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INDIAN SCHOOL SALALAH
FIRST TERM EXAMINATION – SEPTEMBER 2026



ENTREPRENEURSHIP (066)

Class : XII**DATE: 20/09/2026****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	'G Ltd.' launched a new smart watch having unique features of measuring blood sugar levels, blood pressure, etc. Ravinder, the production manager, thought of adding another additional feature of giving various types of commands and getting answers of these commands in the same smart watch. Identify the source which led to the emergence of the basic idea? a) Competition b) Change c) problem d) Innovation	1
2	Which type of acquisition results in the acquiring company becoming a subsidiary of the company it has purchased? a) Friendly acquisition b) Backflip acquisition c) Reverse acquisition d) Hostile acquisition	1
3	What distinguishes an amalgamation from an absorption in merger transactions? a) Both companies dissolve in absorption b) The larger company always ceases to exist in amalgamation c) A new entity is created in amalgamation, whereas absorption retains one original entity d) Absorption involves only intangible assets	1
4	Statement-I: The operational plan focuses on internal day-to-day operations of the business. Statement-II: It includes the company's advertising and branding strategy to attract customers. a) Both the statements are true.	1

	b) Both the statements are false. c) Statement-I is true, Statement-II is false. d) Statement-II is true, Statement-I is false.	
5	‘Environment Analysis is the process of monitoring the economic and non-economic environment to determine the opportunities and threats to an organisation.’ Which of the following is not involved in the above analysis ? a) Data collection b) Information processing and forecasting c) Form of business organization d) A rational basis for developing goals and strategies for business survival and growth	1
6	“Wah! Peekar mazaa aa gaya” is a small amount of text which serves to clarify a thought designed with a dramatic effect. This is known as :  a) Logo b) Trade mark c) Brand mark d) Tagline	1
7	Which of the following factors are involved in sensing opportunities? 1. Ability to perceive and preserve basic ideas 2. Ability to read the environment 3. Ability to assess the environment 4. Ability to harness different sources of information a) 1, 2 only b) 1 only c) 1,4 only d) 1, 2, 3 only	1
8	Even after providing good food, excellent hospitality and other services, 'The Concept', a five star hotel, is facing problem of low demand for its rooms. To increase demand of the rooms in the hotel the Chief Executive Officer of the hotel called the Marketing Manager for advice. The Marketing Manager suggested that with a booking for three days and two nights package the hotel should announce an offer to provide free dinner along with complimentary breakfast for one day, as well as a free stay for one day at a good resort for its clients within a month. The promotion strategy or approach suggested by the marketing manager is : a) Above the line b) Below the line c) Through the line d) None of the above	1

9	AB Ltd. was into manufacturing security cameras for household and commercial buildings. Their Research and development team came up with a new idea of manufacturing drones as security cameras which will give a 360-degree view of the entire building. They needed huge finance for the same. The company MD Sharath heard of this group of venture capitalists who are ready to invest in new ideas. He sought an appointment with them and started preparation of a business plan to be presented before them. His plan was to make an informative power point presentation showing key graphs of financial trends. It was meant to trigger discussion among the members. Which format of business plan is Sharath using? a) Elevator Pitch b) A pitch deck with oral narrative c) A written presentation for external stakeholders d) An internal operational plan	1
10	‘AN Ltd.’ a soap manufacturing company, developed a new brand of soap in which the content of palm oil is reduced from its soaps as a wider strategy. The use of less palm oil allows huge amount of savings which can be re-invested in other ingredients that make the product superior. For pricing this soap the company is adopting the pricing strategy where the price of the soap is initially set at a price lower than the eventual market price to attract customers. They expect that the customers will switch to this new brand because of the lower price. The method of pricing used by ‘AN Ltd.’ in its pricing decision is : a) Creaming or Skimming pricing method b) Variable pricing method c) Cost-plus pricing method d) Penetration pricing method	1
11	Assertion (A): Sales promotion relates to short-term incentives or activities that encourage the purchase or sale of products or services. Reason (R): Sales promotion helps to create awareness about the companies' products. Choose the correct option from the following: a) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A). c) Assertion (A) is correct, but Reason (R) is incorrect. d) Assertion (A) is incorrect, but Reason (R) is correct.	1
12	R-Tech Ltd. was formed by 7 promoters. The company issued a prospectus to raise funds and was registered under the Companies Act. A group of professional managers now runs the operations, while the shareholders are entitled to profits but are not involved in daily management. Which feature of company form is reflected in this case? a) Separation of ownership and management b) Ease of formation c) Unlimited liability d) Flexibility in decision making	1
13	From the given ‘type of merger’ in Column I and related examples in Column II, identify the matching pair and choose the correct option.	1

	Column I	Column II	
	A) Horizontal Merger	1. A car manufacturer acquiring a tire supplier	
	B) Vertical Merger	2. A beverage company acquiring another beverage company	
	C) Product extension merger	3. A telecom company acquiring a regional telecom provider	
	D) Market extension merger	4. A cosmetic company acquiring a skincare brand	
	a) A)-1, B)-2, C)-3, D)-4 b) A)-2, B)-1, C)-4, D)-3 c) A)-3, B)-4, C)-2, D)-1 d) A)-4, B)-3, C)-1, D)-2		
14	Priyam composed a music piece for a song and the lyrics were written by him. He wishes to legally protect his creation. He can get a a) Patent for lyrics and music piece b) Copyright for lyrics and music piece c) Copyright of the lyrics and patent for the music piece d) Trademark for the complete song.		1
15	Kiran owns a textile manufacturing company. Instead of opening new branches, he decides to acquire a small, established textile firm in another city to increase production and access a new customer base. The new unit will operate under Kiran's brand, and their operations will be merged. Identify the type of expansion strategy used a) Internal Expansion b) Licensing c) Joint Venture d) External Expansion		1
16	Rachit is launching a new brand of herbal skincare products. Before launching, he performed extensive market research, segmented his target audience based on age and skin type, and then formulated unique selling propositions for each segment. He planned to advertise on Instagram for the youth and through wellness magazines for older demographics. Which aspect of the marketing plan is Rachit focusing on? a) Business situation analysis b) Target market identification c) SWOT analysis d) Implementation and monitoring		1
17	A footwear company has developed a solid brand name and is now offering local businessmen the opportunity to operate outlets under its brand by paying a fee. These local operators follow strict brand guidelines, use pre-approved suppliers, and receive continuous operational support from the company. What type of franchising is being referred to in this case? a) Manufacturing Franchise b) Product Franchise c) Business Format Franchise d) Retail Franchise		1

18	Assertion (A): In partnership ‘the firm stands bound by the acts of partners.’ Reason (R): There is an implied authority that any partner can act on behalf of the firm. Choose the correct option from the following: a) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A). c) Assertion (A) is correct, but Reason (R) is incorrect. d) Assertion (A) is incorrect, but Reason (R) is correct.	1
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SECTION B

19	VRSP Cinema, operating 1293 screens in 98 cities of India merged with its smaller counterpart NOXI owning 230 screens in 21 cities. It created the largest multiplex chain in the country with over 1500 screens. The reason for this merger is synergy which would result in cost saving and revenue enhancement. This is the direct result of factors like better use of idle cash and higher debt capacity. Now they not only gained market share but also eliminated competition between each other. (a) Give the meaning of ‘Synergy.’ (b) Identify the form of the synergy discussed above.	2
20	Elaborate any two advantages of a franchise form of business to a franchisee.	2
21	Enlist two points as to why a private company is more desirable than a public company.	2
22	Devika started selling coffee with innovative packaging made from recycled paper. It carried information about the beans, brewing methods, and eco messages. Identify and explain three product mix components she used.	2
23	Aditi developed a biodegradable utensil prototype. She arranged the raw material, hired a small team, and is now producing a sample batch. Identify the stages of the innovation process she is involved in.	2
24	'GRX Ltd. has marked its presence for its 'Apple Cider Vinegar on different social media platforms like Facebook, Instagram etc. by demonstrating features and benefits not available with the competitors' products without mentioning their names. a) Identify the type of sales strategy adopted by 'GRX Ltd.' b) Name and state the other type of sales strategy available with the businesses.	2

SECTION C

25	“An entrepreneur must pay attention to the quantity and quality of the manpower for his business as it directly impacts the performance and resulting productivity of the organization.” (I) In the light of the aforesaid statement, identify the component of a business plan that helps an entrepreneur fulfill the stated purpose. (II) State the objective and importance of the identified component.	3
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26	'Mitsu Electronics Ltd.' was operating its business of electronic items in India. The Prime Minister announced relaxation in export duties on electronic items and the company started exporting its products to neighbouring countries. The company developed a better and cheaper video conferencing system to solve the problem, if any, and to replenish the stocks wherever and whenever needed. The demand for its electronic items started increasing day-by-day as there is an increase in the level of education and consumerism globally. Quoting the lines from the above para, identify and explain any three dimensions of Business Environment.	3
27	Ishaan opened a grocery store in a residential colony. He manages all operations, from purchasing stock to billing and interacting with customers. He did not register the business formally and used his savings to start it. Identify and explain any three features of sole proprietorship evident in the case.	3
28	Explain the following reasons for Mergers and Acquisitions: i) Acquiring new technology ii) Entry into new markets iii) Acquiring competency	3
29	'Golden Ice Cream Limited' is a manufacturer and supplier of ice creams. They set the price of their various ice cream varieties based on manufacturing estimates. The company had been earning good profits over the last many years as there were no competitors in the market for their ice creams. However, during the last year, the company incurred heavy losses. On investigation, they noticed that while setting the prices, they did not take into account the actions of competitors, which may have led to these losses. Additionally, the pricing method used by the company includes sunk cost and ignores opportunity cost. a) Identify the pricing method used by the company. b) Explain any two advantages of the pricing method identified in (a).	3
SECTION D		
30	Bimal Industries is a reputed company manufacturing 'Dosa batter maker' appliance or household use. It has its headquarters at Hampi. Since its inception, the company has been selling their appliances to southern parts of the country. It has now decided to create a distribution network in the North and West India too. The Managing Director Narayan Das knew that though not many people buy this appliance but those who do, be made aware of the technicalities of the 'Dosa batter maker.' This would further enhance image of the company in the eyes of the public. a) Quoting the lines from the above case, identify the factors, which should be taken into account by Bimal Industries for selecting a distribution channel for their 'Dosa batter maker'. b) Also state one other consideration affecting each of the factor identified in (a) above.	5
31	Mallika was selling vegetables in her cart along with her mother. They were able to earn a profit of around Rs.200 every day. Even though the amount was not substantial it was sufficient for a decent living. Mallika often noticed that nuclear families where both husband and wife go to work find it difficult to cook as cleaning and cutting vegetables took a lot of time, so an entrepreneur she started gathering information regularly and developed a new product line of selling cut vegetables in hygienic packaging.	5

	a) Identify the way in which Mallika spotted this trend. b) Also explain the other methods that she can adopt to spot trends.	
32	Give the meaning of 'Franchise Agreement'. Explain the four main ingredients of a 'Franchise Agreement'.	5
33	Latha started her business of making homemade spice powders from her home during her free time and started selling them to households in her area. The spice powders were a huge success because of their good quality, authentic taste, and suitability to the preferences of the target market. She decided to make it into a full-time business. Her entire family supported the venture. She approached a few family members and friends who lent her around ₹22 lakh. With that money, she purchased some machinery and rented a small space to start producing the spice powders on a larger scale. Her products under the brand name 'Home Taste' became a huge hit in the market. Within a span of a few years, her business grew two fold. She was talking about her successful venture to her brother who is also a chartered accountant. He suggested to her that she should improve her business model so that it will enable mass production. They analysed that they will have to make a list of all pros and cons of increasing the business. Keeping this in mind, her brother prepared a document which described formally the relevant external and internal elements involved in starting the venture on a large scale. This document comprised various components. Explain in detail any five items which should be included in the component which gives a projection about the economic feasibility of the enterprise.	5
34	Disha, a graduate of Horticulture from Kurushetra University came across a barren land near Solan when she visited this place. Disha was fond of strawberries and was inquisitive to understand the reason why strawberries could not be grown there. She was informed by the local authorities that the land was infertile for raising strawberries. She took this as a challenge and believed in its success. Best quality strawberries now mark the beauty of that barren piece of land. a) Identify and explain the 'idea field' from where the idea has been generated. b) Also explain and give one example each for four other idea fields which may generate useful product ideas.	5
