

ENTREPRENEURSHIP

Maximum Marks: 70

Time Allotted: Three Hours

Reading Time: Additional Fifteen Minutes

Instructions to Candidates

1. You are allowed **an additional fifteen minutes** for **only** reading the question paper.
2. You must **NOT** start writing during reading time.
3. This question paper has **8 printed pages**.
4. There are **twelve** questions in the paper. All questions are compulsory.
5. This paper is divided into **three sections: A, B and C**.
6. **Section A** has **fourteen subparts** which are very short answer questions. Each question carries 1 mark.
7. While attempting **Multiple Choice Questions** in Section A, you are required to **write only ONE option as the answer**.
8. **Section B** has **seven questions** which are short answer questions. Each question carries 4 marks.
9. **Section C** has **four questions** which are long answer questions. Each question carries 7 marks.
10. **Internal choices** have been provided in **three questions in Section B** and in **two questions in Section C**.
11. The intended marks for questions are given in brackets [].

Instruction to Supervising Examiner

Kindly read **aloud** the Instructions given above to all the candidates present in the examination hall.

Note: The Specimen Question Paper in the subject provides a realistic format of the Board Examination Question Paper and should be used as a practice tool. The questions for the Board Examination can be set from any part of the syllabus, though the format of the Board Examination Question Paper will remain the same as that of the Specimen Question Paper. The weightage allocated to various topics, as given in the syllabus, will be strictly adhered to.

SECTION A – 14 MARKS

Question 1

- (i) A franchise is described as a business arrangement where: **(Recall)** [1]
- (a) a company shares profits equally with another independent business.
 - (b) products are sold under different names without the use of any common brand identity or trademark.
 - (c) the ownership of a company is fully transferred from one person to another, along with the brand, assets, and full control of operations.
 - (d) one party allows another party the use of its brand, trademark, and business model in exchange for an initial fee and recurring payments.

- (ii) HappyFeet Ltd. is a footwear manufacturing company that produces leather sandals using local artisans and materials. It set up an industrial unit in a rural region utilising the raw materials and employing the local artisans. Over the years, the company developed schools in the region, improved healthcare access, and trained local youth for employment. [1]

This approach by the company represents its:

(Understand)

- (a) single minded focus on production capacity to increase profit.
 - (b) compliance with environmental regulations to avoid penalties.
 - (c) contribution to the social and economic well-being of the host region.
 - (d) short-term charitable donations made to improve the company's image.
- (iii) A retail company has recently adopted an AI-powered chatbot to facilitate customer services. Although the company reports faster response times and improved customer satisfaction, some customers have raised concerns about reduced human interaction and data privacy risks. [1]

Which of the following **BEST** evaluates the impact of chatbots in this case?

(Evaluate)

- (a) Chatbots eliminate the personal touch in customer services.
- (b) They only improve efficiency and do not maintain privacy.
- (c) They are ineffective as customers always prefer human interaction over automated systems.
- (d) They improve customer service but may create data privacy issues and reduce human contact.

(iv) Choose the statements that reflect the scope of corporate governance. **(Analyse)** [1]

- (P) Ensuring open and accessible reporting to stakeholders.
- (Q) Pursuing greater financial returns through increased production.
- (R) Mandating a committee of non-executive directors for financial scrutiny.
- (S) Reducing operational costs through restructuring and reducing size of workforce.

- (a) Only (P) and (Q)
- (b) Only (P) and (R)
- (c) Only (Q) and (R)
- (d) Only (Q) and (S)

(v) Given below are two statements marked Assertion and Reason. Read the statements carefully and choose the correct option. **(Analyse)** [1]

Assertion: Sustainability is essential for ensuring long-term development and ecological balance.

Reason: Sustainability mainly focuses on reducing pollution levels to protect the environment.

- (a) Both Assertion and Reason are true, and Reason is the correct explanation for Assertion.
- (b) Both Assertion and Reason are true, but Reason is not the correct explanation for Assertion.
- (c) Assertion is true and Reason is false.
- (d) Both Assertion and Reason are false.

(vi) The owner of a startup plans to design a smart water bottle that reminds users to drink water at regular intervals. **(Apply)** [1]

Arrange the following steps in the correct sequence of the prototyping process:

- (1) Refinement
- (2) Launch
- (3) Testing
- (4) Feedback
- (5) Idea
- (6) Prototype

- (vii) Study the relation between the first two phrases and complete the analogy.
- (a) Influencing decisions in a startup: Need for power :: Launching a startup: _____ [1]
(Apply)
- (b) A tailor seeking funding from a government scheme to expand her stitching business.: TREAD :: A kirana store owner taking a loan of ₹ 3 lakh from a government scheme to scale up the business into a supermarket: _____ [1]
(Apply)
- (viii) Fill in the blanks with the correct words.
- (a) Original music compositions are protected under the _____ Act. (Recall) [1]
- (b) The triple bottom line in CSR emphasises that businesses should integrate people, planet and _____ for long-term sustainability. (Recall) [1]
- (ix) State whether the following are True or False:
- (a) Human-generated data analysed by AI produces unbiased results. (Recall) [1]
- (b) A well-designed business plan may not succeed if it lacks a clear strategic direction. (Understand) [1]
- (x) MetFurn Ltd., a metal furniture company, has built a strong reputation through ethical conduct and quality products. [1]
How does this reputation create additional value for the business, even though it cannot be directly measured in monetary terms? (Analyse)
- (xi) An entrepreneur planning to open a retail store, uses an AI system to compare sales and customer behaviour across multiple stores. The information gathered and the outcome of the research are given below: [1]

Store	Monthly Sales (₹)	Top-Selling Product	Customer Visits	Outcome
A	8,50,000	Electronics	12,000	Highest customer preference
B	6,20,000	Clothing	11,000	Needs sales improvement
C	7,80,000	Home Appliances	10,800	Consistent growth

Identify the AI-based process that enabled the entrepreneur to quickly gather information from multiple stores. (Understand)

SECTION B – 28 MARKS

Question 2

- (i) Explain the significance of business ethics with reference to the following:
- (a) Stakeholder confidence (Recall) [2]
- (b) Conducive work environment (Recall) [2]

OR

(ii) State *two* purposes of the following Acts governing entrepreneurship in India: (Recall)

(a) The Companies Act, 2013 [2]

(b) The Central Goods and Services Tax (GST) Act, 2017 [2]

Question 3

Read the case given below and answer the questions that follow:

A group of students has noticed that their peers often struggle with voluminous textbooks which lack interactive learning tools. Based on this observation, they decide to develop a new simplified learning solution. They first consider creating a single mobile application that includes both audio explanations and visual flashcards. The idea of changing traditional textbooks into short, interactive digital lessons that include quizzes, animations, and simplified content also seems appealing to them.

(i) Determine *two* SCAMPER techniques which can be used by the students. Match each technique with the corresponding idea. [2]
(Analyse)

(ii) If the group wanted to apply a technique other than the two mentioned above, which one would be relevant and why? [2]
(Evaluate)

Question 4

The Volkswagen Emissions Scandal: A Detailed Analysis

‘In 2015, Volkswagen (VW) became embroiled in a significant scandal known as "Dieselgate," which revealed the company’s use of illicit software to manipulate emissions tests on its diesel vehicles. This software, designed to deceive emissions testing protocols, allowed VW to present its diesel cars as more environmentally friendly than they were.

The scandal had profound consequences, including extensive vehicle recalls, substantial financial penalties, and significant damage to the company’s reputation.’

(Source (edited): <https://www.directors-institute.com/post/corporate-governance-failures-case-studies-and-lessons-learned>)

The Volkswagen emissions scandal revealed several corporate governance gaps. Identify these gaps and briefly explain *two* roles of the National Foundation for Corporate Governance (NFCG) that could help prevent similar corporate governance failures in Indian companies. (Analyse)

Question 5

(i) Expand the abbreviation AIM. State *three* features of this government scheme. [4]
(Recall)

OR

(ii) Give a brief overview of the following government schemes for entrepreneurs:

(a) Startup India Initiative (Recall) [2]

(b) Stand-up India Scheme (Recall) [2]

Question 6

- (i) Diya is working on her school project and uses the following tools:

- (a) A notepad to type the report
- (b) An advanced scientific calculator
- (c) Google Maps to find directions to a library
- (d) An overhead projector for the presentation

Identify the tool that uses Artificial Intelligence. Justify your answer with an argument. **(Apply)** [2]

- (ii) 'We do not inherit the Earth from our ancestors; we borrow it from our children.' [2]

Based on this statement, explain why responsible decision making is required to support sustainable development in business. **(Understand)**

Question 7

Differentiate between *Invention* and *Innovation* on the following bases:

(Analyse)

- (a) Meaning
- (b) Concept
- (c) Skills required
- (d) Occurrence

Question 8

- (i) Briefly explain *two* reasons for failure in business plans. **(Recall)** [4]

OR

- (ii) With reference to the Startup India Action Plan, 2016, answer the following questions.

- (a) How does the self-certification initiative aid businesses? **(Recall)** [2]
- (b) Why is the Startup India Hub described as a single point of contact for startups? **(Understand)** [2]

SECTION C – 28 MARKS

Question 9

- (i) Describe *two* types of entrepreneurships. Cite *one* example of each. **(Understand)** [7]

OR

- (ii) Who is an entrepreneur? Explain *five* characteristics of a successful entrepreneur. **(Recall)** [7]

Question 10

Attempt either subparts (i) and (ii) or (iii) and (iv).

- (i) What is meant by *business ethics*? (Recall) [2]
- (ii) Give a detailed account of *two* components of a business plan. (Recall) [5]

OR

- (iii) State *two* purposes of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. (Recall) [2]
- (iv) Describe *two* obstacles faced by Indian startups. (Recall) [5]

Question 11

Read the case study on the entrepreneurs given below and answer the questions that follow.

Tanisha owns a small manufacturing unit and continues to use outdated machinery, manual record-keeping and non-digital payment methods. She adopts newer technology only when competition compels her to do so.

Asmita runs a traditional grocery shop and has continued using the same methods for several years because she enjoys maintaining the business in the way she has always done. In contrast, Arjun opened a mobile repair shop after observing the financial success of a similar business in his town.

- (i) Design an innovative solution that Tanisha could introduce to overcome *any one* of the business challenges described above. Justify how it would benefit her business. (Create) [3]
- (ii) Evaluate whether the behaviour of Asmita and Arjun in the above case is driven by intrinsic motivation or extrinsic motivation. Give *one* reason to support your answer for each case. (Evaluate) [4]

Question 12

Read the newspaper article given below and answer the questions that follow.



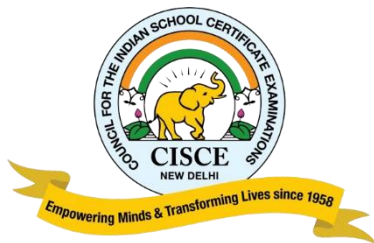
Source (edited): *The Times of India*, Sunday, May 3, 2026

- (i) State *one* reason why brands might choose to switch to an unfamiliar, new design for their logos. (Analyse) [1]

- (ii) Analyse *two* challenges that may arise when brands shift from distinctive logos to minimalist logos. **(Analyse)** [2]
- (iii) Briefly explain *two* concerns related to business ethics that could emerge during the transition from an original logo to a minimalist one. **(Apply)** [2]
- (iv) Study the logo of a heritage tea company, Tea of India shown below and answer the question that follows.



The company plans to replace its original logo with one that aligns with digital recommendation engines. As a brand consultant for Tea of India, design a new minimalist logo for the company. **(Create)** [2]



ENTREPRENEURSHIP

ANSWER KEY

SECTION A – 14 MARKS

Question 1

- (i) (d) one party allows another party the use of its brand, trademark, and business model in exchange for an initial fee and recurring payments. [1]
- (ii) (c) contribution to the social and economic well-being of the host region. [1]
- (iii) (d) They improve customer service but may create data privacy issues and reduce human contact. [1]
- (iv) (b) Only (P) and (R) [1]
- (v) (c) Assertion is true and Reason is false. [1]
- (vi) (5), (6), (3), (4), (1), (2) or Idea, Prototype, Testing, Feedback, Refinement, Launch [1]
- (vii) (a) Need for achievement [1]
(b) Pradhan Mantri Mudra Yojana / PMMY / Kishor [1]
- (viii) (a) Copyright [1]
(b) profit [1]
- (ix) (a) False [1]
(b) True [1]
- (x) It creates goodwill, which strengthens customer loyalty and credibility and contributes to the long-term sustainability of the business. [1]
- (xi) Big data analytics / machine learning-based pattern recognition [1]

SECTION B – 28 MARKS

Answers provided in Sections B and C are suggestive and not exhaustive. Any other correct answers will be accepted.

Question 2

(i) (a) Stakeholder confidence: [2]

- Ethical practices build credibility and strengthen relationships with all stakeholders.
- Transparency and honest communication increase stakeholders' trust.
- Ethical behaviour improves the organisation's image and goodwill.
- Confident stakeholders are more likely to invest, collaborate, and stay loyal.
- Ethical conduct reduces chances of scandals, legal issues, and loss of trust.

(Candidates are expected to briefly explain the significance of business ethics with reference to stakeholder confidence, preferably in two points.)

(b) Conducive work environment: [2]

- Employees can express opinions and concerns without fear of punishment.
- Ethical practices build confidence among employees and management.
- A positive environment encourages collaboration and cooperation.
- Employees are more motivated and productive in a fair workplace.
- Ethical treatment increases commitment and reduces turnover.
- A good work culture attracts skilled and prospective employees.

(Candidates are expected to briefly explain the significance of business ethics with reference to a conducive work environment, preferably in two points.)

OR

(ii) (a) The purpose of the Companies Act is to: [2]

- improve corporate governance and transparency.
- simplify the process of company formation and compliance.
- protect the interests of investors and other stakeholders.
- promote ethical and responsible business practices.
- ensure accountability of company directors and management.
- strengthen compliance with various statutory bodies.

(Candidates are expected to state any two purposes each of the specified Act.)

(b) The purpose of the GST Act: [2]

- The GST Act was implemented to eliminate the cascading effect of taxes on single transactions.
- It merged major indirect taxes of the central and state governments into a unified tax system.
- It aimed at reducing tax evasion and corruption through a transparent and technology-driven compliance framework.
- The goal of the act was to enhance productivity and efficiency by simplifying the indirect tax structure.
- It was focused on improving the tax-to-GDP ratio and government revenue by widening the tax base and ensuring better compliance.
- The GST act was envisioned to bring more taxpayers under the tax net.

(Candidates are expected to state any two purposes each of the specified Act.)

Question 3

(i) SCAMPER techniques: [2]

- **Combine** - a single mobile application that includes both audio explanations and visual flashcards.
- **Modify** - changing traditional textbooks into short, interactive digital lessons that include quizzes, animations, and simplified content.

(Candidates are expected to determine the techniques in the given case and match them with the corresponding idea.)

(ii) Other probable SCAMPER techniques: [2]

- **Substitute**: Replace textbooks with a digital platform to improve access and reduce physical burden.
- **Adapt**: Use gaming elements like levels and rewards to make learning more engaging.
- **Eliminate**: Remove unnecessary content to focus only on key exam concepts.
- **Reverse / Rearrange**: Let students take quizzes first, then learn based on their gaps.

(Candidates can mention any one technique and suggest their own ideas to develop a solution. The technique 'Put to other uses' is not suitable in this case unless the candidate can clearly link the idea to the case.)

Question 4**[4]**

Governance Gaps and Role of NFCG:

- Volkswagen lacked transparency and misled regulators. NFCG could address such a gap by promoting transparency, accountability, fairness, and ethical business practices.
- Volkswagen failed to assess the regulatory and reputational risks of its actions. In the Indian scenario, NFCG could address this gap by encouraging research on risk management, compliance, and global governance practices.
- Volkswagen showed weak ethical leadership and poor decision-making. NFCG could address such gaps by organising training in ethical leadership, legal awareness, and corporate responsibility.
- Volkswagen had weak internal controls and compliance systems. In the Indian context NFCG could address this gap by assisting in the development of strong governance policies, guidelines, and frameworks aligned with global standards.

(Candidates are expected to identify any two gaps in governance highlighted in the Volkswagen Emissions Scandal and explain any two roles of the National Foundation for Corporate Governance (NFCG) relevant to addressing similar gaps.)

Question 5

(i) AIM – Atal Innovation Mission

[4]

Three features of the Atal Innovation Mission:

- It promotes innovation through Atal Tinkering Labs (ATLs) in schools.
- It encourages research and innovation in universities and research institutions.
- It supports startups and incubators to transform innovative ideas into successful enterprises.
- It promotes innovation through collaboration with the private sector and the MSME ecosystem.

(Candidates are expected to expand the abbreviation of AIM and state any three features of the scheme.)

OR

(ii) (a) Startup India Initiative:

[2]

- Startup India Initiative was launched by the Government of India to promote startups and entrepreneurship.
- It encourages innovation and development of new business ideas.
- This initiative aims to create job creators instead of job seekers.
- Funding and mentorship support is provided under this initiative to facilitate ease of doing business.

(Candidates are expected to briefly explain the significance of this government scheme by referring to any two of its features.)

(b) Stand-Up India Scheme: [2]

- Stand-Up India Scheme provides financial assistance to SC/ST and women entrepreneurs.
- It supports setting up greenfield enterprises in manufacturing, services, trading, and allied agricultural activities.
- Bank loans ranging from ₹10 lakh to ₹1 crore are offered under this scheme.
- It mandates that each bank branch must support at least one SC/ST borrower and one woman entrepreneur.
- The directive of the scheme includes that for non-individual enterprises, at least 51% ownership must be held by SC/ST or women entrepreneurs.
- The Small Industries Development Bank of India acts as the primary nodal agency that assists entrepreneurs from registration to establishment of the enterprise.

(Candidates are expected to briefly explain the significance of this government scheme by referring to any two of its features.)

Question 6

(i) Google Maps is the only tool that uses AI. [2]

It uses AI and machine learning to analyse real-time and historical data to predict traffic patterns and optimise routes. It also uses AI for image recognition in its Street View and satellite imagery features.

(Candidates are expected to identify the AI tool in the given case and give one argument to justify the same.)

(ii) Business decisions not only affect profit but have a long-lasting influence on society and the environment. Responsible business decisions are vital for the future generation as resources are limited and must be preserved. Any business decision must reflect the ethical responsibility of ensuring fairness between present and future needs. Strategies and plans of business must strive towards sustainable goals as future societies may face resource scarcity and an environmental crisis. [2]

(Candidates are expected to briefly explain the importance of responsible decision making with reference to sustainable development.)

Question 7**[4]**

Bases		Invention	Innovation
(a)	Meaning	Invention is the development of a completely new idea, concept, or product that did not exist earlier.	Innovation is the application of a new idea to create a product / process for the first time or improve an existing one.
(b)	Concept	It refers to an original concept and its theoretical working.	It refers to improving, modifying or applying an existing concept.
(c)	Skills required	It mainly relies on scientific, technical and research skills.	It mainly relies on managerial and entrepreneurial skills.
(d)	Occurrence	It occurs only once.	It is a continuous process of improvement.

Question 8**[4]**

(i) Reasons for failure in business plans:

- Lack of clear objective and unrealistic goals leads to failure in business.
- Due to poor market research, the entrepreneur may not understand competition and market demands.
- Inadequate planning about sales, cost, profits and cash flows may give rise to financial problems in the business.
- An ineffective team and inexperienced leadership with poor managerial skill may lead to wrong decisions.
- Any business incurs losses if poor marketing and sales strategies are implemented.

(Candidates are expected to briefly explain any two reasons in two or three sentences.)

OR

(ii) (a) Under the Startup India Action Plan, startups were given a simplified compliance system based on self-certification. **[2]**

Self-certification aids any business by:

- lowering the regulatory burden and compliance costs.
- reducing the need for routine inspections by authorities.
- saving time so that the startups can focus more on core operations.

(b) The Startup India hub is described as a single point of contact because: **[2]**

- It provides centralised support.
- It offers guidance on funding / business structure / marketing / technology.
- It links startups with investors / institutions / government agencies.
- It provides mentorship and ecosystem support.
- It simplifies access to information and resources.

(Candidates are expected to briefly explain each of the given aspects of the Startup India Action Plan, preferably in any two points.)

SECTION C – 28 MARKS

Question 9

[7]

(i) Types of Entrepreneurships:

- Small business
- Scalable startup
- Large Company
- Spin off
- Social

(Candidates are expected to name any two types of entrepreneurships and give a brief description of each in two or three sentences along with a suitable example.)

OR

(ii) An entrepreneur is an individual who identifies opportunities in the market and takes the initiative to start a new venture. They introduce innovations, take calculated risks and organise and control the operations of their enterprise.

Five characteristics of a successful entrepreneur.

- **Curiosity:** Successful entrepreneurs often possess a strong sense of curiosity. This curiosity drives them to continuously discover new opportunities and possibilities. Instead of relying solely on what they already know, entrepreneurs ask thought provoking questions, challenge assumptions, and explore different paths to find innovative solutions.
- **Resilience and Persistence:** Most successful entrepreneurs are not afraid of failing. They see failure as a part of learning and growing. Many ventures fail in any entrepreneurial endeavors, but they do not give up easily and persist until they reach their goal.
- **Innovative Thinker:** Innovation in business does not always involve creating an entirely new product or service. Some of the most successful entrepreneurs have taken existing products or services and drastically improved them to meet the changing needs of the market.
- **Decisiveness / Strong leadership Qualities:** Entrepreneurs make difficult decisions and take responsibility for them. As leaders, they play a key role in determining the future of their business.
- **Risk-taker:** Successful entrepreneurs are comfortable and confident in taking risks as any new business venture is associated with uncertainty.
- **Self-Awareness:** A good entrepreneur is aware of strength and weakness he or she possesses. They do not let their shortcomings hold them back, rather they create teams which can address those specific areas.

(Candidates are expected to describe an entrepreneur and briefly state any five of their characteristics in a sentence or two.)

Question 10

- (i) • Business ethics is a set of moral values and principles that guide decision making and behaviour in any organisations. It is a framework of ethical standards for conducting business responsibly. / It refers to the practice of maintaining integrity, accountability and fairness in an organisation's operation. It is the basis for responsible governance and effective leadership. [2]

(Candidates are expected to explain business ethics by stating any four of the underlined key phrases.)

- (ii) The components of a business plan are: [5]
- **Executive Summary:** It may include a table of contents, company background, market opportunity, management overviews, competitive advantages, and financial highlights.
 - **Products And Services:** This contains details of the product and the service offered. It can also include pricing, product lifespan, benefits, and similar products and competitors.
 - **Market Analysis:** This section details the target market and the expected consumer demand for the product or service. It also details the competitions and the differentiation strategies.
 - **Marketing Strategy:** This part explains how the company plans to attack consumers or sell products. It can also discuss the marketing tools that are to be used.
 - **Financial Plans:** This includes a company's financial projections and budget allocations.

(Candidates are expected to give a detailed account of any two components of a business plan.)

OR

- (iii) Purposes of the MSMED Act, 2006: [2]
- The MSMED Act, 2006 ensures that micro, small, and medium enterprises have recognised legal status for policy support and benefits.
 - It aims to review policies through the National Board for Micro, Small and Medium Enterprises (NBMSME) and recommend measures for the promotion and development of MSMEs.
 - The objective of MSMED Act is to enhance competitiveness, facilitate technology upgrades, and provide protection against delayed payments.

(Candidates can briefly explain any two points that bring out the purpose of the MSMED Act in a sentence or two.)

- (iv) Obstacles faced by Indian startups: [5]
- **Access to Sufficient Funding:** Securing adequate funding is a significant challenge for startups in India. Many entrepreneurs struggle to attract venture capitalists or angel investors due to the perceived high risk associated with early stage businesses. The traditional lending institutions in India often require collateral or extensive credit histories, which startups typically lack. This further complicates the funding process.

- **Regulatory Hurdles:** India has a complex regulatory structure. Obtaining any necessary statutory certificate is a time-consuming process. Thus, startups face considerable difficulty in obtaining necessary licences and statutory compliances.
- **Nature of Indian Market:** The unique nature of the Indian market creates several challenges for startups, including intense competition, price sensitive consumer base, affordability issues, and diverse cultural and geographical needs that make product standardisation difficult.
- **Poor Infrastructure:** Inadequate infrastructure and limited access to advanced technology impede growth of any Indian startup. Lack of access to modern equipment can significantly affect productivity and service delivery. Also, acquiring latest technology involves severe financial strain, which make the startup less competitive in the market.
- **Lack of Talent Acquisition and Retention:** Any startup in India faces talent crunch. Most of the skilled professionals prefer the higher salaries, stability, and job security offered by established companies. As a result, attracting and retaining talented employees can be challenging for startups.

(Candidates are expected to explain any two of the obstacles faced by Indian startups.)

Question 11

- | | | | |
|-----|---------------------|---|-----|
| (i) | Innovative Solution | Tanisha can replace or upgrade the outdated machinery. | [3] |
| | Justification | This will improve production efficiency. | |
| | | or | |
| | Innovative Solution | Tanisha can introduce digital record-keeping. | |
| | Justification | This will improve accuracy and accessibility of business information. | |
| | | or | |
| | Innovative Solution | Tanisha can introduce digital payment options. | |
| | Justification | This will make the transactions faster and more convenient. | |

(Candidates are expected to design a solution and justify the same based on the specified challenges.)

- | | | |
|------|---|-----|
| (ii) | Asmita's behaviour is driven by intrinsic motivation because her decision arises from her personal satisfaction / enjoyment in continuing the business in the way she prefers. | [4] |
| | Extrinsic motivation is the driving force behind Arjun's decision. This is evident as his decision is influenced by the financial success of another business, indicating an external reward / incentive. | |

(Candidates are expected to evaluate the type of motivation that drives the two entrepreneurs and justify the same.)

Question 12

(i) Reasons for choosing a minimalist design: [1]

- Companies switch to minimalist design to attempt neutrality and easier recognition.
- Consumers can easily associate with a minimalist and contemporary logo, thus it can have a wider appeal.
- Social media algorithms group alike brands together. As a result, making a non-distinctive logo boosts social media visibility.
- A bland logo reduces the production cost significantly.

(Candidates can briefly state any one reason for brands using a minimalist style for their logos.)

(ii) Challenges of blanding: [2]

- Neutral designs can make brands appear similar to their competitors.
- Overly plain designs may fail to stand out in a competitive market.
- Minimalist designs reduce the competitive advantage that the product enjoys with a distinctive trademark.
- It increases the risk of imitation if logos are too similar.

(Candidates can briefly state any two challenges that brands would face by switching to a minimalist style logo.)

(iii) Ethical Concerns: [2]

- Using a minimal logo may lead to loss of transparency.
- The minimalist logo may reduce stakeholder confidence.
- The company may face the problem of erosion of goodwill when any minimal logo is used.
- The ethical risk of unfair competition or imitation increases when a minimalist logo is used.

(Candidates can briefly state any two ethical concerns that could emerge during the transition.)

(iv) Candidates need to design any logo that: [2]

- uses simple shapes, clean lines, limited elements
- avoids clutter and excessive detail
- reflects suitability for digital platforms
- logo connects to tea (e.g., leaf, cup, steam, initials, etc.)
- maintains basic brand identity
- includes brand name
- shows originality in idea

(Candidates can incorporate any four of the above elements in the design. Labelled sketches will be accepted.)