

CLASS 12 | ENTREPRENEURSHIP

CHAPTER 5 | PYQ
Business Arithmetic
Break-even, EOQ, working capital, ROI and ROE
Board-style numerical practice for 2026-27 revision

BREAK
EVEN

EOQ
STOCK

ROI
ROE

FREE
PDF

PYQ PDF | 2026-27 BOARD REVISION

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Class 12 Entrepreneurship PYQ

Business Arithmetic

Chapter 5 board-style numerical practice pack for 2026-27 revision

Source note: The local chapterwise PYQ sheet has no Class 12 Entrepreneurship worksheet. This PDF uses NCERT Chapter 5 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 unit cost. [one-mark practice]
- Q2.** What is contribution per unit? [one-mark practice]
- Q3.** State the formula for break-even point in units. [one-mark practice]
- Q4.** What is working capital? [one-mark practice]
- Q5.** Write the full form of EOQ. [one-mark practice]
- Q6.** State the formula for return on investment. [one-mark practice]
- Q7.** How is return on equity different from return on investment? [one-mark practice]
- Q8.** Why should an entrepreneur know the unit of sale before fixing price? [one-mark practice]

Three-Mark and Four-Mark Questions

- Q9.** A product sells for Rs 120 and variable cost is Rs 75 per unit. Calculate contribution per unit and explain its use in break-even analysis. [three-mark practice]
- Q10.** Fixed cost is Rs 90,000 and contribution per unit is Rs 30. Calculate the break-even output. [three-mark practice]
- Q11.** Explain how working capital helps an entrepreneur manage day-to-day operations. [three-mark practice]
- Q12.** Calculate working capital when current assets are Rs 4,80,000 and current liabilities are Rs 2,95,000. [three-mark practice]
- Q13.** Explain why EOQ is useful for inventory control in a small enterprise. [three-mark practice]
- Q14.** A venture earns profit of Rs 1,50,000 on investment of Rs 10,00,000. Calculate ROI and interpret it. [three-mark practice]

Five-Mark and Six-Mark Long Answers

- Q15.** Explain break-even analysis with formula, meaning of fixed cost, variable cost, selling price and contribution. [five-mark practice]
- Q16.** A business sells 8,000 units at Rs 250 each. Variable cost is Rs 160 per unit and fixed cost is Rs 4,50,000. Calculate contribution per unit, total contribution and profit. [five-mark practice]
- Q17.** Discuss the importance of working capital, inventory control and EOQ for an entrepreneur handling regular production. [five-mark practice]
- Q18.** Compare ROI and ROE as performance measures for an enterprise. Mention the base used in each formula. [five-mark practice]
- Q19.** Explain how Business Arithmetic supports pricing, production, stock and finance decisions in an enterprise. [five-mark practice]

Case-Based Practice

- Q20.** A student starts a customised T-shirt venture. The selling price is Rs 400, variable cost is Rs 260 and monthly fixed cost is Rs 28,000. Calculate the break-even quantity and state what it means. [case-based practice]
- Q21.** A home bakery keeps high raw material stock to avoid shortage, but storage cost is rising. Identify the inventory decision involved and explain how EOQ can help. [case-based practice]
- Q22.** An entrepreneur reports net profit of Rs 2,40,000, total investment of Rs 12,00,000 and owner's equity of Rs 8,00,000. Calculate ROI and ROE and explain which base gives the higher return. [case-based practice]

Revision Grid

Formula area	Must include	Common error to avoid
Break-even	fixed cost, selling price, variable cost and contribution	dividing by selling price instead of contribution

Working capital	current assets minus current liabilities	treating all assets as current assets
EOQ	demand, ordering cost and carrying cost	forgetting the square-root relationship
ROI and ROE	profit compared with investment or equity	mixing investment base with equity base

Answer Map for Quick Revision

1. Write the formula first and then substitute values with units.
2. For break-even questions, calculate contribution before using fixed cost.
3. For working capital, separate current assets and current liabilities.
4. For EOQ, show how inventory cost is being balanced.
5. For return questions, state whether the base is total investment or owner's equity.