



INDIAN SCHOOL AL WADI AL KABIR
DEPARTMENT OF COMMERCE

CLASS XI - ASSESSMENT I -2024-25

DATE: 01/10/2024

ENTREPRENEURSHIP (066)


MARKS: 70

MARKING SCHEME

PART A		
Q. No.		Marks
1	<p>During the rainy season, Subir observed that a large quantity of natural and free water was being wasted. Being a mechanical engineer, Subir started to work on a device that was to be installed in underground water tanks, collecting the rain water, freezing it and creating a surplus water resource. He prepared a prototype and started the trials on this device. He was happy that he succeeded in converting his idea into reality.</p> <p>Identify the idea field that provided him an insight for developing the product:</p> <ul style="list-style-type: none">a) Market driven ideab) Natural resourcesc) Service-related idead) Creative efforts	1
2	<p>Aditi successfully completed her studies at a famous institute of fashion designing. She is now eager to establish a manufacturing unit specializing in designer clothes for the youth in India. To achieve this, she started going to locations frequently visited by her target customers.</p> <p>Additionally, she has begun exploring local markets and actively participating in fashion shows. These efforts aimed at gaining a deeper understanding of the market and ensuring that the manufactured designer clothes are in sync with the prevailing fashion trends</p> <p>Identify the way in which Aditi is spotting trends:</p> <ul style="list-style-type: none">a) Read Trendsb) Talk Trendsc) Watch Trendsd) Think Trends	1
3	<p>Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative from those given below:</p> <p>Assertion (A): It is important for an entrepreneur to evaluate ideas received from different sources.</p> <p>Reasoning (R): Evaluating the ideas will help in finding a creative solution.</p> <p>Alternatives:</p> <ul style="list-style-type: none">a. Assertion (A) is correct but Reason (R) is wrong	1

	<p>b. Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).</p> <p>c. Both Assertion (A) and Reason (R) are correct and Reason (R) is not the correct explanation of Assertion (A)</p> <p>d. Assertion (A) is wrong and Reason (R) is also wrong</p>	
4	<p>Financial plan is a projection of key financial data about:</p> <ol style="list-style-type: none"> Economic feasibility of the enterprise Orderly movement of goods Market opportunities and threats The potential investment commitment needed for the new venture <p>Choose the correct option from the following:</p> <ol style="list-style-type: none"> I only I and IV only I, II and IV II, III and IV 	1
5	<p>‘Air Puro Ltd.’ Is engaged in manufacturing and distribution of air-purifiers. The company has four departments – Production, Marketing, Finance and Human Resource. The quality of the air-purifiers is very good and these are handy also.</p> <p>Due to this the demand of air-purifiers started growing. To meet the growing demand, the Production Head informed the Chief Executive Officer to recruit more employees.</p> <p>The component of Business Plan which will help in deciding the number of people required is:</p> <ol style="list-style-type: none"> Marketing plan Production plan Organizational plan Manpower plan 	1
6	<p>Manoj, Ankit and Nikhil are good friends and doing interior designing business at a small scale. Their business is taking off in a big way. Now there is a need to change their small-scale business into a large-scale business. The trio needs more capital to invest, to hire more employees and for other expenses. Due to the growing need they decided to re-organize their form of business. Now they wanted to have an organization in which members have a limited liability and minimum paid up capital is Rs. 1 lakh</p> <p>The type of organization the trio wanted to form is:</p> <ol style="list-style-type: none"> Partnership Public company Private company Sole proprietorship 	1
7	<p>It is a comprehensively written down document prepared by the entrepreneur describing formally all the relevant external and internal elements involved in starting a new venture. It's a formal statement of a set of business goals, the reasons they are believed attainable</p>	1

	<p>and the plan for reaching those goals along with the background information about the organization or/and team attempting to reach those goals.</p> <p>Identify the concept Ans: Business Plan</p>	
8	<p>Bharghavi started a school bag business with her brother. Both were very excited about the new venture. With meticulous planning and a lot of hard work they were able to sell 1,000 bags in the first year. But they did not earn any profit. Both were happy because they were not at loss and revenue generated was equal to the cost. Now they were moving towards earning profit in the second year.</p> <p>Identify the component of financial plan discussed above. Ans: Break even analysis</p>	1
9	<p>Sara had established a homemade papad business in Pune. Papads made by her were very popular in her locality but being the sole owner and manager of business, she could neither introduce many flavours because of limited financial resources.</p> <p>Which of the following characteristic of her business, does this situation imply?</p> <ol style="list-style-type: none"> Individual management and control Easy formation and closure Limited area of operation Unlimited liability 	1
10	<p>Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative from those given below:</p> <p>Assertion (A): In spite of certain restrictions imposed on a private company, it enjoys certain privileges under the Companies Act.</p> <p>Reasoning (R): Only two members are required to form a public company.</p> <p>Alternatives:</p> <ol style="list-style-type: none"> Both assertion and reason are true and reason is correct explanation of the assertion. Both assertion and reason are false Both assertion and reason are true and reason is not a correct explanation of the assertion. Assertion is true. Reason is false. 	1
11	<p>"One-man control is best in the world if that man is big enough to manage everything." This statement holds true for which form of business organization? Ans: Sole Proprietorship</p>	1
12	<p>Ratnanjali Ayurveda introduced a new range of products on the basis of the tri doshas. The marketing department is brainstorming on the branding of the new range where the customers can identify the new range easily and at the same time it creates awareness about the type of products this range has.</p> <p>The name 'AyurPrakriti', was adopted by the company and it would be used for all the products under this range.</p> <p>Which type of branding is adopted by Ratnanjali Ayurveda?</p> <ol style="list-style-type: none"> Individual branding 	1

	b. corporate branding c. Umbrella branding d. Alpha numeric branding	
13	 <p>The image given above is an example of:</p> <ol style="list-style-type: none"> Brand Trade mark Brand name Brand mark 	1
14	<p>A company has incurred expenses of Rs.1000 and they want to earn profit margin of 10 % than the company will sell the product at Rs. 1100.</p> <p>Identify the pricing method in the above given scenario.</p> <ol style="list-style-type: none"> Cost plus pricing Penetration pricing Creaming or Skimming pricing One variable pricing 	1
15	<p>An organisation with several products lines has which one of the following mixes that consists of all the product lines and items which a particular seller offers for sale?</p> <ol style="list-style-type: none"> Product mix Brand mix Consumer mix Packaging mix 	1
16	<p>'Shiny Teeth' have been in the field of manufacturing toothpastes since 2010. They decided to foray into the field of other specialized products in oral hygiene. Initially they decided to promote their specialized products to a large audience in the same manner as how they have been promoting their toothpastes.</p> <p>Within a few months they realised that their promotion technique is not working. The marketing team analyzed and came to the conclusion that the specialized products should be promoted to a specific target audience. This idea worked very well and the promotion was a success.</p> <p>Identify all the promotion strategies used by them?</p> <ol style="list-style-type: none"> Above the line Below the line Through the line <ol style="list-style-type: none"> i only ii only i and ii i, ii, iii 	1

17	At BEP, which of the condition is to be fulfilled: a. Total Revenue = Total Profit b. Total Profit = Total Cost c. Total revenue = Total cost d. Total Revenue = fixed cost.	1
18	If the purchase price is 80% of selling price, and the selling Price is Rs,2,000. Then the gross profit per unit earned by the business is: a. Rs.1,000 b. Rs.500 c. Rs.1,600 d. Rs.400	1
PART B		
19	What is meant by environmental scanning? Explain any one advantage of environmental scanning. MS: 1 mark meaning ½ explanation and ½ mark title point Ans: Careful monitoring of an organization's internal and external environment for detecting early signs of opportunities and threats that may influence its current and future plans. i) Identification of opportunities to get first mover advantage: ii) Formulation of strategies and policies: iii) Tapping useful resources iv) Better performance: v) Sensitisation of entrepreneurs to cope up with rapid changes: vi) Image building	2
20	Government banned the use of polythene bags and single use plastic material in order to curb the increasing pollution level by dumping of plastics. Sharayu took this as an opportunity and is planning to manufacture biodegradable bags of different sizes by processing the sugarcane bagasse. Create a logo and a tagline for the bags manufactured by Sharayu. Ans: MS: 1 mark logo and 1 mark tagline	2
21	Mahesh, an entrepreneur is planning to enter into a new business of manufacturing laptop bags with an inbuilt lock facility. Being highly complex and tedious, its manufacturing operations need to be well planned. He decides that the complete bag will be manufactured at his own factory i.e., no part of its manufacturing process will be outsourced. a. Identify the important component of business plan that is discussed above. b. Also, explain the situation for which Mahesh may have to prepare the component of business plan identified in (a)	2

	<p>MS: 1 mark identify 1 mark state the description</p> <p>Ans: 1. Production plan 2. Complete Manufacturing If the manufacturing is to be carried out in whole by the entrepreneur, he/she will need to describe: i) the physical plant layout, ii) the machinery and equipment required to perform the manufacturing operations, iii) raw materials and suppliers' names, addresses, terms and conditions, iv) cost of manufacturing v) any future capital equipment required etc.</p>	
22	<p>A grocery owner has an equity stake of Rs. 40,000 in the business. He has borrowed Rs. 60,000 at the interest rate of 10% per annum. He made a net profit of Rs. 20,000 in one year.</p> <p>Calculate the Return on Equity for the grocery owner.</p> <p>Ans: MS: ½ mark for formula 1 mark for calculations ½ mark for final answer</p>	2
23	<p>Successful launch of a product depends upon various factors. Entrepreneurs have to keep in mind the various ways of reaching the costumers and persuade them to buy their products.</p> <p>Suggest any two methods used by an entrepreneur in attracting the customer to buy the product</p> <p>MS: 1 mark each for suggestions (1 x 2 = 2)</p> <p>Ans: Any 2 promotion tools</p>	2
24	<p>Arpit an entrepreneur, was short of capital. He was worried about the fact as to how he will reach out to his customers. He met his friend who is at present working in a start-up firm. He explained to Arpit a way to reach his customers without any middlemen which will help him overcome the shortage of cash. So, Arpit decided to keep his channel of distribution simple as advised by his friend.</p> <p>From the above case: a. Identify the level of the channel of distribution adopted by Arpit b. Explain the channel of distribution mentioned above.</p> <p>MS:</p>	2

	<p>1 mark identify and 1 mark explanation</p> <p>Ans:</p> <p>1. Direct channel zero level</p> <p>This is the simplest and shortest channel in which no middlemen are involved and producers directly sell their products to the consumers. It is fast and economical channel of distribution. Under it, the producer or entrepreneur performs all the marketing activities himself and has full control over distribution. A producer may sell directly to consumers through door-to-door sales persons, direct mail or through his own retail stores. Big firms adopt this channel to cut distribution costs and to sell industrial products of high value. Small producers and producers of perishable commodities also sell directly to local consumers.</p>	
PART C		
25	<p>Rohit is working on designing of a unique face mask which would not only filter the air inhaled but also send alert messages on the registered mobile number if the user is in a zone of high pollution.</p> <p>This idea is germinated because of the interest and curiosity of Rohit as he is always interested in finding out the specific current problems and their solutions. Before launching his idea, he also analyzed the pros and cons of the product. Now he has to complete two more steps of an important process.</p> <p>Identify the process. Explain the two steps to be completed by Rohit in the process identified.</p> <p>MS:</p> <p>1 mark identify ½ mark title point and ½ mark explanation (1 x 2 = 2)</p> <p>Ans:</p> <p>Creativity</p> <p>Steps to be taken by Rohit</p> <p>1. Illumination</p> <p>In this period of illumination, the idea re-surfaces in realistic way and entrepreneur comes out with viable plan to give practical shape by collecting raw-material, arranging funds, policy-making for the implementation of idea.</p> <p>2. Verification:</p> <p>Also called the validation or testing stage. This is where the idea is verified to prove that it has value. This is the most difficult phase of creativity as obstacles begin to appear. This is the developing stage in which knowledge is developed into application.</p>	3
26	<p>A Spa had a varying number of customers during five weeks. The information regarding the number of guests and the average weekly billing is presented in the following table:</p>	3

	<table> <tr> <th>Weeks</th><th>Number of Customers</th><th>Average Amount Billed per customer (in Rs.)</th></tr> <tr> <td>1</td><td>20</td><td>200</td></tr> <tr> <td>2</td><td>34</td><td>170</td></tr> <tr> <td>3</td><td>26</td><td>142</td></tr> <tr> <td>4</td><td>44</td><td>462</td></tr> <tr> <td>5</td><td>36</td><td>350</td></tr> </table> <p>From the above given data,</p> <ol style="list-style-type: none"> What is the 'Unit Price'? If the cost of goods sold or variable cost is 60% of the sales price, calculate the 'unit cost' and the 'gross profit' <p>MS:</p> <p>½ mark = Total billed amount</p> <p>½ mark = unit price formula</p> <p>½ mark = unit price final answer</p> <p>½ mark = unit cost formula</p> <p>½ mark = unit price final answer</p> <p>½ mark = calculate gross margin</p>	Weeks	Number of Customers	Average Amount Billed per customer (in Rs.)	1	20	200	2	34	170	3	26	142	4	44	462	5	36	350	
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27	<p>Identify and explain the Intellectual Property Rights that have been followed/ violated in the given situations:</p> <ol style="list-style-type: none"> Subir, a chemist at Beyond Health Ltd. developed a unique sulphate free soap base that can be used for making shampoos, face wash, gel, etc. Its formula has been kept confidential by Subir and this will give the enterprise a competitive edge. Pritam, a well-known Bollywood music director allegedly copied the music for his song "Pehli Nazar Mein" for the movie Race from a famous K-pop artist Kim Hyung-Sup's song 'Sarang hae yo'. <p>MS:</p> <p>1 mark identify and ½ mark explanation (1.5 x 2 = 3)</p> <p>Ans:</p> <p>Patent</p> <p>Copyright</p>	3																		
28	<p>Satoru dreams of starting his own bakery where he can sell cream-stuffed mochi. However, he realizes that there are many competitors offering their own versions of mochi. Satoru's main goal is to attract as many customers as possible and become a bigger seller compared to his competitors.</p> <ol style="list-style-type: none"> Suggest a pricing strategy that will help Satoru achieve his goal. <p>MS:</p> <p>1 mark</p> <p>Ans:</p> <p>Penetration Pricing</p> <ol style="list-style-type: none"> Mention any two advantages of the suggested pricing strategy. <p>MS:</p>	3																		

	<p>1 mark each (1 x 2 = 2) any 2</p> <ol style="list-style-type: none"> 1. This pricing can help in: <ul style="list-style-type: none"> - fast diffusion - adoption - high market share - surprise the competitors' by not giving them time to react. 2. It can create goodwill among the early adopters' segment. This will get more sales by word of mouth. 3. It creates cost control and cost reduction pressure from the start, for greater efficiency. 4. It discourages the entry of new competitors. Low prices act as a barrier to entry 5. It can create high stock turnover throughout the distribution channel <p>This can create enthusiasm and support in the channel</p>	
29	<p>Give the meaning of 'Partnership' form of business organization. Explain the following features of a Partnership:</p> <ol style="list-style-type: none"> a. Profit sharing b. Unlimited liability <p>MS: 1 mark – meaning 1 mark each for explaining each point (1 x 2 = 2)</p> <p>Ans: Meaning: A partnership is an association of two or more persons to carry on, as co-owners, a business and to share its profits and losses. Thus, two or more persons may form a partnership by making a written or oral agreement to carry a business jointly and share its proceeds.</p> <ol style="list-style-type: none"> a. Profit sharing The objective of the business is to make profits and distribute the same amongst partners. Any association initiated to do charity work is not partnership. b. Unlimited liability Mostly, the liability of the partners of a firm is unlimited. Their personal properties can be disposed of to pay the debts of the firm if required. The creditors can claim their dues from any one of the partners or from all of them, meaning partners are liable: <ul style="list-style-type: none"> • Individually • Collectively. 	3
PART D		
30	<p>What is meant by 'advertising?' State any four rules to be considered while planning any advertising activity.</p> <p>MS: 1 mark meaning</p>	5

	<p>½ mark title point ½ mark explanation (1 x 4 = 4)</p> <p>Ans:</p> <p>1. Aim – What is the primary purpose of the advertisement? Is it to inform, sell, produce listings or improve the image of the business?</p> <p>2. Target – Who is the target? From which sector of the public are we trying to achieve a response? For example, is it male, female, adult, teenager, child, mother, father etc.</p> <p>3. Media – Bearing the aim and target in mind, which are of the media available is the most suitable – i.e. TV, radio, press or Internet?</p> <p>4. Competitors – What are the competitors doing? Which media channel do they use? Are they successful? Can you improve on their approach and beat them in competition?</p>	
31	<p>You are the CEO of a high-end furniture company specializing in designer sofas. Discuss the factors that will influence your decision in choosing the most effective distribution channel to sell your premium sofas if market is to be focused.</p> <p>MS: ½ mark title point and ½ mark explanation (1 x 5 = 5)</p> <p>Ans:</p> <p>Considerations related to market Market considerations are given below</p> <p>1. 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.</p> <p>2. Types of buyers Buyers can be of two types: General Buyers and Industrial Buyers. If the more buyers of the product belong to general category, then there can be more middlemen. But in case of industrial buyers there can be fewer middlemen.</p> <p>3. 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.</p> <p>4. Buying quantity It is useful for the manufacturer to rely on the services of middlemen if the goods are bought in smaller quantity.</p> <p>5. Size of market If the market area of the product is scattered fairly, then the producer must take the</p>	5

	help of middlemen.	
32	<p>Surya and his friend Chander are into developing sustainable products that are environment friendly and at the same time carrying value for the customers. They want to develop vegan leather by using Aloe vera. They met the officials from Venture Angles company that promotes young entrepreneurs. Hopeful of a positive response they submitted a detailed, well written, and pleasingly formatted plan.</p> <ol style="list-style-type: none"> Identify and explain the format of business plan presentation used by Surya and his friend. Suggest any other three formats of business plan that Surya and Chander can use to present their business plan. <p>MS: 1 mark identify and 1 mark explain (1+1 = 2)</p> <p>3 business formats ½ mark title points and ½ mark explanation (1x3 = 3)</p> <p>Ans: A written presentation for external stakeholders: A detailed, well written, and pleasingly formatted plan targeted at external stakeholders.</p> <p>1. Elevator pitch: It 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>2. A pitch deck with oral narrative: A hopeful, entertaining slide show and oral narrative that is meant to trigger discussion and interest potential investors in reading the written presentation, i.e. the executive summary and a few key graphs showing financial trends and key decision-making benchmark.</p> <p>3. An internal operational plan: A detailed plan describing planning details that are needed by management but may not be of interest to external stakeholders.</p>	5
33	<p>The macro-environment of a firm consists of major uncontrollable forces that affect its decision making and performance. The importance of these factors increases because of the fact that they are outside the firms' control and can have a positive or negative impact on their performance.</p> <p>Investing time in understanding the impact and its level helps managers build better strategies and improve business performance. Otherwise, an environmental change can have a strong adverse impact on its performance and bottom line. For example, if Apple is trying to sell iPhones in China, then it will consider consumer spending, purchasing power of individual consumers, level of inflation, unemployment and other related factors before it makes important decisions.</p> <p>Finding faster growth in a region can be easier by developing an understanding of the local society and culture. Businesses can accordingly form a business marketing and sales strategy for their products/services or create new products and services for the local market. The growth of mobile technology and the growing use of smartphones and tablets have also</p>	5

	<p>led to the emergence of new opportunities for businesses. Businesses that fail to understand how these changes affect their business will not be able to find faster growth.</p> <p>Natural resources are not just raw material but the impact of businesses on nature and the environment is also a critical factor that affects their image and performance. Society and the government are also focusing on how businesses affect nature and their overall size of environmental impact. Governments around the world have formed laws that protect the environment and focus upon preventing the exploitation of natural resources.</p> <p>Quoting the sentence, identify and explain two macro environmental factors from the above article.</p> <p>MS: 1 mark quote, 1 mark identify, ½ mark explain (2.5 x 2 = 5)</p> <p>1. Economic - For example, if Apple is trying to sell iPhones in China, then it will consider consumer spending, purchasing power of individual consumers, level of inflation, unemployment and other related factors before it makes important decisions.</p> <p>2. Social - Finding faster growth in a region can be easier by developing an understanding of the local society and culture</p> <p>3. Technological - The growth of mobile technology and the growing use of smartphones and tablets have also led to the emergence of new opportunities for businesses. Businesses that fail to understand how these changes affect their business will not be able to find faster growth.</p> <p>4. Ecological - Natural resources are not just raw material but the impact of businesses on nature and the environment is also a critical factor that affects their image and performance</p> <p>5. Legal - Governments around the world have formed laws that protect the environment and focus upon preventing the exploitation of natural resources.</p>																	
34	<p>‘Sunbae Ltd.’ manufactures liquid juice for children with minimal additives. They have three varieties of juices. The fixed cost for the production process is Rs. 2,49,000. Show the working.</p> <table><tr><td>Variety</td><td>Orange Juice</td><td>Mango Juice</td><td>Watermelon Juice</td></tr><tr><td>Selling Price per 100 ml in (Rs.)</td><td>155</td><td>175</td><td>195</td></tr><tr><td>Variable Cost per 100 ml in (Rs.)</td><td>75</td><td>95</td><td>105</td></tr><tr><td>Sales Mix</td><td>40%</td><td>30%</td><td>30%</td></tr></table> <p>From the above data, calculate the following:</p> <ol style="list-style-type: none">Total weighted average contribution marginBreak even quantity for each variety of juiceBreak even point in rupees for Orange Juice	Variety	Orange Juice	Mango Juice	Watermelon Juice	Selling Price per 100 ml in (Rs.)	155	175	195	Variable Cost per 100 ml in (Rs.)	75	95	105	Sales Mix	40%	30%	30%	5
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