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INDIAN SCHOOL SALALAH

FINAL EXAMINATION, FEBRUARY 2026 (AY 2025-26)



Class: XI

ENTREPRENEURSHIP (066)

Date: 10/02/2026

Time: 3 Hrs

Maximum Marks: 70

General Instructions:

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

SECTION A

1	<p>Piyu starts a small business selling handmade notebooks. For the first few months, she earns revenue but does not make any profit because her income only covers her expenses. Her teacher explains that this situation represents an important concept in business studies. At this stage, Piyu's business is said to be at:</p> <p>(a) Profit Maximization Point (b) Gestation Period (c) Break-Even Point (d) Gross Margin Level</p>	1
2	<p>Ravi noticed that many people in his neighborhood were constantly looking for fresh, healthy juice options. Seeing an opportunity, he began experimenting with different fruit and vegetable combinations. After some time, he came up with a unique blend of juices that became quite popular among his friends. Encouraged by the positive feedback, Ravi opened a small juice stall in the local market, offering a variety of fresh juices to the customers. In the case above, Ravi's recognition of the demand for healthy juices and his ability to develop a new product aligns with which entrepreneurial function?</p> <p>(a) Planning (b) Discovery of an idea (c) Accounting (d) Assembling the requirements</p>	1
3	<p>Assertion (A): Price is the exchange value of a product and plays a key role in determining the revenue of a business. Reason (R): Price refers only to the utility derived by the consumer from using the product.</p>	1

	<p>(a) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).</p> <p>(b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).</p> <p>(c) Assertion (A) is true, but Reason (R) is false.</p> <p>(d) Assertion (A) is false, but Reason (R) is true.</p>	
4	<p>Which of the following is not the assumption of Maslow's theory of Motivation?</p> <p>(a) Satisfaction of needs influence behavior</p> <p>(b) People's needs are not in hierarchical order</p> <p>(c) Satisfied need can no longer motivate a person</p> <p>(d) A person moves to the next higher level need when lower level need is satisfied.</p>	1
5	<p>An entrepreneur named Priya starts a handmade paper business, creating unique products from elephant dung, which has higher fiber content. Priya focuses on making a product that stands out in the market and doesn't follow the trend of joining a "hot" industry. After extensive research, her venture grows and gains popularity due to the originality of her product. Which myth about entrepreneurship is being debunked in Priya's case?</p> <p>(a) Most entrepreneurs start businesses in attractive industries</p> <p>(b) The growth of a start-up depends more on the entrepreneur's talent than the industry</p> <p>(c) Banks don't lend money to start-ups</p> <p>(d) It takes a lot of money to finance a new business</p>	1
6	<p>Which approach encourages the generation of business ideas by developing a chain of word associations?</p> <p>(a) Focus group discussion</p> <p>(b) Brainstorming</p> <p>(c) Free association</p> <p>(d) Environment scanning</p>	1
7	<p>Guru has decided to open a new business of supplying sports equipment to the Sports Authority of India. He decided to charge the least possible for his products and to source them from small scale units. He tried to urge Sudhir to join his business. Before giving his final answer, Sudhir wants to know about the business, its products offered, scale of operation, type of technology used and skilled personnel. Which part of Business plan should Sudhir look in to?</p> <p>(a) General Introduction</p> <p>(b) Production Plan</p> <p>(c) Business Venture</p> <p>(d) Financial Plan</p>	1
8	<p>A start-up founder introduced shampoo and cooking oil in small sachets to make them affordable and easy to use for low-income consumers. Even when the idea faced initial criticism and uncertainty, the entrepreneur continued experimenting and improved the product based on feedback. Which core value of a dynamic entrepreneur is best reflected in the above case?</p>	1

	<ul style="list-style-type: none"> (a) Respect for work (b) Independence or self-reliance (c) Innovation and creativity (d) Quest for outstanding performance 	
9	<p>Assertion (A): Attitudes can influence a person’s behaviour, but we cannot directly observe an attitude.</p> <p>Reason (R): Attitudes are acquired gradually over time through family and social influences.</p> <p>Options:</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>GreenLeaf Textiles is a medium-scale enterprise engaged in manufacturing cotton garments. The company has noticed that it needs to maintain large stocks of raw cotton and finished garments to meet the growing market demand. Its production process involves multiple stages, taking almost two months from raw material to final product. Most of the work is done manually, requiring skilled and unskilled labour at different stages. During festive seasons, the demand for its products rises sharply, requiring the company to increase production and maintain higher inventory levels. Which factors are responsible for the higher working capital requirements of Green Leaf Textiles?</p> <ul style="list-style-type: none"> (a) Only volume of raw material and gestation period. (b) Nature and size of business, gestation period, manual vs automation, need to stock inventories, and business cycle. (c) Only manual labour and inventory levels. (d) Only business cycle and size of business. 	1
11	<p>Case: The Story of Colonel Sanders and KFC</p> <p>Colonel Harland Sanders, the founder of KFC, faced multiple failures before he succeeded. In his early life, Sanders had many different jobs, including a farmer, streetcar conductor, and insurance salesman. His first restaurant failed, and he lost his business due to a fire. But instead of giving up, he started again.</p> <p>At the age of 65, he took his secret fried chicken recipe and began to travel across the country to pitch his idea to restaurant owners. He faced rejection 1,009 times before someone finally agreed to use his recipe. His intense perseverance paid off, and today, KFC is one of the largest fast-food chains in the world. Which entrepreneurial competency is shown by Colonel Sanders, who continued to pitch his chicken recipe despite facing over a thousand rejections?</p> <ul style="list-style-type: none"> (a) Risk Taking (b) Creativity and Innovation (c) Persistence (d) Leadership 	1

12	<p>Assertion (A): Financial feasibility study is the study of how much startup capital is needed, sources of capital, return on investment etc. Reason (R): A comprehensive feasibility study looks at the entire structure, needs and operations of business.</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
13	<p>When large international smartphone brands became popular in India, <i>TechZone Pvt. Ltd.</i> began manufacturing similar phones using the same technology but at a much lower price to suit local consumers. The company did not invent new technology but adapted existing innovations successfully. The entrepreneur behind <i>TechZone Pvt. Ltd.</i> is a:</p> <p>(a) Imitative entrepreneur (b) Innovative entrepreneur (c) Drone entrepreneur (d) Fabian entrepreneur</p>	1
14	<p>Which of the following best explains how business incubators help start-ups obtain funding?</p> <p>(a) By directly purchasing shares of start-ups and managing them (b) By providing only office space and administrative support (c) By connecting start-ups with investors, helping refine funding pitches, and assisting in loans and government grants (d) By restricting start-ups to self-financing during the incubation period</p>	1
15	<p>Market survey is a process involving various steps. Arrange the steps in correct order.</p> <p>(i) Planning the Survey (ii) Report Making (iii) Analysis and Interpretation of Data (iv) Field Work</p> <p>a) (i), (iv), (iii), (ii) b) (i), (ii), (iii), (iv) c) (i), (ii), (iv), (iii) d) (iv), (i), (iii), (ii)</p>	1
16	<p>Sunrise Electronics is a company that manufactures home appliances. The company ensures efficient use of human resources by dividing responsibilities:</p> <ul style="list-style-type: none"> • The top-level team sets targets, frames policies, and monitors overall operations. • Skilled engineers select and install machines and supervise their functioning. • Factory workers assemble and test the appliances to maintain quality. • Support staff manage accounts, documentation, and assist other employees when needed. 	1

	<p>Which category of human resource is responsible for directly converting raw materials into finished products in Sunrise Electronics?</p> <p>(a) Managerial Staff (b) Administrative Staff (c) Non-Managerial Staff (d) Trained Technical Manpower</p>	
17	<p>Priya is a baker. She sells cakes and charges customers by the hour for custom decoration. She calculates the total cost of ingredients, fuel, and variable labour for 5 hours of work as ₹ 500. What is the Unit of Sale for Priya's bakery service?</p> <p>(a) One cake (b) One kilogram of cake (c) One hour of decoration service (d) One dozen cakes</p>	1
18	<p>A company buys machinery for ₹ 5,00,000, which will be used for 10 years. The depreciation charged each year is ₹ 50,000. What is the expenditure and what is the expense?</p> <p>(a) Expenditure = ₹ 50,000; Expense = ₹ 5,00,000 (b) Expenditure = ₹ 5,00,000; Expense = ₹. 50,000 per year (c) Both expenditure and expense = ₹. 5,00,000 (d) Expenditure = ₹. 5,00,000; Expense = ₹. 5,00,000</p>	1
SECTION B		
19	<p>Define 'Traditional Markets'. In what terms, with passage of time, did the industrial activity intensify?</p>	2
20	<p>Ravi is planning to open a bakery business in his city. He has a great passion for baking and believes there is a demand for high-quality, freshly baked goods in his area. However, before proceeding with his plan, Ravi decides to collect a list in detail all the things they need to make the business work to ensure that his business idea is viable and has the potential for success.</p> <p>Ravi starts by evaluating the market demand for baked goods in his locality. He examines the competition, potential customers, and identifies possible challenges like limited parking in the area and local regulations that may affect his operating hours. He also looks into the technical aspects, such as where to source the ingredients and how to manage production efficiently.</p> <p>Ravi calculates the required capital for equipment, rental space, and staff, and considers the sources from which he can secure the funds.</p> <p>a) Identify and explain the concept discussed above in the case. b) Explain any two features of the concept identified in (a).</p>	2
21	<p>In the 1940s, small dairy farmers in Gujarat faced problems selling their milk because middlemen controlled the market and offered very low prices. Tribhuvandas Patel, the chairman of the Kaira District Cooperative, realized there was an opportunity to empower farmers. He encouraged them to form cooperatives, collect milk collectively, and process it to sell directly to the market. With the help of Dr. Verghese Kurien, a dairy engineer, they set up the Amul brand.</p>	2

	<p>Amul started producing milk, butter, and other dairy products with consistent quality. Over the decades, Amul became India’s largest dairy brand. Today, it handles over 25 million liters of milk daily, employs millions of farmers, and has a turnover of thousands of crores. The idea behind Amul was not only business profit but also solving a social problem—ensuring fair prices for farmers.</p> <p>a) Identify the Promotional Function demonstrated by Tribhuvandas Patel and Dr. Verghese Kurien. b) Name any other Promotional function apart from the one identified above.</p>	
22	<p>At <i>SparkNova Pvt. Ltd.</i>, the management believes that innovative ideas arise suddenly without deliberate effort. As a result, the company does not allocate dedicated time for idea generation and expects employees to come up with ideas only during occasional brainstorming meetings. Senior managers also tend to reject ideas that initially appear impractical or illogical, assuming that only logically sound ideas are worth considering. Despite having several ideas on paper, the company often faces difficulties during implementation because many ideas are poorly screened at the initial stage.</p> <p>From the above case, identify any two misconceptions about idea generation being followed by <i>SparkNova Pvt. Ltd.</i></p>	2
23	<p>a) What is operational cost? b) <u>Classify the following into fixed cost and variable cost.</u> i. Rent of a go down ii. Minimum telephone bill iii. Salary to permanent staff iv. Cost of raw-material and payment of transportation of goods</p>	2
24	<p>What is meant by indirect channels of distribution? Explain any two indirect channels of distribution.</p>	2
SECTION C		
25	<p>In India, after the liberalization of the economy in 1991, the government recognized the importance of both private entrepreneurs and public sector enterprises for driving economic growth. While the government continued to play a key role in regulating the economy, private entrepreneurs were given more freedom and support to establish businesses. This shift enabled the country to see rapid advancements in innovation, especially in sectors like information technology, renewable energy, and manufacturing. Entrepreneurs began playing a central role in creating job opportunities, improving productivity, and introducing new technologies, such as those used in solar energy projects and tech startups.</p> <p>One of the key changes was the entrepreneurial boom in sectors where India had traditionally lagged, such as technology. Several startups emerged, leveraging global markets for their products and services, creating new markets in the process. These entrepreneurs not only brought in innovative products but also contributed to the country’s economic growth by increasing profits and employment opportunities. As a result, the standard of living in many urban areas improved due to the availability of quality services and products at competitive prices.</p> <p>Identify and quote any three need for entrepreneurship highlighted in the case study. Discuss how it contributes to economic development and social welfare in India.</p>	3

26	<p>A fast-growing software company, TechNova Solutions Pvt. Ltd, has successfully completed its initial years of operation and now plans to expand into international markets. The business requires a large amount of capital and promises high growth and high returns. An investment firm, Apex Growth Partners, agrees to provide funds in exchange for ownership in the business. The firm is willing to take high risk and plans to sell its stake after a few years once returns start declining.</p> <p>a) Identify the type of investor referred to in the case. b) Explain any four characteristics of such investors.</p>	3
27	<p>FreshGo Pvt. Ltd.” is a fast-growing food delivery company operating in metropolitan cities. Recently, the company noticed a rise in demand from young working professionals, while rising inflation has made customers more price-conscious. At the same time, the company adopted mobile apps and AI-based delivery tracking to improve customer experience. Quoting the lines from the above case, identify any three dimensions of the macro environment affecting FreshGo Pvt. Ltd. and briefly explain each.</p>	3
28	<p>Karuna has just completed her internship from a prestigious fashion institute of Switzerland. She now plans to open an up-market boutique in Mumbai, the fashion capital of India. Her friends advice her that before venturing out in the business, she should first assess the market potential for identifying problems and opportunities, determining objectives and assessing the range of costs and benefits associated with several alternatives for solving a problems.</p> <p>a) State the tool which will help her in this. b) Give the features of the tool identified in part (a). (Any 4)</p>	3
29	How did Kellogg’s begin its operations?	3
SECTION D		
30	<p>A young man was passing through a site of construction. He saw three labourers working in the site. He went to one of them and asked,”What are you doing here?” the worker answered, “don’t you see? I am pulling in to earn a living. I am working and earning.” The young man moved towards the second. Now, he asked the second man the question “What are you doing?” Pat came the reply “Don’t you see? I am constructing a wall.” The young man now asked the third person the same question and he replied “Don’t you see? I am building a beautiful mansion.” All three men were doing the same work, but what differentiated them was their psychological attribute towards work.</p> <p>a) All the three were doing the same work, then what differentiates them. Identify and explain the concept highlighted in the above case. b) State and explain the sources of the concept highlighted in (a).</p>	5
31	<p>Rohan is running a chocolate manufacturing unit. He started his business eight months ago. Due to stiff competition, he is selling his products at competitive prices but is still making a loss. He wants to calculate his break-even point to understand when he will start making profits.</p> <p>Fixed costs: ₹ 450,000 Selling price per unit: ₹ 60 Direct material cost per unit: ₹ 25 Direct labour cost per unit: ₹ 10</p>	5

	<p>Variable overhead per unit: ₹ 5</p> <ol style="list-style-type: none"> 1. Calculate the total variable cost per unit. 2. Calculate the break-even point in units and sales value. 3. Calculate the break-even point in units and sales value if the fixed costs are reduced by 10%. 4. Calculate the break-even point in units and sales value if the selling price per unit increases by ₹ 5. 	
32	<p>Ruthvi started an organization called <i>Swasthya Jyoti</i> to provide affordable healthcare services in rural areas. Her main objective was not profit but improving the health and well-being of underserved communities. Despite limited funds, she collaborated with local doctors, NGOs, and government health departments to expand her services. When faced with challenges such as lack of infrastructure and trained staff, she treated these problems as opportunities to innovate by introducing mobile health clinics and telemedicine services. Ruthvi regularly evaluates whether her initiatives are truly benefiting the people she serves and reports the impact to donors and supporters.</p> <p>a) From the above case, quote the lines and identify any three characteristics of a social entrepreneur displayed by Ruthvi. b) Give examples of any two social entrepreneurs.</p>	5
33	<p>EcoTech Pvt. Ltd. is a startup that sells eco-friendly gadgets. The company carefully sets its prices to achieve several goals: It charges a competitive price to attract customers who are loyal to conventional brands. It ensures that prices are affordable so that even middle-income consumers can buy its products. EcoTech Pvt. Ltd maintains a pricing strategy that helps cover costs and generate steady profits. The management uses pricing as a tool to plan revenue, compete with rivals, and expand into new markets. Based on the above case, answer the following questions:</p> <p>(a) Quoting the lines, identify and explain any three importance of pricing demonstrated by EcoTech Pvt. Ltd. (b) Explain briefly why pricing is considered crucial to profits.</p>	5
34	<p>Tommy's Cupcakes is a small bakery in a local neighborhood. The bakery has been in business for just three years, but it has quickly gained a reputation for making the best cupcakes in town. Tommy's Cupcakes has a loyal customer base who regularly visit her shop, and many people recommend her cupcakes to others. Tommy has also created a unique logo and brand name for her business, which is now recognizable to local customers. Additionally, Tommy has registered a trademark for her cupcake recipes, which she plans to use for future product lines.</p> <p>(a) Explain the term intangible resources? (b) Identify the intangible resources that Tommy's Cupcakes has and explain how they help her business grow.</p>	5
