

CLASS 12 | ENTREPRENEURSHIP

CHAPTER 4 | PYQ
Enterprise Growth Strategies
Expansion, diversification, mergers and franchising
Board-style chapter practice for 2026-27 revision

EXPAND
MARKET

MERGER
GROWTH

FRANCHISE
MODEL

FREE
PDF

PYQ PDF | 2026-27 BOARD REVISION

collegedunia

Class 12 Entrepreneurship PYQ

Enterprise Growth Strategies

Chapter 4 board-style practice pack for 2026-27 revision

Source note: The local chapterwise PYQ sheet has no Class 12 Entrepreneurship worksheet. This PDF uses NCERT Chapter 4 themes and CBSE-style board practice prompts transparently. It is meant for chapter-wise revision before full-paper practice.

One-Mark and Two-Mark Checks

- Q1.** Define enterprise growth. [one-mark practice]
- Q2.** State two reasons why an enterprise chooses growth. [one-mark practice]
- Q3.** What is meant by expansion strategy? [one-mark practice]
- Q4.** Name two external growth strategies. [one-mark practice]
- Q5.** What is franchising? [one-mark practice]
- Q6.** Differentiate between merger and acquisition in one point. [one-mark practice]
- Q7.** Why can diversification reduce business risk? [one-mark practice]
- Q8.** State one reason why entrepreneurs evaluate resources before expanding. [one-mark practice]

Three-Mark and Four-Mark Questions

- Q9.** Explain any three indicators that show an enterprise is ready to grow. [three-mark practice]

- Q10.** Describe how expansion can improve market reach and capacity. [three-mark practice]
- Q11.** How does franchising help a business grow with limited direct investment? [three-mark practice]
- Q12.** Explain the role of merger as a growth strategy. [three-mark practice]
- Q13.** Why should an entrepreneur study competition before diversification? [three-mark practice]
- Q14.** Describe two benefits and one risk of rapid enterprise growth. [three-mark practice]

Five-Mark and Six-Mark Long Answers

- Q15.** Enterprise growth must balance opportunity with control. Analyse this statement with suitable examples. [five-mark practice]
- Q16.** Explain expansion, diversification, merger and franchising as growth strategies for an enterprise. [five-mark practice]
- Q17.** Discuss the factors an entrepreneur should consider before selecting a growth strategy. [five-mark practice]
- Q18.** Compare internal growth and external growth with reference to control, cost and speed. [five-mark practice]
- Q19.** Explain how market demand, finance, human resources and risk influence enterprise growth decisions. [five-mark practice]

Case-Based Practice

- Q20.** A bakery with steady local demand wants to open two more outlets. Suggest the growth checks it should complete before expansion. [case-based practice]
- Q21.** A clothing brand wants to enter the school uniform segment. Identify whether this is diversification and explain the expected benefits and risks. [case-based practice]
- Q22.** A small food brand receives franchise enquiries from two cities. List the brand control and quality checks needed before accepting franchisees. [case-based practice]

Revision Grid

Growth route	Must include	Common error to avoid
Expansion	scale, capacity, market reach and finance	writing only opening more branches
Diversification	new product or market with risk spread	missing the change from existing business
Merger	combined enterprise strength and synergy	confusing it with ordinary partnership
Franchising	brand use, fee, quality control and agreement	forgetting control and support

Answer Map for Quick Revision

1. Start definition answers with the business objective of growth.
2. For expansion questions, connect demand, capacity, finance and management control.
3. For diversification questions, state the new product or market and explain risk spread.
4. For merger questions, mention combined resources, synergy and market strength.
5. For case questions, identify the strategy first and then give benefit plus caution.