a company is priced at Rs. 8, while a 2000 ml/2 litre bottle is priced at Rs.55. This is an example of what type of pricing? (1)

- (A) Variable pricing (B) Cost plus pricing (C) Penetration pricing (D) Skimming pricing

Q11) The Goli Vada Pav No. 1 ,company is looking to strengthen its pan India network. It is targetting especially tier I, tier II, tier III cities and small towns for expansion and opening more number of stores. It would like to partner with potential partners who can invest Rs.10-20 lakh. For opening a Goli Vada Pav No. 1 store, area requirement is about 350 sq ft. The preferred location for opening an outlet is a high street traffic areas like market, colleges, business areas and residential catchments.What type of expansion strategy is the company talking about? (1)

- (A) Merger (B) Acquisition (C) Partnership (D) Franchising

OR



What is shown above.

- (A) Horizontal Merger (B) Acquisition (C) Partnership (D) Vertical Merger

Q12) What is correct about Hotel Saravana Bhavan. (1)

- (i) It is the largest vegetarian restaurant chain in the world,
- (ii) It was founded in 1981 by Rajagopal,
- (iii) It offers different traditional Indian cuisine.
- (iv) This chain is an example of successful model of Franchising.

- (A) Option (i), (ii) and (iii) (B) Option (ii), (iii) and (iv)  
(C) Option (i), (ii) and (iv) (D) Option (i), (iii) and (iv)

Q13) In relation to the food retail company in India. What is QSR? (1)

- (A) Quick Service Restaurants (B) Quality Service Restaurants  
(C) Quality Superior Restaurants (D) Quite Service Restaurants

Q14) Which one is not a key elements to the process of financial management? (1)

- (A) Financial planning (B) Financial organising (C) Financial control (D) Financial decision making



Q15) What is true about the picture above. (1)

- (i) It's the logo of Securities Exchange Board of India
- (ii) It's Headquarter in Nariman Point, Mumbai.
- (iii) It is the regulator for the securities market in India.
- (iv) It was established as a supervising and regulatory body to promote the securities markets in India.

- (A) Option (i), (ii) and (iii)  
(C) Option (i), (ii) and (iv)

- (B) Option (ii), (iii) and (iv)  
(D) Option (i), (iii) and (iv)

Q16) **Statement 1:** Entrepreneurs need to mobilise resources before starting a venture.

**Statement 2:** Resource mobilisation only helps in identifying the target market.

**Choose the correct option.**

(1)

- (A) Both statements are true  
(C) Statement 1 is true but Statement 2 is false  
(B) Both statements are false  
(D) Statement 2 is true but Statement 1 is false

**OR**

**Assertion:** Resource mobilisation is essential for entrepreneurial success.

**Reason:** It ensures timely availability of funds and other resources.

**Choose the correct option:**

- (A) Both Assertion (A) and Reason (R) are true, and (R) is the correct explanation of (A).  
(B) Both Assertion (A) and Reason (R) are true, but (R) is not the correct explanation of (A).  
(C) Assertion (A) is true, but Reason (R) is false.  
(D) Assertion (A) is false, but Reason (R) is true.

Q17) Angel investors were once given the acronym FFF – i.e. FRIENDS, FAMILY and

(1)

- (A) Females (B) Fellows (C) Fools (D) Financers

Q18) Find the odd one.

(1)

- (A) Industrial Development Bank of India (B) State Industrial Development Corporation  
(C) National Bank for Agriculture and Rural Development (D) Industrial Investment Bank of India

Q19) Ankit, noticed that many working professionals in his city struggled to find healthy, home-cooked meals during office hours. He realized that most food delivery services focused on fast food or restaurant meals, which were often unhealthy and expensive. After conducting a detailed survey among office-goers, he found a strong demand for affordable, nutritious, home-style meals. He also discovered that many homemakers were willing to cook extra meals for additional income. Seeing this gap, “**Tiffin Tales**”, was launched, a platform that connected local home chefs with office workers seeking healthy meals.

Identify any four elements of a business opportunity present in Ankit’s idea.

(2)

Q20) State any four situations when a sole proprietorship form of business is suitable.

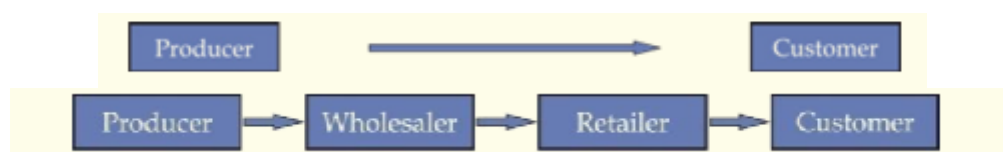
(2)

Q21) Explain implied authority and mutual agency features of a Partnership

(2)

**OR**

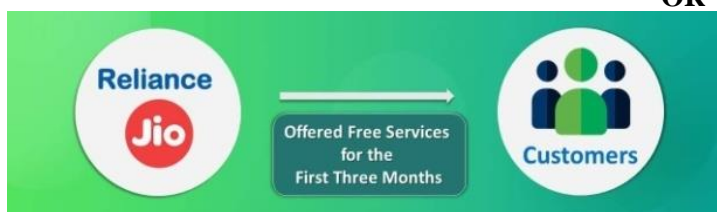
What is PAN?



Q22) What is shown above? How are they different?

(2)

**OR**



What type of pricing is shown above? State any two advantages of this pricing.

Q23) Write short notes on Product franchise and Manufacturing franchise opportunity (2)

Q24) Calculate the unit price from the table below (2)

Number of customers	Per customer billed amount (Rs.)
12	150
10	200
9	250
7	400
12	500




Q25) Why private company is more desirable? (State any three points) (3)

Q26) “It is common for especially start-ups to have three or four formats as follows for the same business plan.” Name and explain any three of such formats. (3)

**OR**

Why identification of the “target market” is a pretty tedious task?

Q27) Complete the table (3)

Logo	Brand Name	Tagline
		
		
		

**OR**

What is a logo? State any two purpose of a logo.

Q28) FitFuel is a well-known fitness supplement company with a strong distribution network across India. NutriCore, on the other hand, is a research-driven start-up that has developed innovative plant-based protein formulas but lacks market reach. In 2025, FitFuel and NutriCore merged to form **FitCore Nutrition Pvt. Ltd.** The merger allowed FitFuel to enhance its product line with NutriCore’s cutting-edge formulas, while NutriCore gained access to FitFuel’s vast retail and online distribution channels. The combined entity also reduced overlapping costs in marketing and R&D and launched a new product line within three months of the merger.

- a) What is meant by ‘synergy’ in the context of mergers and acquisitions? (1)  
b) Identify two types of synergy achieved in the FitFuel–NutriCore merger. (2)

Q29) An entrepreneur can raise the required capital in the primary market, through public issue and right issue. Explain how both of them are different. (3)

**OR**

Explain the following terms associated with the stock market

i) Close ii) Offer quantity and iii) Short selling

Q30) Elucidate the statement: The process of creativity involves five steps. (5)

Q31) What is Manpower planning? Explain the three things that Manpower planning helps assess. (5)

Q32) Riya, a young entrepreneur, noticed a growing demand for healthy snacking options among urban youth. She decided to launch a new brand called “**NutriBites**”, offering baked, gluten-free, and low-calorie snacks made from natural ingredients. To ensure the success of her product, Riya carefully crafted her marketing mix strategy.

She priced her products competitively, slightly higher than regular snacks, to reflect the premium quality. She chose to sell through health food stores, online platforms, and fitness centers. To promote NutriBites, she collaborated with fitness influencers, ran social media campaigns, and offered free samples at gyms and yoga studios.

a) Identify and explain the elements of the marketing mix used by Riya. (2)

b) Why did Riya choose to price her product slightly higher than regular snacks? (1)

c) What is Riya’s choice of distribution channels? (1)

d) Suggest one more promotional strategy Riya could adopt to increase brand awareness. (1)

**OR**

EcoSip is a startup founded by two young entrepreneurs aiming to reduce plastic waste. They launched a line of reusable, biodegradable water bottles made from bamboo fiber. To promote their product, they designed an advertising campaign using the AIDA model.

Their ad featured:

A striking image of a polluted beach with the tagline: “Still sipping from plastic?”

A short video showing the bottle’s stylish design and eco-friendly features.

Testimonials from environmental activists and influencers.

A limited-time offer: “Buy 1, Get 1 Free – Only This Week!”

The campaign was run across Instagram, YouTube, and eco-lifestyle blogs.

a) What do you mean by AIDA model? (1)

b) Identify how EcoSip’s advertisement captured Attention. (1)

c) What elements of the ad were used to generate Interest? (1)

d) Explain how the Desire for the product was created. (1)

e) What was the Action step in EcoSip’s campaign? (1)

Q33) Green Grow Organics is a start-up that manufactures eco-friendly skincare products. As the company prepares for the next financial year, the finance team sits down to create various budgets to ensure smooth operations and growth.

They begin with a sales budget, estimating revenue based on projected demand and market trends. Next, they prepare a production budget to align manufacturing with expected sales. They found out that one machine was becoming obsolete and needed to be changed so they planned to replace the machine and prepared a budget for that too. Deep analysis of cash inflow and out flow leads to a preparation of another budget. Marketing budget was prepared to estimate the funds needed for promotion, advertising and public relations in order to market the product, as they now plan to expand their business and if possible even try to sell their products in other parts of the country. Finally they draft a **master budget** that consolidates all individual budgets into a comprehensive financial plan. The budgeting process helps GreenGlow allocate resources wisely, anticipate challenges, and set realistic goals.

a) Name the different budgets that the finance team has prepared? (1)

b) What is the purpose of the sales budget prepared by Green Glow Organics? (1)

c) Which budget helps avoid overproduction or stock shortages? (1)

d) Can you identify cash budget and capital budget from above? (1)

e) How does marketing budget intend to help? (1)

**OR**

XYZ Ltd. and ABC Ltd are engaged in the same type of business. Both the firms have invested capital of Rs.10,00,000 and Rs.15,00,000 respectively. Both have taken loans at 10% and 12% respectively from different banks. The loan amount for both the firms is Rs.5,00,000 each. (3+ 1+1)

Particulars	XYZ Ltd.	ABC Ltd.
<b>Sales</b>	12,00,000	15,00,000
Cost of Goods Sold	7,20,000	9,50,000
Gross Margin	(A)	(B)
<b>Fixed Expenses</b>		
Wages and Salary	1,45,000	1,75,000
Rent	60,000	90,000
Depreciation	55,000	75,000
Interest	(C)	(D)
Total Fixed Expenses	(E)	(F)
Profit before Tax	(G)	(H)
Tax 25%	(I)	(J)
Profit after Tax	(M)	(N)

Complete the above table and calculate Return on Investment (ROI); Return on Equity (ROE)

Q34) Explain the importance of stock exchange from the point of view of investors. (5)

-----ALL THE BEST -----