

ENTREPRENEURSHIP (066)

CLASS XII (2024-25)

MARKING SCHEME

Q.NO.	ANSWER	MARKS
1.	C. mutual agency	1
2.	C. Problem	1
3.	B. Indirect sales strategy	1
4.	C. Trade Mark For Visually Impaired Candidates: A. opts to use a common or successful family name for her several products.	1 1
5.	C. Private limited company	1
6.	B. commercial value	1
7.	D. (d) – (iv)	1
8.	C. It does not take into account the competitor's pricing and actions	1
9.	D. (i), (ii) and (iv)	1
10.	C. designs or patterns used for manufacturing	1
11.	D. Proprietary statements	1
12.	A. Investment decision	1
13.	B. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).	1
14.	A. (i) and (iii)	1
15.	B. outstanding expenses	1
16.	A. It is an inexpensive method of issuing shares.	1
17.	C. backflip	1
18.	A. increase, longer	1

<p>19. (A)</p> <p>19. (B)</p>	<p>An idea should lead the entrepreneur to a definite product/service which he/she can sell. So, the first step is to obtain a concept of the product or service suggested by one idea. If the product is already available in the market, then this assessment should identify the reason for re-introducing the same.</p> <p style="text-align: center;">OR</p> <p>The initial spotting of ideas i.e. basic idea is of a random nature, whereas, the development of ideas after scanning the environment i.e. post scanning idea is a more purposeful activity. The former is an experiential process while the latter is a strategic process.</p>	<p style="text-align: center;">2</p> <p style="text-align: center;">2</p>
<p>20.</p>	<p>Two elements of business opportunity are:</p> <ul style="list-style-type: none"> • Assured market scope: He is very popular in the area and people generally request his employer to send Rohit for their repair and maintenance tasks. • Practicability of idea: He will provide services instantaneously within 15 minutes of the request received. 	<p style="text-align: center;">1</p> <p style="text-align: center;">1</p>
<p>21. (A)</p> <p>21. (B)</p>	<p>(I) Merger is the type of enterprise growth strategy adopted in the two scenarios.</p> <p>(II) Two forms of the growth strategy indicated are:</p> <p>(i) Absorption</p> <p>(ii) Amalgamation</p> <p>For Visually Impaired Candidates in lieu of 21. (A):</p> <p>Opened a new branch: Internal expansion</p> <p>Merged with protein manufacturing business: External expansion</p> <p style="text-align: center;">OR</p> <p>Synergy can take the following forms:</p> <ul style="list-style-type: none"> • Operating synergy: The cost savings that come through economies of scale or increased sales and profits. It leads to the overall growth of the firm. • Financial synergy: This is the result of financial factors such as lower taxes, higher debt capacity or better use of idle cash. 	<p style="text-align: center;">1</p> <p style="text-align: center;">$\frac{1}{2}$</p> <p style="text-align: center;">$\frac{1}{2}$</p> <p style="text-align: center;">1</p> <p style="text-align: center;">1</p> <p style="text-align: center;">1</p> <p style="text-align: center;">1</p>
<p>22.</p>	<p>The ways of trend spotting used by Zakir are:</p> <ul style="list-style-type: none"> • Watch trends: 'Zakir decided to spend more time in the gym inside his apartment complex and in nearby localities. He simply observed the people.' • Talk trends: 'He conducted an online survey to ascertain the viable product for his business idea.' 	<p style="text-align: center;">$\frac{1}{2} + \frac{1}{2}$</p> <p style="text-align: center;">$\frac{1}{2} + \frac{1}{2}$</p>
<p>23.</p>	<p>Elevator pitch is a three-minute summary of the business plan's executive summary. This is often used as a teaser to awaken the interest of potential funders, customers, or strategic partners.</p> <p>Internal operational plan is used by the management for detailed planning and may not be of any interest to funders or customers.</p>	<p style="text-align: center;">1</p> <p style="text-align: center;">1</p>

<p>24. (A)</p>	<p>Reorder level = Lead time x Daily requirement = 5 X 2500 = 12500 units</p> <p style="text-align: center;">OR</p> <p>24. (B) Return on Equity = $\frac{\text{Net Profit after Tax}}{\text{Total Equity}} \times 100$ = $\frac{6,00,000}{20,00,000} \times 100$ = 30%</p>	<p>1 1/2 1/2</p> <p>1 1/2 1/2</p>
<p>25.</p>	<p>Macroenvironment factors that may affect the future of Prudent Pharma are:</p> <ul style="list-style-type: none"> • 'governed by health and safety regulations and the company needs to acquire the required licenses - Legal factor • 'rising awareness levels and easy access to information of people' - Social factor • 'As income levels of the population have improved'- Economic factor 	<p>1/2 + 1/2</p> <p>1/2 + 1/2</p> <p>1/2 + 1/2</p>
<p>26. (A)</p>	<p>(I) Manpower Plan (II) Objective: Right person, at the right job, at right time. Importance: To build up loyal, efficient and dedicated personnel, an entrepreneur needs to pay adequate and proper attention to human resource planning.</p> <p style="text-align: center;">OR</p> <p>26. (B) (I) Marketing plan (II) Steps in identification of the "target market" are: (i) Deciding what the entrepreneur wishes to pursue is based on market research or industry analysis done and complied with by competent people or the entrepreneurs. (ii) Divide the market into smaller groups based on:</p> <ul style="list-style-type: none"> • Consumer's characteristics viz. Geographic (State, Country etc.) Demographic (Sex, age, etc.), Psychographics (Personality, life style, etc.) • Buying situations viz. Buying conditions (time available etc.), Usage, Desired benefits (features of product). 	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1/2</p> <p>1/2</p>
<p>27.</p>	<p>(I) Below-the-line approach is the approach used by 'Pom-Pom' to reach its customers. (II) Features of Below-the-line approach are:</p> <ul style="list-style-type: none"> • The purpose of the activities is to develop the brand by creating awareness and building a brand profile. • It can lead to an actual sale which is easy to measure. 	<p>1</p> <p>1</p> <p>1</p>

<p>28. (A)</p>	<p>The following market-related considerations to be used by an entrepreneur while selecting the channel for distribution:</p> <ul style="list-style-type: none"> • Number of buyers: If the number of buyers is large then it is better to take the services of middlemen for the distribution of the goods. On the contrary, the distribution should be done by the manufacturer directly if the number of buyers is less. • Buying habits: A manufacturer should take the services of middlemen if his/her financial position does not permit him/her to sell goods on credit to those consumers who are in the habit of purchasing goods on credit. • Buying quantity: It is useful for the manufacturer to rely on the services of middlemen if the goods are bought in smaller quantity. <p style="text-align: center;">OR</p> <p>28. (B) A channel of distribution consists of three types of flows:</p> <ul style="list-style-type: none"> • Downward flow of goods from producers to consumers. • Upward flow of cash payments for goods from consumers to producers. • Both downward and upward direction Flow of marketing information on new products, new uses of existing products, etc from producers to consumers. Also, flow of information in the form of feedback on the wants, suggestions, complaints, etc from consumers/users to producers. 	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>
<p>29.</p>	<p>C= ₹ 3 P= ₹ 18 D= 7500 EOQ = $\sqrt{2 \times P \times D / 3}$ = $\sqrt{2 \times 7500 \times 18 / 3}$ = 300 units</p> <p>Benefits of calculating EOQ: Ensures that there is no stock-out situation and the cost of carrying and placing the order is minimised.</p>	<p>1</p> <p>½</p> <p>½</p> <p>1</p>
<p>30.</p>	<p>(I) Natural</p> <p>(II) Existing product: A business will improve or change its existing products by modifying the ingredients or expanding the offering. This is done to keep up with competition and increase sales. Market driven: Market research provides important information to identify and analyze the market need, market size, competition and general environment. This helps in idea generation and better decision making.</p> <p>(III) Socio- economic benefits are:</p> <ul style="list-style-type: none"> • Better utilisation of local resources- using locally grown bamboo which was underutilised. • Supporting environment/sustainability - provide a simple replacement for harmful plastic with bamboo-based products 	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>

<p>31. (A)</p>	<p>Advantages of franchising to franchisee:</p> <ul style="list-style-type: none"> • Franchisors share market knowledge and conduct market surveys • The start-ups can grow fast without having to increase labor, operating costs and blocking running expenses because normally buyers straight walk up to them. • Franchisors provide training to franchisees that can help them to be successful. • Franchisor can support the franchisees financially, help in investing capital • Franchisors use standard procedures which are tried and tested techniques and share with franchisees. Standardization in the supplies, products and services provided helps ensure that the entrepreneur will maintain quality standards that are so important. <p style="text-align: center;">OR</p> <p>(I) Penetration pricing is a pricing strategy where the price of a product is initially set at a price lower than the eventual market price to attract new customers. Skimming Pricing Strategy is used when goods are sold at higher prices so that fewer sales are needed to break even.</p> <p>(II) Advantages of Penetration pricing strategy:</p> <ul style="list-style-type: none"> • It can result in fast diffusion and adoption. This can achieve high market rates quickly. This can take the competitors by surprise, not giving them time to react. • It discourages the entry of competitors. Low prices act as a barrier to entry. <p>Advantages of Price Skimming strategy:</p> <ul style="list-style-type: none"> • Price skimming helps the company in recovering the research and development costs which are associated with the development of a new product. • If the company caters to consumers who are quality conscious rather than price conscious, then this type of strategy can work in a great way for a company. 	<p>1 1 1 1 1</p> <p>1/2 1/2</p> <p>1 1</p> <p>1 1</p>
<p>32.</p>	<p>(I) Yes, as Mr. Prasad has unlimited liability. The proprietor is liable/responsible for all losses arising from business. In case the business assets are insufficient to pay off liabilities, his/her personal property can be called upon to pay his business debts.</p> <p>(II) Environment scanning is important for an entrepreneur as it helps in:</p> <ul style="list-style-type: none"> • identification of opportunities • getting first mover advantage • formulation of strategies and policies 	<p>2</p> <p>1 1 1</p>

33.	Variety	Cushion covers (per pair)	Curtains (set of two pairs)	Bed covers (Standard King size)	
	Selling Price (in ₹)	555	1150	1550	
	Variable Cost (in ₹)	275	550	750	
	Contribution	280	600	800	
	Sales Mix	30%	40%	30%	
	Weighted Contribution	84	240	240	
	(I) Total Weighted Contribution margin = 84+240+240 = ₹ 564				
(II) Break-even quantity for each variety					
Break Even Point = $\frac{\text{Total Fixed Cost}}{\text{Weighted Contribution Margin}}$					1
$= \frac{22,56,000}{564} = 4,000$ units					1/2
Cushion covers= 4000 x 30% = 1,200 units					1/2
Curtains = 4000 x 40% = 1,600 units					1/2
Bed covers= 4000 x 30% = 1200 units					1/2
(III) Breakeven in Rupees for cushion covers=Break even quantity x SP per unit = 1200 x 555 = ₹ 6,66,000					1/2
34. (A)	(I) LIC of India has approached the Primary Market.				1
	(II) Primary market is the 'new issues' market that facilitates transfer of resources from the savers to the entrepreneurs.				1
	Whereas;				
	Secondary market is the 'old securities' market that deals in buying and selling of the market securities issued earlier which are sold by existing investors.				1
	(III) Capital markets are the most important source of raising finance for the entrepreneurs as this market can:				
	<ul style="list-style-type: none"> • Mobilize the financial resources on a nation-wide scale. • Secure the required foreign capital and know-how to promote economic growth at a faster rate. 				1
	OR				
34. (B)	(I) Angel Investors: Informal investors in the startup in its early stages. They are ready to invest when even the venture capitalist are least interested to make investments. Most angels are expected to dilute after the first few rounds of investment.				1
	Whereas;				
	Venture Capitalists: Professionally managed pool of equity capital who undertake long-term investment, usually occurring over five years and have continuous involvement in the management of business.				1
	(II) Role of an angel investor:				
	<ul style="list-style-type: none"> • Most angels provide proactive advice, guidance, industry connections and mentoring start-ups in its early days. 				1
					1

	<ul style="list-style-type: none">• Their objective is to create great companies by providing value creation, and simultaneously helping investors realize a high return on investments.• They have a sharp inclination to keep abreast of current developments in a particular business arena, mentoring another generation of entrepreneurs by making use of their vast experience.	1
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